



600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Tuesday, December 13, 2022

10:30 AM

Metro Regional Center, Council Chamber,

<https://youtu.be/7qxdz99QoZU>,

<https://zoom.us/j/615079992>, or

877-853-5257 (toll free) (Webinar ID:

615079992)

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Call to Order and Roll Call

Work Session Topics:

10:30 Carbon Reduction Program update

[22-5796](#)

Presenter(s): Margi Bradway (she/her), Metro
Ted Leybold (he/him), Metro
Suzanne Carlson
Brian Hurley
Grace Cho

Attachments: [Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)

11:15 State Legislative Agenda [22-5794](#)

Presenter(s): Anneliese Koehler (she/her), Metro
Jenna Jones (she/her), Metro

Attachments: [Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)
[Attachment 4](#)

12:00 Employment Agreement Update [22-5789](#)

Presenter(s): Marissa Madrigal (she/her), Metro
Attachments: [Staff Report](#)

12:20 Chief Operating Officer Communication

12:25 Councilor Communication

12:30 Adjourn

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Carbon Reduction Program Update
Work Session Topic

Metro Council Work Session
Tuesday, December 13, 2022

[STAFF REPORT FOR USE FOR WORK SESSIONS AND COUNCIL MEETINGS]

CARBON REDUCTION PROGRAM OVERVIEW AND FEEDBACK

Date: November 21, 2022
Department: Planning, Development, and
Research
Meeting Date: December 13, 2022

Prepared by: [Grace Cho
grace.cho@oregonmetro.gov]
Presenter(s): Margi Bradway, Ted
Leybold
Length:

ISSUE STATEMENT

In November 2021, President Biden signed into law the Bipartisan Infrastructure Law (BIL). The BIL authorized five years of funding for the purpose of preserving, maintaining, fortifying existing and constructing new infrastructure. Through the passage of BIL, the U.S. Department of Transportation will oversee the largest transportation infrastructure program in its history. As part of BIL, several new funding programs were created in addition to existing funding programs receiving additional funding. The Metro Council acted in October 2022 to allocate the BIL increased funding provided to existing funding programs with the adoption of Resolution 22-5284, For the Purpose of Allocating \$152.8 million of Regional Flexible Funding for the Years 2025-2027, Pending Adoption of the 2024-2027 MTIP.

The Carbon Reduction Program is a new funding program established by the Bipartisan Infrastructure Law (BIL) and administered through the Federal Highway Administration (FHWA). Oregon is to receive an estimated \$82.5 million in Carbon Reduction Program funding. Metro, as the metropolitan planning organization (MPO) for the Portland region, receives a portion based on formula allocation. Metro's portion of the Carbon Reduction Program funding is approximately \$18.8 million total, over five federal fiscal years.

As part of the work session, Metro staff will provide:

- 1) an overview of the Carbon Reduction Program;
- 2) a status report on the coordination activities with ODOT staff;
- 3) a brief review of Metro's Climate Smart Strategy;
 - a. With an emphasis on the key strategies Metro staff proposed the Carbon Reduction Program focus on; and
- 4) an overview of the process and timeline for allocating Carbon Reduction Program funds

ACTION REQUESTED

Staff requests input from Council on the process and timeline for the allocation of Carbon Reduction Program funds. Additionally staff requests input on the selected Climate Smart investment areas to guide the allocation of Carbon Reduction Program funds.

IDENTIFIED POLICY OUTCOMES

The federal aim of the newly created Carbon Reduction Program is “to reduce transportation emissions through the development of State carbon reduction strategies and by funding projects designed to reduce transportation emissions.” As part of implementing the new federal program, states and metropolitan planning organizations will receive a formula allocation of Carbon Reduction Program funds. But prior to allocating the new Carbon Reduction Program funds, states, in consultation with metropolitan planning organizations and local governments, must develop statewide carbon reduction plans aimed specifically at the transportation sector.¹

Due to state legislation passed in the late 2000’s, Oregon as well as the Portland metropolitan area have already developed statewide and regional plans to reduce greenhouse gas emissions from transportation. Known as the Statewide Transportation Strategy (STS) and the Climate Smart Strategy, these transportation focused emissions reduction plans have the aim to achieve the state goal to reduce greenhouse gas emissions a least 10 percent below 1990 levels by 2020 and at least 75 percent below 1990 levels by 2050. The Statewide Transportation Strategy was accepted by the Oregon Transportation Commission in 2013 and the Climate Smart Strategy was adopted in 2014. For the Portland region, the adopted Climate Smart Strategy, if fully implemented would meet and exceed the state mandated target for the region to achieve a 20 percent reduction per capita in greenhouse gas emissions by 2035.

These previous efforts position the region and the state to take advantage of Carbon Reduction Program funds immediately upon availability. The Oregon Department of Transportation (ODOT) has already begun convening metropolitan planning organizations and stakeholder organizations (e.g. League of Oregon Cities, Oregon Environmental Council) to discuss prioritization of the policies set in the Statewide Transportation Strategy (STS) to adapt into the federally mandated Carbon Reduction Plan. The outcome of the statewide discussions are intended to provide an overarching framework to allocate Carbon Reduction Program funds for both the state and metropolitan areas. The aim is the complete the statewide Carbon Reduction Plan in early 2023.²

State Priorities for Carbon Reduction Program

Since the adoption of the Statewide Transportation Strategy and the Climate Smart Strategy, monitoring reports have shown both the state and the region are behind and off track in the implementation in recent years. At the same time, the impacts of climate change have become more present and severe in the Pacific Northwest as demonstrated by extreme heat events, wildfires, and unpredictable winter storms. As a result, Governor Kate Brown issued Executive Order 20-04 in March 2020, which directed state agencies including ODOT, the Department of Land Conservation and Development (DLCD), Department of Environmental Quality (DEQ) and Department of Energy (DOE) to advance

¹ Carbon Reduction Program funds may be used for development of Carbon Reduction Plans and fund program administration.

² Further detail regarding the statewide Carbon Reduction Plan development can be found in Attachment 1 to this memorandum.

implementation of initiatives that will bring the state back on track. Since Executive Order 20-04 the state agencies efforts developed work plans initiatives focused on promoting cleaner vehicles, cleaner fuels, and less driving.³ As a result ODOT looks to use its portion of the Carbon Reduction Program funds advance its electrification program and also fund capital projects in rural/non-metropolitan planning areas.

Regional Priorities for Carbon Reduction Program

The Climate Smart Strategy is the Portland region's action plan to reduce greenhouse gas emissions from light duty trucks and passenger vehicles through a combination of land use and transportation efforts. The Climate Smart Strategy identifies eight investment areas and two supporting actions for the region to meet the state mandated greenhouse gas emissions reduction target. These are:

1. Implement adopted local and regional land use plans
2. Make transit convenient, frequent, accessible and affordable
3. Make biking and walking safe and convenient
4. Make streets and highways safe, reliable and connected
5. Use technology to actively manage the transportation system
6. Provide information and incentives to expand the use of travel options
7. Make efficient use of vehicle parking and land dedicated to parking
8. Support Oregon's transition to cleaner fuels and more fuel-efficient vehicles
9. Secure adequate funding for transportation investments
10. Demonstrate leadership on reducing greenhouse gas emissions

As noted, the Portland region made initial progress with the implementation of the Climate Smart Strategy in the years immediately after adoption and saw a boost with the Oregon legislature passing a statewide transportation investment package (House Bill 2017) in 2017. Nonetheless, the implementation of the eight investment areas requires significant resources. Two additional action items as part of the Climate Smart Strategy – advocate for further funding and demonstrate leadership – directly support the implementation of the eight actions. The newly created federal Carbon Reduction Program is a limited opportunity targeted towards those transportation infrastructure investments or activities with the express purpose of reducing greenhouse gas emissions in a manner to implement the region's Climate Smart Strategy and meet state requirements. **Therefore the region's aim for the Carbon Reduction Program is to implement the Climate Smart Strategy by investing into one or more of the investment areas identified, after considering federal funding eligibility requirements, state Carbon Reduction Program investments, regional opportunities, and other factors.**

³ Executive Order 20-04 set updated greenhouse gas emissions reduction goals that call for the State of Oregon to reduce its GHG emissions at least 45 percent below 1990 emissions levels by 2035 and at least 80 percent below 1990 levels by 2050. These updated goals are consistent with the reductions that climate scientists now believe are necessary to avoid catastrophic climate change impacts.

POLICY QUESTION(S)

The Climate Smart Strategy outlines the necessary implementation actions to reach the greenhouse gas emissions reduction targets. With both Climate Smart and the federal Carbon Reduction Program sharing the same aim to reduce greenhouse gas emissions from transportation, the Climate Smart Strategy should serve as the policy framework for the allocation of Carbon Reduction Program funds. However, the Climate Smart Strategy lists a wide range of investment areas and there is limited funding available from the Carbon Reduction Program. Metro staff seeks Council direction on which investment areas identified in the Climate Smart Strategy should be reflected in the final allocation of Carbon Reduction Program funds. Outlined are policy options for Council consideration to reflect in the proposal.

Additionally, as part of the rules for the new Carbon Reduction Program, state transportation departments and metropolitan planning organizations (MPO) are required to submit their Carbon Reduction Plans and list of projects for Carbon Reduction Program funding by November 2023. Between now and November 2023, Metro, as the MPO, is in the throes of several other federally required core activities – 2023 RTP and 2024-2027 MTIP development – which must take place prior to the end of 2023 to remain eligible to expend federal funds. The Carbon Reduction Program, while certainly welcome, is an unanticipated additional funding allocation effort. As a result, Metro staff seeks Council direction on whether staff returns with a proposal allocating Carbon Reduction Program funds to projects within the following three Climate Smart Strategy investment areas:

- Make transit convenient, frequent, accessible and affordable
- Make biking and walking safe and convenient
- Use technology to actively manage the transportation system

Further discussion of the recommendation for these three Climate Smart Strategy investment areas is described further in the policy options and staff recommendations.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

The new Carbon Reduction Program will allow the region to invest approximately \$18 million into the implementation of the Climate Smart Strategy. However, funding of the Carbon Reduction program after 2026 remains contingent on support from the next presidential administration and congress. While hopeful the funding program will continue in perpetuity like other federal surface transportation funding programs, Metro staff recommends an allocation of funds limited to timeframe of the current federal authorization bill through federal fiscal year 2026.

OPTION 1 – Invest in transit, biking and walking, and system management technology as priority elements of the Climate Smart Strategy for Carbon Reduction Program funds

The region's Climate Smart Strategy outlines eight different areas of investment. The eight different investment areas represent a mix of capital investments, program investments, demand management and land use strategies. The varied mix provides wide span of

options and areas to invest on the regional transportation system. However, after consideration of the federal funding eligibility rules and the state Carbon Reduction Plan prioritization, two of the investment areas in the Climate Smart Strategy are ineligible for program funds. These two are:

Ineligible for Carbon Reduction Program Funds

1. Implement adopted local and regional land use plans
2. Make streets and highways safe, reliable and connected

The remaining six Climate Smart investment areas are eligible for Carbon Reduction Program funds according to federal eligibility rules and ODOT's state Carbon Reduction Plan prioritization. These six are:

Eligible for Carbon Reduction Program Funds

1. Make transit convenient, frequent, accessible and affordable
2. Make biking and walking safe and convenient
3. Use technology to actively manage the transportation system
4. Provide information and incentives to expand the use of travel options
5. Make efficient use of vehicle parking and land dedicated to parking
6. Support Oregon's transition to cleaner fuels and more fuel-efficient vehicles

At the November 10th Metro Council and JPACT workshop on the 2023 RTP, Metro staff provided a refresher on the Climate Smart Strategy. Since the Climate Smart Strategy has been integrated into subsequent regional transportation plans (2014 RTP, 2018 RTP) after its adoption, the 2023 RTP presents an opportunity to update related policies in the Plan and develop a long-term transportation investment strategy which will bring the region back on track to meet the greenhouse gas emissions reduction target set forth by the state.⁴ Regional leaders participated in a set of exercises ranking the different Climate Smart investment areas for: 1) further implementation; 2) greatest benefit to people living in the Portland metropolitan region; and 3) preference on ambitiousness in pursuing. Under the three different ranking exercises, the following three ranked in the top three in each exercise. Making transit convenient, frequent, accessible, and affordable, was the top ranked Climate Smart investment area in each.

- Make transit convenient, frequent, accessible and affordable – through increased transit service, including high capacity transit
- Make biking and walking safe and convenient – through new active transportation connections
- Use technology to actively manage the transportation system – through system management and operations

⁴ The regional emissions targets set by the state focus on per capita reductions achieved by reducing light vehicle trips and travel which includes passenger vehicles (cars, pickup trucks and SUVs) and commercial trucks with a vehicle weight rating of 10,000 pounds or less. Regional targets are focused on reducing vehicle use, not on making fuels and vehicles cleaner and more efficient.

The non-binding results indicates the region's leaders are interested in advancing Climate Smart Strategies/investment areas for implementation.

OPTION 2 – Invest in other eligible regional priorities

While the region's leaders indicated interest and a desire to continue implementing the Climate Smart Strategy, the Strategy is not comprehensive in reducing greenhouse gas emissions from all parts of the transportation sector. That is partially by design in that the state mandate which initiated the development of Climate Smart directed the region develop a plan that reduces emissions produced by passenger vehicles and light duty commercial vehicles trips. As a result, the Climate Smart Strategy does not address greenhouse gas emission reduction from other parts of the transportation sector, such as heavy duty diesel trucks, garbage trucks, diesel construction equipment, or transportation emissions generated by shipping containers at ports.

While federal rules places certain restrictions on what Carbon Reduction Program funds can be used for, there are several transportation activities which are eligible uses, but not included in the Climate Smart Strategy. Some examples of eligible uses for Carbon Reduction Program funds includes construction equipment retrofits and port electrification. The Metro Council may view a particular urgency or need to invest into a greenhouse gas emissions reduction strategy not identified in the Climate Smart Strategy or a desire to further support state agencies in their effort to promote electrification.

STAFF RECOMMENDATIONS

While there are many strategic opportunities to invest the Carbon Reduction Program funds to reduce greenhouse gas emissions, Metro staff recommends the region continue to focus on the implementation of the Climate Smart Strategy. In review of the investment areas identified through the Climate Smart Strategy, Metro staff recommends Carbon Reduction Program funds focus on the following three investment areas:

- Make transit convenient, frequent, accessible and affordable
- Make biking and walking safe and convenient
- Use technology to actively manage the transportation system

Metro staff considered several factors to recommend the select three Climate Smart investment areas for Carbon Reduction Program funds. These factors include, but not limited:

- Federal funding eligibility requirements
 - Including those specific to the Carbon Reduction Program
- Carbon Reduction Program requirements
 - Submission deadlines, timing of obligation of funding, etc.
- ODOT allocation and priorities for Carbon Reduction Program funds
- Potential for greenhouse gas emissions reduction
- Ability to advance additional Regional Transportation Plan objectives, including Equity, Safety, and Mobility in addition to Climate
- Ability to address Climate Friendly Equitable Communities and other state, regional, or local climate change related objectives

- Funding leverage opportunities
- Feedback received at the November 10th Metro Council and JPACT workshop for the 2023 RTP on the Climate Smart Strategy

Metro staff seeks to gather Metro Council input on whether the three investment areas identified is the desired direction to focus the Carbon Reduction Program funds.

Additionally, considering the timeframe for submitting the Carbon Reduction Plan and the allocation of Carbon Reduction Program funds, Metro staff recommends development of an allocation proposal based on the investment area priorities from the Climate Smart Strategy provided by JPACT and Metro Council for an efficient allocation process. This is in part due to the multiple MPO activities taking place at the same time that will necessitate both Metro staff and local jurisdictional partners participation and coordination.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- How is this related to Metro’s Strategic Plan (to be developed in 2019) or Core Mission?

Climate leadership is one of the Metro Council’s adopted six desired outcomes for the Portland metropolitan region. In the role of climate leadership, Metro lobbied at the state level for the passage of House Bill 2001 during the 2009 Oregon legislative session. The passage of House Bill 2001 eventually led to the development of greenhouse gas emissions reduction targets for light duty vehicles the directed Metro to develop and adopt a climate plan to meet the metropolitan area target. As a result, the region developed and adopted the Climate Smart Strategy in 2014, which outlines ten key strategies for the region to implement. This supported the region’s lobbying during the 2017 state legislative session to pass a transportation package which provided a new local revenue stream for transit to support operations and service. Additionally, the region went on to pursue a regional transportation revenue in 2020 with a transportation packaged focused on addressing greenhouse gas emission reduction among its priorities. The region continues to take an active role in lobbying the Oregon congressional delegation for transportation infrastructure funding and in support of the Bipartisan Infrastructure Law, which includes the new Carbon Reduction Program funding.

- How does this advance Metro’s racial equity goals?

The Climate Smart Strategy has been integrated into the development of the 2014 and 2018 Regional Transportation Plan (RTP). In the process of refining the 2018 RTP, Metro Council directed Metro staff to work with local and regional partners to identify transportation investments which advance four regional priorities: Equity, Safety, Climate Change, and Mobility. Based on feedback from communities of color, community-based organizations, and human services organizations serving lower-income households, many of the transportation strategies and priorities requested by historically marginalized communities are strategies which reduce vehicle trips and therefore emissions of

greenhouse gases. Some examples include increased transit service and building out the active transportation network in historically marginalized communities. More specifically for Metro's racial equity goals, the greater progress the region can make towards the implementation of those transportation strategies which reduces greenhouse gas emissions in a manner that serves historically marginalized communities will provide multiple benefits. The Carbon Reduction Program funding has the potential to do so as a new source of revenue between 2022-2026.

- How does this advance Metro's climate action goals?

The new Carbon Reduction Program funding directly advances Metro's climate action goals by funding implementation activities. As noted, the Carbon Reduction Program has a wide range of eligible activities which the funding can be used. The Metro Council, in conjunction with the Joint Policy Advisory Committee on Transportation (JPACT), has the ability to set the priorities for allocation.

The Carbon Reduction Program funds also can help the region advance its implementation of the adopted Climate Smart Strategy, while also factoring in new tools, like pricing, available to reduce emissions to meet the mandated greenhouse gas reduction target. As the current monitoring reporting for the Climate Smart Strategy indicates, the region is not currently on track to meet the greenhouse gas emissions reduction target, in part because of the significant impact the COVID-19 pandemic had on transit service. The Carbon Reduction Program can help place the region back on track by reinvigorating the transit network or implementing the other strategies identified in Climate Smart.

Lastly, the Carbon Reduction Program funding has the ability to address concurrently new state requirements adopted by the Land Conversation and Development Commission (LCDC) that are applicable to the Portland region. The Climate Friendly and Equitable Communities (CFEC) initiative, CFEC, an update the DLCD's transportation planning rules, requires local governments across the eight metropolitan areas throughout Oregon – including Metro – update and implement their local transportation and land use plans to reduce transportation-related greenhouse gas emissions.

- Known Opposition/Support/Community Feedback

As a new formula funding program distributed to each state and sub-allocation formulas to large metropolitan planning areas, the Carbon Reduction Program generally has support from the transportation sector. However, politically, the Carbon Reduction Program represents an ideological divide pertaining to the science of climate change. Therefore the future of the Carbon Reduction Program remains unclear and likely contingent on which political party holds the majority in Congress and the White House at the time of the next federal transportation reauthorization.

The Climate Smart Strategy continues to have significant support, if not a greater urgency now more than when it was adopted eight years ago because of the devastating weather

events the Portland region has experienced in the past couple of years (e.g. extreme heat waves, ice storms, heavy rainfall). At the time of the Climate Smart Strategy adoption in 2014, there was only one dissenting vote in the recommendation at the Joint Policy Advisory Committee on Transportation (JPACT).

- Explicit list of stakeholder groups and individuals who have been involved in policy development.

In 2014, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council adopted the [Climate Smart Strategy](#) with broad support from community, business and elected leaders. Over the course of the development, Metro staff engaged in over 15,000 individual touch points between 2011 through 2014 to inform the strategy. Approved by Land Conservation and Development Commission in 2015, the strategy was built on extensive outreach and engagement of local and state agency staff and elected officials, community leaders and community-based organizations, business leaders and their associations – many of whom continue to be engaged in implementation and monitoring today.

- Legal Antecedents

Metro Specific:

- Climate Smart Strategy – Resolution 14-1346B
- 2014 Regional Transportation Plan – Ordinance 14-1340
- 2018 Regional Transportation Plan – Ordinance – 18-1421

Non-Metro

- Bipartisan Infrastructure Law – Signed into law November 2021
 - Statewide Transportation Strategy – Accepted by the Oregon Transportation Commission in March 2013
 - Adopted as part of an amendment to the Oregon Transportation Plan in 2018.
 - Senate Bill 1059 (2010) and House Bill 2001 (2009), which were crafted to help the state meet its 2050 goal of reducing transportation related greenhouse gas emissions
 - ORS 468A.205 – Codified into state rules the greenhouse gas emissions reduction goals
 - Climate Friendly Equitable Communities – Adopted June 2022
- Anticipated Effects

The Carbon Reduction Program are anticipated to provide positive effects and make progress towards the region's goals to reduce greenhouse gas emissions. The Carbon Reduction Program are new revenues, but are fairly modest in the total amount (\$18 million total over five years) as compared to other federal surface transportation programs. (As an example the Congestion Mitigation and Air Quality (CMAQ) program

provides the Portland region approximately \$13 million annually.) Upon adoption of legislation to allocate the Carbon Reduction Program funds, Metro will program the dollars in the 2024-2027 Metropolitan Transportation Improvement Program (MTIP) to make available for expenditure.

- Financial Implications (current year and ongoing)

Carbon Reduction Program funds is eligible for use on program administration. Because the Carbon Reduction Program is a new surface transportation funding program which will need to be monitored according the federal requirements set. Metro, as a metropolitan planning organization, is familiar with the necessary monitoring requirements, but it adds a new load of work. In addition the region will need to comply with new state rules pertaining to the Climate Friendly Equitable Communities, which is complimentary work to the monitoring work for the Carbon Reduction Program. Therefore Metro staff anticipates a portion of the new Carbon Reduction Program funds be used for program administration and related work pertaining to greenhouse gas emissions within the Planning, Development, and Research department.

The amount for the program administration is not included in the Metro budget for fiscal year 2022-2023. Metro staff anticipates bringing forward a proposal of the administration costs after further discussion on the process to allocate the Carbon Reduction Program funds. Upon adoption of the Carbon Reduction Program allocation, Metro staff will bring forward a budget amendment, if applicable.

BACKGROUND

Please see attachment(s) for background and further information about the federal Carbon Reduction Program.

ATTACHMENTS

[Identify and submit any attachments related to this legislation or presentation]

- Memorandum with background context on the Bipartisan Infrastructure Law, legislative history of climate planning in Oregon, and discussions of statewide Carbon Reduction Plan development.
- Timeline of activities according to staff recommendations

[For work session:]

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



Memo

Date: Tuesday, November 29, 2022
To: Metro Council
From: Margi Bradway, Deputy Director – Planning, Development and Research
Ted Leybold, Resource Development Manager – Planning, Development and Research
Kim Ellis, Principal Transportation Planner – Planning, Development and Research
Grace Cho, Senior Transportation Planner – Planning, Development and Research
Subject: Attachment 1 – Carbon Reduction Program – Background Information

Introduction and Background

The new Carbon Reduction Program (CRP), created under the Bipartisan Infrastructure Law (BIL) will help states and Metropolitan Planning Organizations (MPOs) like Metro develop and implement carbon reduction strategies. States and MPOs can use the funds in CRP to reduce greenhouse gases from the transportation sector.

Carbon Reduction Program funds can be used for a wide range of projects designed to reduce greenhouse gas emissions from on-road transportation sources — from installing infrastructure to support the electrification of freight vehicles or personal cars, to constructing Bus Rapid Transit corridors, to facilitating micro-mobility, biking and walking. Under the CRP, states must also develop carbon reduction strategies in consultation with MPOs to identify projects and strategies tailored to reduce greenhouse gas emissions in their communities. On April 21, 2022, the US DOT announced [CRP guidance](#) that allows the allocation of formula funding over the next five years. More information about allocation and eligible uses of the funding are discussed below.

As an MPO, Metro is responsible for managing and allocating CRP funds in accordance with the 2018 Regional Transportation Plan (RTP), Climate Smart Strategy, and in coordination with Oregon Department of Transportation (ODOT). ODOT's also has an adopted climate plan, the Statewide Transportation Strategy (STS).

CRP Requirements – Carbon Reduction Plan

In the CRP guidance, states are required to work with MPOs to develop a climate strategy. This guidance states the following:

- Requires each State, in consultation with MPOs designated within the State, to develop a carbon reduction strategy not later than 2 years after enactment; and
 - update that strategy at least every four years; [§ 11403; 23 U.S.C. 175(d)(3)]
- Requires the carbon reduction strategy to support efforts and identify projects and strategies to support the reduction of transportation emissions; at the State's discretion, and
- Quantify the total carbon emissions from production, transport, and use of materials used in the construction of transportation facilities in the State; and
 - Be appropriate to the population density and context of the State, **including any MPO designated within the State.** [§ 11403; 23 U.S.C. 175(d)(2)]

Previous Planning in Oregon and the Portland Region to Reduce Greenhouse Gas Emissions

Metro and the Oregon Department of Transportation (ODOT) each have a history of climate planning and an established “carbon reduction strategy” to reduce greenhouse gas (GHG) emissions from the transportation sector. In 2007, the Oregon Legislature first set statewide climate [goals](#) to reduce GHG emissions to a least 10 percent below 1990 levels by 2020 and at least 75 percent below 1990 levels by 2050. More recently, Executive Order 20-04 set updated greenhouse gas emissions reduction goals that call for the State of Oregon to reduce its GHG emissions at least 45 percent below 1990 emissions levels by 2035 and at least 80 percent below 1990 levels by 2050. These updated goals are consistent with the reductions that climate scientists now believe are necessary to avoid catastrophic climate change impacts.

In 2009, the Oregon Legislature enacted HB 2001 directing Metro to develop and adopt a climate plan to reduce transportation-related GHG emissions from light duty vehicles. The Legislature further directed the Land Conservation and Development Commission (LCDC) to adopt GHG emissions reduction targets for light duty vehicles for all of Oregon’s metropolitan areas, although the Portland region was the only region with a mandated GHG reduction target. In 2010, the Oregon Legislature directed ODOT to work Metro and other metropolitan planning organizations, other state agencies and local governments to adopt a statewide transportation strategy for reducing GHG emissions aimed at achieving the goals adopted by the Legislature in 2007.

In 2014, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council adopted the [Climate Smart Strategy](#) with broad support from community, business and elected leaders. Approved by LCDC in 2015, the strategy was based on extensive stakeholder and public input, scenario planning and analysis. As part of the process, Metro conducted detailed modeling and analysis of various greenhouse gas scenarios and identified the types of transportation-related mitigation strategies that would have the greatest potential for reducing greenhouse gas emissions in the long term. This informed the Climate Smart Strategy that was ultimately adopted and continues to guide the region’s response to the climate crisis today.

The regional Climate Smart Strategy includes a set of policies, strategies and near-term actions to guide how the region moves forward to integrate reducing greenhouse gas emissions with ongoing efforts to create the future we want for our region. It is grounded in Metro’s land use goals and adopted 2040 Growth Plan. The Climate Smart Strategy includes a wide-range of strategies for reducing GHG emissions from light duty vehicles, many of which are not funded or are underfunded. The Climate Smart Strategy was updated in 2018 as part of the Regional Transportation Plan update and will be updated again in 2023 to ensure ongoing compliance with Oregon’s GHG reduction targets.

Oregon Carbon Reduction Strategy

ODOT is leading the state-wide effort on developing the required Carbon Reduction Plan. Rebranded as the Oregon Carbon Reduction Strategy, the document identifies strategies and priorities to guide investments under the federal Carbon Reduction Program to reduce transportation emissions. The strategies and priorities, developed in coordination with metropolitan planning organizations (MPOs) and other stakeholders, are based on the *Statewide Transportation Strategy, A 2050 Vision for Greenhouse Gas Emissions Reduction (STS)*, Oregon’s roadmap to meet its greenhouse gas reduction goals. The Oregon Carbon Reduction Strategy will be coordinated with state and regional partners, following federal law and guidance, and advance implementation of state, local and regional plans.

The Oregon Transportation Commission formally adopted the [Statewide Transportation Strategy \(STS\)](#) into the Oregon Transportation Plan in 2018.¹ The STS resulted from a state-level scenario planning effort that examined aspects of the transportation system, including the movement of people and goods, and identifies a combination of strategies to reduce GHG emissions from transportation. The STS identifies a variety of effective emissions reduction strategies at the statewide level in transportation systems, vehicle and fuel technologies, and compact urban land use patterns served by transit, walking and biking connections in the state’s eight metropolitan areas. The STS satisfies the federal requirements that the state departments of transportation (DOTs) must have a climate reduction plan in order to access federal Carbon Reduction Program funds.

ODOT received a total of \$82.5 million amount of CRP funding.² This is in addition roughly \$52 million ODOT received for electric vehicles and charging infrastructure through BIL. The Oregon Transportation Commission further directed ODOT allocate \$50 million of flexible federal transportation funds to advance the deployment of electrification of the transportation system in May 2022. ODOT plans to allocate a portion of their Carbon Reduction Program funds to statewide priority areas, such as electrification, while also conducting a small competitive funding allocation to rural areas and small MPO projects and programs.

At this time, the Oregon Carbon Reduction Strategy proposes to focus on four priority areas – drawing from the Statewide Transportation Strategy – for Carbon Reduction Program Funds:

- Vehicles Fuel and Technology
- Transportation Options
 - o Transportation Demand Management
 - o Multi-modal improvements (e.g. active transportation, transit)
 - o Micromobility
- System Operations
- Pricing

The programs and projects which receive Carbon Reduction Program funds, whether by ODOT or by a MPO, are expected to be consistent with the four priority areas of the Oregon Carbon Reduction Strategy.

Portland Metro Area: Carbon Reduction Program Background Information

As an MPO, Metro has a direct sub-allocation of CRP funds for 5 federal fiscal years that is separate from ODOT’s CRP funding. Similar to the Regional Flexible Funds, Metro, as the MPO, has discretion on the allocation of CRP funds as long as the funds are allocated to projects and programs which meet federal eligibility requirements and consistent with the state Carbon Reduction Strategy. Metro will strive to coordinate and leverage the Metro’s CRP funding with the ODOT’s CRP funding. The forecasted five-year total of CRP funding to Metro region over the life of the authorization bill is **\$18.84 million**, as shown in the chart below.

Metro’s Sub-Allocation of CRP Funding and Annual Availability

FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026
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¹ The Oregon Transportation Commission initially accepted the Statewide Transportation Strategy in 2013.

² This includes the mandatory sub-allocation of funds to MPOs across Oregon.

\$3,663,530	\$3,681,981	\$3,755,621	\$3,830,733	\$3,907,348
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As a new federal funding program, Metro must consider the potential lifespan of the Carbon Reduction Program. The Bipartisan Infrastructure Law (BIL) only authorized funding for five federal fiscal years. As a formula funding program, the chance of the funding program being continued in some form in the next federal transportation reauthorization increases. However, the topic of climate change is highly politicized in Congress and prior authorizations which included climate related provisions have been rescinded. There is reasonable risk the Carbon Reduction Program funding could be reduced or eliminated in the next transportation reauthorization. Therefore, Metro will only allocate funds for a five-year period and not make any funding assumptions beyond federal fiscal year 2026.

Carbon Reduction Program – Policy Framework for Funding Allocation

The Climate Smart Strategy identified the eight most-effective strategies for reducing greenhouse gas emissions in the greater Portland region. They are listed below in tiers in terms of higher effectiveness to lower in effectiveness, based on sensitivity testing analysis conducted and reflected in *Understanding Our Land Use and Transportation Choices Phase 1 Findings* (January 2012) as part of early work of the Climate Smart Strategy. Climate Smart will serve as the policy framework for allocation of Metro’s funds – together with the Carbon Reduction Program guidance on eligible activities – it will be the basis for developing Metro’s allocation process for Carbon Reduction Program.

The tables below show the Climate Smart Strategy investment areas compared to eligible Carbon Reduction Program activities that are [listed in the federal guidance](#). Additionally, the table identifies known existing funding sources/programs at the state or regional level, but does not show the overall need to complete each Climate Smart strategy in the region compared to the available funding.

Table 1. Climate Smart Strategies – Carbon Reduction Program Eligibility and Existing Funding Sources

Climate Smart Strategy - Investment Areas	Carbon Reduction Program Eligible Activities	Existing Funding Source (if any) (state or regional level)
Vehicles and Fuels	Electric vehicle infrastructure Electric bus infrastructure Projects that support alternative fuels	ODOT Electric Vehicle Program ODEQ Alternative Fuels Program ODOT Carbon Reduction Program Priority Area
Pricing	A project or strategy designed to support congestion pricing Analysis of how pricing can reduce demand (e.g. Metro Regional Congestion Pricing Study)	ODOT Tolling Program ODOT Road User Charge (OrGo) Program ODOT Carbon Reduction Program Priority Area
Community Design (walking and biking in centers)	N/A	2040 Planning Grants ODOT/DCLD TGM Grants ODOT/DLDC CFEC funding for local governments

Transit	Public transportation project Bus Rapid Transit planning and development Better Bus/Enhanced Transit Concept improvements Transit operations	ODOT State Transportation Improvement Fund (STIF) Metro RFFA Step 1 Bonded Funding (limited options) One-time CRRSSA (for Better Bus)
Active Transportation	Complete Streets Projects Bike & Pedestrian projects Micro-mobility (e.g. bike share, scooters)	Metro RFFA Step 2 Competitive Grant Program ODOT Carbon Reduction Program Priority Area
Travel Information and Incentives (RTO)	Transportation Demand Management Commuter Programs	Metro RTO Grant Program (subset of RFFA Step 1 and ODOT funds)
System Management and Operations	Congestion management technologies and Intelligent Transportation Systems Upgrade of traffic signals Vehicle/Bus communication	Metro TSMO Grant Program (subset of RFFA Step 1) ODOT Operations program

Page two content starts here.

Attachment 2 – Carbon Reduction Program – Draft Allocation Timeline

The following is an outline of a potential timeline for the allocation of Carbon Reduction Program funds over the next year. Depending on the direction provided by the Metro Council at the December 13th work session, the timeline would be modified accordingly.

Timeline – Metro proposal for Carbon Reduction Program allocation

Activity	Timeframe
Finalize statewide Carbon Reduction Program draft strategies & priorities to guide MPO and state allocations	October 2022
2023 RTP workshop #5 on the Climate Smart Strategy <ul style="list-style-type: none"> • JPACT and Metro Council participate in Climate Smart 	November 2022
Metro Council – introduction, discussion, and direction	December 2022
Develop proposal for allocation of Carbon Reduction Program	December 2022
TPAC and JPACT introduction and discussion	January 2023
TPAC and JPACT recommendation	February 2023
Metro Council adoption of Carbon Reduction Program allocation	March 2023
Statewide Carbon Reduction Program allocation check ins	February – April 2023
Prepare Carbon Reduction Program allocation entries for submission <ul style="list-style-type: none"> • Also prepare for 21-24 and/or 24-27 MTIP and STIP entries 	April – June 2023
Submissions of Carbon Reduction Program fund allocations to ODOT	May – August 2023
Carbon Reduction Plan with fund allocations due to federal partners <ul style="list-style-type: none"> • If necessary, conduct 24-27 MTIP and STIP amendments to include programming of Carbon Reduction Program funds 	November 2023

State Legislative Agenda
Work Session Topic

Metro Council Work Session
Tuesday, December 13, 2022

STATE LEGISLATIVE AFFAIRS UPDATE

Date: November 21, 2022
Department: GAPD
Meeting Date: December 13, 2022
Prepared by: Anneliese Koehler,
Legislative Affairs Manager and Jenna
Jones, State and Regional Affairs Advisor

Presenter(s) (if applicable): Anneliese
Koehler, Legislative Affairs Manager and
Jenna Jones, State and Regional Affairs
Advisor
Length: 30 minutes

ISSUE STATEMENT

This work session is an opportunity to discuss Metro Council's objectives for the 2023 Oregon legislative session. The current political climate and proposed legislative priorities will be discussed. This will be the final Council work session before adoption of Council's agenda and legislative principles in early January.

ACTION REQUESTED

The Council may wish to discuss specific legislative concepts or principles or direct staff to develop additional legislative concepts before adopting its legislative agenda prior to the start of the 2023 legislative session.

IDENTIFIED POLICY OUTCOMES

Support Metro's policy goals through engagement with the Oregon State Legislature.

POLICY QUESTION(S)

- Does the Council wish to confirm or change previous policy direction under which staff is currently operating with respect to issues that are likely to surface in 2023?
- Are there additional topics which the Council would like to adopt legislative positions?
- Are there particular legislative positions that the Council would like staff to prioritize in 2023?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

See issue sheets, 2023 State Legislative Agenda and 2023 Legislative Principles

STAFF RECOMMENDATIONS

See individual issue sheets.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Elections

As staff prepares for the 2023 legislative session, the 2022 General Election provided much clarity. Prior to the election, an open seat for Governor with a viable third-party

independent candidate and recent redistricting fueled a lot of uncertainty. While in the months leading up to the election, there was significant conversation about the Republicans taking both the Senate and the governorship, unofficial elections results show Democrats maintaining the governorship and both chambers. However, as is often the case in a redistricting year, there will be many first-time legislators in Salem. And, because of the pandemic, second term legislators have only participated in remote committee hearings and work sessions; nearly two-thirds of the Oregon House will have served one term or less when they gavel into session in February.

Along with legislative races and local property tax measures, there were a few statewide ballot measures for voters' consideration, notably Measure 113. Measure 113 would change the state's constitution to bar any lawmaker from running for re-election if they have 10 or more unexcused absences from a floor session during a single legislative session. Currently, the Oregon Constitution requires two thirds of a legislative chamber to be present in order to conduct chamber business and pass bills. Over the past decades, minority parties have used this requirement to deny quorum and therefore prevent the passage of bills. Most recently, it was used in the 2020 short session. The unofficial election results have the measure overwhelmingly passing, and its passage will change the legislative dynamics and result fewer walkouts that disrupt legislative business.

The Capitol Building

For the past few years, because of the pandemic, Oregon's Legislature has primarily operated remotely. In 2022, for the short session, it was open to the public, but the Capitol was under construction and committee rooms and members' offices were significantly limited. It is anticipated that the Capitol Building will be open to the public for 2023 and unlike previous sessions, we anticipate that this will be the first session that will be primarily in person, although construction may make moments challenging.

Legislative Makeup and Power Shifts

While the final election results need to be certified, Democrats will likely control both chambers with the House being 35 Democrats and 25 Republicans and the Senate being 17 Democrats, 11 Republicans and 2 Independents (who have historically caucused with the Republicans). In a shift from previous sessions, the Democrats have lost their supermajorities, the threshold for tax votes.

This session will also mark significant leadership change in Salem. Last short session, longest serving Speaker of the House Tina Kotek (D-Portland) stepped down to run for Governor. During 2022, House leadership moved south down the Willamette Valley with Rep. Dan Rayfield (D-Corvallis) becoming Speaker of the House and Rep. Julie Fahey (D-Eugene) becoming the House Majority Leader. Shortly after the election, House Democrats nominated Rep. Rayfield to be Speaker and re-elected Rep. Fahey as Majority Leader.

The longest serving lawmaker, Senate President Peter Courtney, did not seek re-election. Oregon will have a new Senate President for the first time in twenty years. In the weeks following the election, Senate Democrats nominated Sen. Rob Wagner (D-Lake Oswego) as Senate President and Sen. Kate Lieber (D-Beaverton) as Senate Majority Leader.

Legislative Outreach

With so many changes anticipated, staff has been working to ensure that current and incoming legislators are aware of Metro's priorities and understand the various areas of interest. For example, we've been partnering with local jurisdictions to create a land use 101 for legislators and lobbyists to increase their expertise and understanding of this complex issue. In addition, we've reached out to legislative candidates to ensure they know about Metro and our role in the region and the state. We also continue to meet with current legislators, jurisdictional partners, culturally specific organizations, and community organizations to discuss our priorities.

State Legislative Priorities

Unlike prior sessions, we anticipate that this next session will not be dominated by COVID-19 response. Barring any significant public health changes, it will certainly continue to be a topic, but it is unlikely to be the focus of session. We think that housing and homelessness, climate resiliency, infrastructure and economic recovery will likely be main primary conversation drivers this upcoming session. In addition, budget will also be top of mind for many in the building. The current economic forecast for the upcoming biennium is rosy, but that does not consider the significant infusion of one-time federal funds that are unlikely to be repeated. The state funded a significant number of "one-time" programs that many would like to become permanent.

For Metro, it is likely that land use will be a dominate focus during session. There are currently active conversations around land use for both housing and industrial land. We anticipate that there will be a significant number of bills targeting the land use system, including our authority.

Next Steps

This is the final time that we will be before Council prior to Council's adoption of its State Legislative Agenda and State Legislative Principles. The drafts before Council encompass multiple conversations with Council, Metro staff, local jurisdictional partners, state partners and our community-based partners.

BACKGROUND

Council adopts a State Legislative Agenda and State Legislative Principles annually. This is the third meeting to discuss the next iteration of Council's legislative priorities and principles.

ATTACHMENTS

Legislative issue sheets on:

- Leading with Housing Production
- Industrial Land Readiness
- Draft 2023 State Legislative Principles
- Draft 2023 State Legislative Agenda

[For work session:]

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

METRO 2023 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Jenna Jones, GAPD

Date: November 23, 2022

ISSUE: Leading with Housing Production

BACKGROUND:

Oregon ranks 4th in underproducing housing in the country behind California, Colorado, and Utah. Oregon's housing undersupply threatens Oregonians ability to grow sustainably, move toward a more equitable economy, or address the full complexity of the homelessness crisis. Every region of Oregon needs to substantially increase the supply and production of homes.

HB 2003 was enacted in the 2019 legislative session. Its core intent is to require cities to adopt Housing Production Strategies¹ that address housing needs relating to capacity and affordability. Strategies include permitting, zoning, funding and other city policy related to residential development. The identified need is based on a housing needs analysis done by the city.

HB 2003 also considers using a Regional Housing Needs Analysis (RHNA), a pilot methodology to estimate statewide housing need at a regional level. Over the past few years, OHCS and DLCD have been tasked with how to effectively use what was learned from the RHNA to create and implement an Oregon Housing Needs Analysis (OHNA). The OHNA could be the cornerstone of a reformed housing planning system that would, in addition to other items, assign cities their housing need. The purpose of this is to prescribe equitable distribution of housing affordability to protect against cities perpetuating current unequitable distribution of housing affordability.

[DLCD has released draft OHNA recommendations for the 2023.](#) It provides a comprehensive, city-by-city estimate of housing need by income, along with data and information about how local housing outcomes vary by race and ethnicity, age, disability status, and other identity markers. If implemented, it will be a regularly updated data suite that can be used to set state and local housing production targets. It provides a more accurate representation of full housing need and a more equitable distribution of affordable housing throughout regions. In the methodology alone, the ONHA takes a big step toward equitable outcomes compared to the current Housing Capacity Analysis methods, by incorporating historic housing underproduction and housing needed for people experiencing homelessness into future production targets, and by using regional incomes to project housing need by income level.

¹ HB 2003 inadvertently excluded Metro area cities from the requirement to adopt Housing Production Strategies. Metro and other cities in the region pursued a fix in the 2021 session requiring Metro area cities to adopt Housing Production Strategies to address the conclusions of their city-level Housing Needs Analyses. Cities in the Metro region coordinate their Housing Needs Analyses with Metro's "distributed forecast."

In DLCD’s proposal, Metro’s increased role in the housing space has been recognized. With our two-voter approved housing measures, the state recognizes the coordinating role that regional governments can play in housing planning. Metro would be required to adopt housing coordination strategies rather than adopting specific policies (production strategies), such as local zoning codes and regulations. For example, regional housing coordination strategies could include identifying shared funding sources, sharing staff capacity, or entering intergovernmental agreements to promote housing production. Our state partners also recognize the differing responsibilities in our region amongst Metro and our local jurisdictional partners that requires a focus, not just on land need, but city readiness to urbanize land. The region’s approach centers around Metro’s responsibility for forecasts and managing the UGB while cities and counties are responsible for zoning and service provision.

RECOMMENDATION: Staff recommends support for the OHNA recommendations and other legislative concepts that will help increase equitable housing production and development that are in line with the fundamentals of Oregon’s land use system.

LEGISLATIVE HISTORY: Since 2016, the Legislature has increasingly focused on housing affordability, enacting a series of bills to protect tenants from displacement, address racial disparities in home ownership, and facilitate and fund housing development.

- **SB 1533 (2016)** lifted the pre-emption on local inclusionary zoning that had been passed in 1999, while imposing certain conditions regarding the use of inclusionary zoning.²
- **HB 4143 (2016)** created new renter protections, prohibiting rent hikes in the first year of a month-to-month tenancy and requiring 90-day notice for subsequent rent increases.
- **SB 1051 (2017)** included several provisions to facilitate the development of affordable housing and “missing middle” housing, including accessory dwelling units (ADUs): shorter permitting deadlines for affordable housing construction, a requirement that communities allow ADUs in single family zones, broader requirements for clear and objective standards, prohibitions on density limitations below zoned density, etc.
- **HB 3012 (2017)** authorized the construction of new homes in rural residential areas (outside UGBs) on parcels that already have a “historic home” built between 1850 and 1945, if the historic home is converted to an ADU.
- **SB 8 (2021)** requires local governments to approve the development of certain affordable housing, and not require a zone change or conditional use permit, on land zoned to allow commercial uses, to allow religious assembly, or as public lands. It also includes a statewide density bonus for affordable housing in areas zoned for residential use.
- **HB 2004 (2021)** provides \$9.7 million to support additional Project Turnkey emergency shelters throughout the state. This funding supplemented an earlier \$65 million investment approved by the Emergency Board in the fall of 2020.

² SB 1533 also authorized cities and counties, but not Metro, to impose a construction excise tax for affordable housing, and lifted the sunset on the pre-emption that prevents Metro from changing or increasing its existing CET.

- **HB 2006 (2021)** requires local governments to approve an application for an emergency shelter regardless of state or local land use laws, if the application meets specific approval criteria outlined in the bill.
- **HB 3155 (2021)** clarifies certain ambiguities created by HB 2003 (2019) and corrects statutory citations to confirm the intent of HB 2003.
- **HB 3261 (2021)** requires local governments to allow the conversion of hotels and motels into emergency shelters or affordable housing, regardless of state or local land use laws, if the application meets specific approval criteria in the bill.
- In a budget note in **HB 5006 (2021)**, the Legislature then directed Oregon Housing and Community Services (OHCS) and the Department of Land Conservation and Development (DLCD) to deliver recommendations on how to implement the OHNA in advance of the 2023 Legislative Session.
- **SB 5202 (2022)** gave additional direction to address issues related to land capacity and the implementation of the OHNA.

OTHER INTERESTED PARTIES:

State partners such as OHCS and DLCD are leading proposals on housing production. Oregon Housing Alliance and its member organizations and local governments, other interested parties include the Oregon Home Builders Association, Oregon Association of Realtors, Multifamily NW, and other industry groups also have a vested interest in increased housing supply and production.

IMPACT IF PROPOSED ACTION OCCURS:

- Reduce racial disparities in housing.
- Facilitate more housing production.
- Set standards and accountability measures to ensure local governments are not perpetuating inequities in the land use and development system.

RACIAL IMPACTS

Both nationally and in our region, rents are rising faster than incomes, increasingly limiting lower-income households – disproportionately people of color – to housing options in areas with lower access to opportunities and higher concentrations of poverty. Even households with moderate incomes are finding themselves priced out of neighborhoods where they work or go to school. Housing affordability and choice are not only issues of social equity; lack of equitable housing also threatens our economic competitiveness and the livability our region has worked hard to protect. Rapidly rising housing costs in much of Portland and areas in other parts of the region have resulted in displacement of low-income households to areas of increasing poverty farther from job centers and less well served by infrastructure, services, and amenities. Because they have lower average incomes, communities of color are disproportionately impacted by these trends.

CLIMATE IMPACTS

Housing is a complex issue at the intersection of public health, racial equity and climate justice.

Like the production of many items, new housing development can increase carbon emissions and impacts to the environment. However, housing is a necessity, and therefore, when implementing and supporting housing policies, we must look for greener solutions to mitigate its impacts to the environment. Ensuring that affordable housing funders, jurisdictions, and developers are aligned in supporting climate-smart approaches to creating and maintaining housing is critical to advancing our climate goals. Examples of this include passive design strategies to reduce the need for heating and cooling, green building standards and other environmentally focused strategies to housing production. In addition, we know that climate impacts such as extreme heat and cold pose a particular threat to our houseless, low income and medically fragile community members. It is crucial to center them and their experiences in the strategies to address climate change in housing supply and production. Moving forward, Metro will look to understand emerging best practices to multi-family design and climate resilience strategies that balance considerations related to health/safety, livability, sustainability, durability and cost.

METRO 2023 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Anneliese Koehler, GAPD

Date: November 7, 2022

ISSUE: Industrial Land Readiness

BACKGROUND:

Over the past decade plus, Metro has been a key partner in advancing efforts in our region and our state to ensure that employment land inside the UGB is ready for development. Protection of farm and forest land outside the urban growth boundary requires, among other things, efficient use of the land inside the boundary. This, in turn, often requires action to make vacant or underdeveloped land ready for development. Metro has led and supported several strategies to accomplish this on employment lands including industrial site readiness and brownfields mitigation.

Industrial site readiness

In 2011, Metro began a partnership with Business Oregon, the Oregon chapter of NAIOP (the Commercial Real Estate Development Association), the Port of Portland and the Portland Business Alliance to complete a comprehensive review of the market-readiness of the Portland region's inventory of industrial sites of 25 acres or more. The goal of this project was to better understand and identify the challenges to the development of larger industrial sites in our region and the costs of making these sites ready to provide traded-sector jobs.

The study found that our region has many places where high-paying manufacturing and other traded-sector jobs can grow, but these sites often require investment to make them ready for new employers to develop. These investments and actions include regulatory approvals (permitting, mitigation), infrastructure (sewer, water, transportation, fill), site aggregation, brownfield clean-up, and state/local actions (land division, rezoning, annexation).

Another key finding is that the state general fund was that the biggest public beneficiary when these lands are brought into productive traded-sector use through increased personal income tax revenues. This finding suggested that the state has an interest in providing up-front financing for site preparation when landowners and local governments are otherwise unable to address the constraints that prevent market-ready land.

This study and subsequent updates became the impetus for successful and unsuccessful legislative efforts outlined below in legislative history.

Semiconductor Task Force

In early 2022, Senator Ron Wyden, Senator Jeff Merkley, Governor Kate Brown, Representative Suzanne Bonamici, and Portland General Electric CEO Maria Pope announced the formation of the Oregon Semiconductor Competitiveness Taskforce. The task force's purpose was to develop strategies to maintain and grow the semiconductor industry in Oregon, and they released their

[final report](#) in September 2022. Recommendations focused on 5 areas: university-industry partnerships, talent and workforce, taxes and incentives, industrial land, and environmental regulations. Metro sat on the task force, the land use subcommittee and continues to participate in technical and government affairs committees to advance various proposals.

The passage of the federal CHIPS and Science Act in early August authorized federal investments to boost American semiconductor research, development and production. The CHIPS Act has increased pressure in the state, at the Legislature and in the Governor's office to invest in semiconductor manufacturing.

The lack of large lot, development ready industrial land is a concern called out in the semiconductor report. Modeled after the industrial land inventory in our region, the Port of Portland is undertaking a study statewide to map large lot industrial sites, determine their state of readiness for development and the costs associated with getting them ready. The results of the study should be available around the beginning of the year.

RECOMMENDATION:

Support legislation that makes industrial land ready for development and advances semiconductor task force recommendations while exercising restraint and care for Oregon's land use planning system.

LEGISLATIVE HISTORY:

Since 2011, there have been multiple efforts to address various issues related to the availability and readiness of industrial land. These includes successful efforts to establish a state program to identify regionally significant industrial areas, streamline permitting processes, and the creation of Regionally Significant Industrial Site (RSIS) Program which provided reimbursement or partially forgivable loans to make industrial sites market ready. Since its establishment in 2013, despite repeated attempts, the RSIS program has never been capitalized.

OTHER INTERESTED PARTIES:

Interested parties include a wide array of business organizations, local governments, and environmental and community groups. Historical efforts have been championed by Metro, the Port of Portland, the Oregon Economic Development Association and other partners. The Semiconductor Task Force is championed by Oregon Business Council and is a larger coalition including universities, workforce advocates, and local governments. Land use interest groups like 1000 Friends of Oregon are also participating in conversations.

IMPACT IF PROPOSED ACTION OCCURS:

Funding for investments in industrial site readiness would reduce the cost and risk to property owners and local jurisdictions of making large sites market ready. Creation of traded-sector jobs pay better on average than jobs serving the local market. In the Portland region, these programs would make land within the existing urban growth boundary available for productive urban uses and would have positive economic impacts on local government by generating increased property tax revenues.

RACIAL EQUITY IMPACTS

Semiconductors and advanced manufacturing will be the primary focus of industrial land readiness conversations and actions this session. Attracting additional advanced manufacturing companies to Oregon can result in wealth creation for communities of Black, Indigenous, and People of Color (BIPOC) if individuals of these communities are able to attain the manufacturing and construction jobs associated with the growth.

Currently, racial and ethnic representation in the semiconductor industry and manufacturing industries is uneven, both nationally and in Oregon. The United States semiconductor workforce employs a greater share of non-white workers when compared with the manufacturing sector overall and all other industries. However, this is due primarily to the high rates of Asian individuals in the semiconductor field; the industry employs less Black and Latino workers than manufacturing and all other industries.

Black and White workers constitute a smaller share of Oregon's manufacturing workforce than their respective share of the overall workforce. For Oregon's high-tech and electronics manufacturing specifically, Asian and Black shares of the workforce are larger than their shares of the overall workforce. In order to ensure that all BIPOC communities are benefiting from additional advanced manufacturing jobs, additional steps need to be taken to ensure benefits for all racial and ethnic groups.

In the 2022 session, the Oregon Legislature passed SB 1545, creating Future Ready Oregon. This is a \$200 million workforce training program for health care, manufacturing and technology sectors. This program came out of the Racial Justice Council's Workforce Workgroup and included targeted investments for historically underserved communities. There is an opportunity to leverage the work of Future Ready Oregon to create pathways and opportunities for BIPOC individuals to attain high paying manufacturing jobs created by semiconductor and advanced manufacturing expansions.

In addition, a significant component of industrial land readiness is creating necessary infrastructure. These investments will result in high-wage construction jobs that could benefit BIPOC individuals. Tying these dollars to community benefits agreements and frameworks like Construction Careers Pathways is critical to ensuring that these dollars advance racial equity.

CLIMATE IMPACTS

The climate impacts of the semiconductor industry are complex. Many of the current solutions to meet our climate goals rely on chips. They are core components of electric vehicles and renewable energy sources like wind turbines and solar arrays. Increasing investments in these solutions requires additional capacity to create chips and as a result, additional manufacturing

At the same time, chip manufacturing has a large carbon footprint and requires significant amounts of water and energy. The industry also creates a significant amount of hazardous waste. For example, in 2019, one semiconductor company in Taiwan used almost 5 percent of

all of Taiwan's electricity and 63 million tons of water. One of Intel's fabs in Arizona produced more than 15,000 tons of waste in three months and 60 percent of it was hazardous.

In recent years, semiconductor companies have taken steps to decrease their carbon footprint by increasing their usage of renewable energy. Multiple large companies like Intel have made commitments to source 100 percent of their energy from renewable sources in future years. There also have been efforts to implement additional efficiencies in their utilization of water and other natural resources.

METRO COUNCIL LEGISLATIVE PRIORITIES 2023 Legislative Session



ECONOMIC PROSPERITY

- **Industrial Site Readiness:** Support legislation, including Semiconductor Task Force priorities, that advances solutions to make land inside urban growth boundaries available for industrial development and job creation through infrastructure investment, brownfield cleanup, land aggregation, and other means.
- **COVID Response and Economic Recovery:** Support legislation that addresses ongoing COVID-19 public health response and economic recovery including policy changes and funding assistance in line with the Comprehensive Economic Development Strategy and additional business, economic development, and housing support.

GUN SAFETY

- **Regulating Firearms on Metro Properties:** Support legislation that increases Metro's authority to regulate the carrying of firearms on Metro properties and public venues.

HOUSING AND HOMELESSNESS

- **Private Activity Bonds:** Support legislation that increases the proportion of private activity bonds allocated for affordable housing and reduces technical barriers that result in delayed projects.
- **Equitable and Affordable Housing:** Support legislation to increase state housing funding, improve tenant protections, expand affordable home ownership options, increase home ownership for BIPOC households, provide additional tools and authority to local governments to address housing supply and affordability, advance solutions that leverage and integrate local, state and federal investments to implement comprehensive supportive housing and wraparound services, and address climate resilience for home owners and renters.
- **Housing Production:** Support legislation that help increase equitable housing production and development that addresses past inequities in the land use system and in affordability and location of housing while adhering to the fundamentals of Oregon's land use system.

LAND USE

- **Urban Growth Management:** Ensure that the Legislature establishes the policy framework and process for local land use decisions and respects the authority of local governments, including Metro, to make specific decisions on local land use matters. Oppose efforts to legislatively determine specific land use designations in the region or to distort the process of assessing land need by mandating inaccurate analysis.

TRANSPORTATION

- **State Funding for State-Owned Highways:** Secure ongoing state funding for investments to improve safety and multimodal mobility on state highways that operate as urban arterials.
- **Interstate Bridge Replacement Project:** Support legislative decisions that advance the Interstate 5 bridge replacement project in ways that accommodate community concerns, measurably reduce greenhouse gas emissions and minimize other environmental impacts, and address ongoing harm to communities of color caused by past and current transportation policies and investments.
- **Transportation Pricing:** Support transportation pricing mechanisms that significantly and measurably reduce congestion, minimize carbon emissions, advance equity and improve safety.

WASTE MANAGEMENT AND WASTE REDUCTION

- **Electronic Recycling and Reuse:** Support legislation that modernizes the current electronic recycling system to be more convenient, equitable and allows for better pathways to reuse when possible.
- **Abandoned and Derelict Vessels and Recreational Vehicles:** Support legislation building towards a comprehensive statewide program and dedicated funding for the removal and disposal of abandoned and derelict vessels and recreation vehicles, both on land and in the water.

METRO COUNCIL 2023 LEGISLATIVE PRINCIPLES¹



GENERAL PRINCIPLES:

1. **Successful Communities:** Metro supports policy and funding solutions that facilitate the achievement of the six desired outcomes for successful communities that have been agreed upon by the region: vibrant, walkable communities; economic competitiveness and prosperity; safe and reliable transportation choices; leadership in minimizing contributions to climate change; clean air, clean water and healthy ecosystems; and equitable distribution of the burdens and benefits of growth and change.²

2. **Racial Diversity, Equity and Inclusion:** Metro envisions a region and state where a person's race, ethnicity or zip code does not predict their future prospects and where all residents can enjoy economic opportunity and quality of life. Metro therefore supports legislation that acknowledges past discrimination, addresses current disparities and promotes inclusion in public programs, services, facilities and policies.³

3. **Tribal Sovereignty:** Metro seeks to support tribal sovereignty through government-to-government relations and coordination with Tribes, exploring opportunities to incorporate tribal interests and priorities into Metro's work and ensuring agency compliance with pertinent cultural, historic and natural resource protection laws. Metro will not supplant any Tribe or tribal organization's efforts on legislative priorities and will strive to coordinate with legislative and policy representatives of Tribes, Tribal organizations and Indigenous legislators to determine if Metro's involvement on any legislative priorities is appropriate.

3.4. **Climate Justice:** Metro supports efforts to combat and adapt to climate change and to meet the state's goals for reducing greenhouse gas emissions. To this end, Metro supports state policy and funding solutions that can help to reduce emissions in all of its main lines of business: land use and transportation planning and investment, housing and homeless services, consumption, waste management and solid waste management, parks and natural areas, and operation of visitor venues.

4.5. **Preemption:** With respect to issues related to matters of regional concern, Metro's policy and funding authority should not be preempted or eroded.

5.6. **Funding:** To ensure a prosperous economy, a clean and healthy environment, and a high quality of life for all of their citizens, Metro and the region's counties, cities, and other service providers must have the financial resources to provide sustainable, quality public services. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority and avoid enacting new limitations or pre-emptions, and all state mandates should be accompanied by funding.

SPECIFIC PRINCIPLES:

HOUSING:

6.7. Affordable Housing and Homelessness: Metro supports efforts to ensure that housing choices are available to people of all incomes in every community in our region; to reduce the number of households that are burdened by the combined costs of housing and transportation; to support people experiencing homelessness or at risk of losing housing; and to increase affordable opportunities for home ownership.⁴ To achieve these outcomes, Metro supports legislative actions consistent with Oregon's land use laws that increase the supply of both regulated affordable housing and market-rate housing; provide funding for both housing development and services that support lower-income renters and people experiencing homelessness; and provide reasonable protections for renters against arbitrary and unfair actions.

LAND USE AND URBAN GROWTH MANAGEMENT:

7.8. Oregon's Land Use System: Oregon's land use planning system provides an important foundation for the prosperity, sustainability and livability of our region; this system reflects the values of Oregonians and enjoys strong public support.⁵ The Legislature should exercise restraint and care when considering changes to Oregon's land use system.

8.9. Local Land Use Decisions: Management of the urban growth boundary is a complex undertaking that involves extensive analysis, public input, and a balancing of many factors. Urban growth management decisions have profound impacts not just on land at the boundary, but on communities within the boundary and on farms and other rural lands outside the boundary. For these reasons, the Legislature should establish the process and policy framework for local land use decisions and should affirm the authority of local governments, including Metro, to make specific decisions on local land use matters.

9.10. Efficient Use of Existing Urban Land: Land within the urban growth boundary should be used efficiently before the boundary is expanded.⁶ Metro supports policy and funding strategies to facilitate efficient use of existing urban land, including investments in brownfield cleanup and industrial site readiness, as well as policy and zoning reforms that authorize and/or encourage more efficient development in residential and commercial areas.

10.11. Need: The UGB should not be expanded in the absence of demonstrated need.⁷

11.12. Integration of Land Use and Transportation: Land use and transportation planning should be coordinated so land uses do not undermine the efficiency and reliability of the transportation system and transportation investments do not lead to unintended or inefficient land uses.⁸

12.13. Annexation: Cities are the preferred governing structure for providing public services to urban areas, and Metro supports reforms that will facilitate, or reduce barriers to, orderly

annexation and incorporation.

13.14. Fiscal Responsibility: Funding to support urban development should be generated at least in part by fees on those who directly benefit from that development.

SOLID WASTE:

14.15. Life Cycle Approach: Metro supports efforts to minimize the health, safety, environmental, economic and social impacts associated with consumer products and packaging throughout all stages of a product's life cycle, beginning with resource extraction and continuing through design, manufacturing, consumption and disposal.⁹

15.16. Product Stewardship/Producer Responsibility: Metro supports legislation providing that whoever designs, produces, sells or uses a product bears responsibility for minimizing the product's environmental impact throughout all stages of the product's life cycle. Under this market-based approach, the life-cycle costs of a product are internalized into its price rather than being forced onto the general public. This approach also provides an incentive for manufacturers to design and produce their goods in a way that minimizes waste, environmental impact and management costs.

16.17. Equity in the Solid Waste System: The Regional Waste Plan aims to eliminate disparities experienced by people of color and historically marginalized communities from the full life cycle of products and packaging used and disposed in the region. Metro supports legislation that achieves this by advancing: community restoration, community partnerships and community investment; access to recycling, waste and reuse services and information; good jobs with improved worker health and safety, compensation and career pathways; business opportunities in the local economy; and community health through minimized impacts from system operations - locally and in end markets - and from toxic chemicals in products and packaging. Legislation should require the establishment of targets, standards and compliance processes, as appropriate, to ensure progress toward equity goals.

TRANSPORTATION:

21. Transportation Funding: Providing adequate funding for all transportation modes that move people and freight supports economic prosperity, community livability, public health and environmental quality. For these reasons, Metro supports an increase in overall transportation funding, investments in a safe and balanced multimodal transportation system that addresses the needs of all users, and flexibility in the system to provide for local solutions to transportation problems.

22. Climate Justice: Metro and its regional partners are committed to the Climate Smart Strategy, which includes actions needed to achieve state targets for reducing greenhouse gas emissions from transportation. The state should provide financial support for implementation of the Climate Smart Strategy.

23. Safe and Equitable Transportation: Our region has adopted policies and developed programs to make it safer to walk and bike to school and other destinations, reduce serious traffic crashes and deaths, and reduce the disproportionate impact of traffic crashes and traffic enforcement in low income communities and communities of color.¹⁰ Metro supports legislation that advances safe and equitable transportation, including more effective and equitable enforcement of speed limits and other safety regulations, greater investment in infrastructure that improves safety (especially in disadvantaged communities), and greater authority for local governments to safely manage their transportation networks.

PARKS, NATURE AND CONSERVATION:

24. Parks and Natural Areas: Our region has invested heavily in protecting water quality and fish and wildlife habitat and providing residents with access to nature and outdoor activity. Parks and natural areas are regional assets that support public health, environmental quality, strong property values and economic prosperity. For these reasons, Metro supports measures to increase local and regional authority to raise revenues to support parks and natural areas and to increase the level of state funding distributed to local governments for acquisition, capital improvements, and park operations.

25. Species Conservation: Metro supports efforts to protect and restore fish and wildlife habitat, to recover threatened and endangered species, and to create a better future for fish and wildlife, both in Oregon and globally.

26. Conservation Education: Metro supports efforts to provide stable and reliable funding to conservation education.

ECONOMIC PROSPERITY:

28. Metro Venues: Because the Oregon Convention Center, Expo Center, Portland's Centers for the Arts and Oregon Zoo contribute millions of dollars to the state and regional economies, Metro supports policy and funding solutions that facilitate the success of these venues in attracting visitors and enhancing the quality of their experiences.

AGENCY OPERATIONS:

29. Firearms and Public Facilities: Metro supports legislation that increases Metro's authority to regulate the carrying of firearms on Metro properties and public venues, and opposes legislation that limits or reduces that authority.

30. Disaster Resilience: Metro supports legislative efforts to improve community disaster preparedness and resilience, with the goal of enabling the Portland region to provide for the immediate needs of its residents and businesses after a catastrophic event and facilitating the region's short- and long-term recovery.

¹ Unless otherwise noted, endnotes refer to applicable policy statements in Metro's [Regional Framework Plan](#) (RFP).

² RFP Chapter 1 (Land Use).

³ [Strategic plan to advance racial equity, diversity and inclusion.](#)

⁴ RFP Policy 1.3 (Housing Choices and Opportunities).

⁵ See <http://oregonvaluesproject.org/findings/top-findings/> (specifically item 5, Natural Resource Protections for Future Generations)

⁶ RFP Policy 1.1 (Compact Urban Form).

⁷ RFP Policy 1.9 (Urban Growth Boundary).

⁸ RFP Policy 1.3.13 (Housing Choices and Opportunities); Transportation Goal 1 (Foster Vibrant Communities and Efficient Urban Form).

⁹ [2030 Regional Waste Plan](#), page 11.

¹⁰ [2018 Regional Transportation Plan, Chapter 3](#), Safety and Security Policies 1-9 and Transportation Equity Policies 1-7.

Employment Agreement Update
Work Session Topic

Metro Council Work Session
Tuesday, December 13, 2022

EMPLOYMENT AGREEMENTS

Date: November 30, 2022
Department: Office of the COO
Meeting Date: December 13, 2022

Prepared by: Val Galstad
Presenters: Marissa Madrigal, Chief
Operating Officer; Carrie MacLaren, Metro
Attorney
Length: 30 minutes

ISSUE STATEMENT

In March 2020, Metro Council held a work session to discuss delegation authority for the Chief Operating Officer (COO) to enter into employment agreements with department directors. At that work session, Council affirmed staff's recommendation to amend Code Section 2.02.010 to clarify who is included as a director, requirements for amendments and definition of compensation to include vacation accrual, as well as salary. This work was put on hold because of the COVID-19 pandemic. Office of Metro Attorney has prepared Code changes and an updated employment agreement template in accordance with previous policy direction from Metro Council.

ACTION REQUESTED

Metro Council affirm their support for previous policy direction or provide updated policy direction on changes to Code Section 2.02.010.

IDENTIFIED POLICY OUTCOMES

Changes to Code Section 2.02.010 would clarify COO authority to enter employment agreements with director-level staff and higher. This would allow the COO to maintain flexibility in recruiting and hiring director-level positions without seeking Council approval for each agreement.

POLICY QUESTION(S)

Does Metro Council wish to continue to delegate authority to the COO to enter into employment agreements with certain employees?

Should OMA clarify language in Code Section 2.02.010 to ensure consistent and transparent execution of employment agreements?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Provide direction to amend Code Section 2.02.010 in accordance with previous direction.

- Code Section 2.02.010 contains ambiguous language that would be clarified to clearly define the executive-level positions included in the COO's delegation authority, include a requirement that employment agreements may only be

amended by Metro Council approval and delegate authority to the COO to execute employment agreements as a group where all terms in those agreements are identical except for compensation (rather than salary).

- If current direction aligns with previous direction, staff will bring the changes to Metro Council to consider in January 2023.

Provide new direction to amend Code Section 2.02.010.

- Metro Council could provide new direction to clarify Code Section 2.02.010. This would likely result in a delay in implementation of changes.

Provide direction to not amend Code Section 2.02.010.

- Code Section 2.02.010 contains ambiguous language that would remain in Metro Code.

STAFF RECOMMENDATIONS

Reaffirm previous direction to clarify Code Section 2.02.010.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Known Opposition: None

Legal Antecedents: Metro Code Section 2.02.010; Ordinance No. 14-1350

BACKGROUND

In 2014 Council approved a code change that gives the COO authority to approve employment agreements in some situations. This practice allows flexibility when negotiating employment terms for executive positions at Metro. In 2017 Council passed a resolution delegating authority to the COO to approve employment agreements for department directors.

In January 2020, the Metro Auditor released an audit of employment agreements which included recommendations for clarification of delegation authority and increased transparency and oversight on separation agreements. Management agreed with all recommendations except one, where the Metro Auditor recommended that Council remove delegation authority from the COO.

In March 2020, Metro Council held a work session to discuss employment agreements and provided direction to staff where management and the Auditor did not agree. At the March 2020 work session, Metro Council expressed consensus to maintain delegation authority to the COO to enter into certain employment agreements. They directed staff to:

- continue to delegate authority to the COO to execute employment contracts;

- include department directors, venue directors, as well as the Deputy Chief Operating Officer and General Manager of Visitor Venues in the group of executives the COO has authority to enter into agreements with;
- include vacation accrual as well as salary as delegated terms for negotiation;
- retain the existing terms for increased vacation accrual and three months' severance;
- require the COO to bring agreements seeking any different terms to Council for approval;
- to require amendments be brought back to Council for approval.

This body of work was paused due to the COVID-19 pandemic and staff seek Council policy guidance.

ATTACHMENTS

[For work session:]

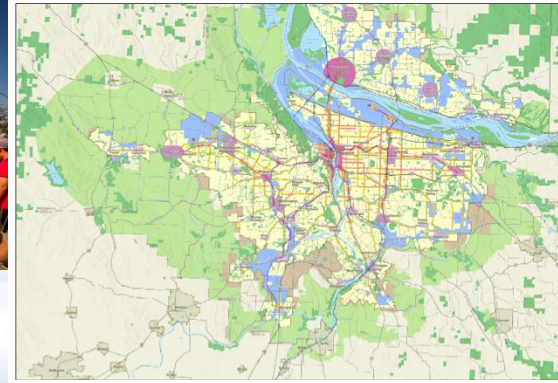
- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today? none

Materials following this page were distributed at the meeting.

Carbon Reduction Program

Metro Council Work Session

December 13, 2022



Bipartisan Infrastructure Law (BIL)

- Allocated to states and MPOs by formula fund and through “discretionary fund” (grant) programs
- Over \$567B investment across all modes over 5 years
 - Increased formula funding
 - Created new programs



BIL – Formula Programs

Total of 12 formula funding programs in BIL.

- Formula programs account for over 87.5% of BIL funding to States and MPOs

Most formula funding directed at the state level and administered by ODOT

- Examples of state-administered programs:
 - National Highway Performance Program (NHPP)
 - Highway Safety Improvement Program (HSIP)

BIL – Existing Formula Programs

BIL resulted in slight increase in existing formula funds that come to Metro as an MPO. Increase in existing formulas, including:

- **State Transportation Block Grant** – allocated by JPACT/Metro Council as part of the *Regional Flex Fund* process
- **Transportation Alternatives Program** – allocated by JPACT/Metro Council as part of the *Regional Flex Fund* process
- **MPO Planning** – increase allow for one additional FTE of an associate planner proposed in the FY 23-24 budget
- **Highway Infrastructure Program** – proposal to cover inflation

Program Name	Section	IJA	FAST Act	Additional Info
NHPP	11105	\$148B	\$116.4B	Program purpose expanded to include resilience and mitigation of sea level rise and extreme weather
STBGP	11109	\$64.8B	\$58B	55% suballocation, adds a new population category for 50,000 to 200,000 for suballocation.
Transportation Alternatives (TAP)	11109	\$7.2B	\$4.2B	Can be suballocated up to 100%.
CMAQ	11115	\$13.2B	\$12B	Expanded eligibility to cover transit operating expenses, shared <u>micromobility</u> (bikes and scooters), and electric vehicles/charging infrastructure.
HSIP	11111	\$15.5B	\$11.58B	Expanded eligibility to cover leading pedestrian intervals. If 15%+ of road deaths are pedestrians, cyclists, or people using mobility-assistive devices, the state must spend 15% of its HSIP funds to address vulnerable user safety.
Carbon Reduction Program	11403	\$6.4B	0	New program, 65% suballocation

BIL – New Formula Programs

New formula programs allocated by ODOT at the state level, example:

- Bridge Investment Program (BIP)
- Electric Vehicle (EV) Charging and Fueling Infrastructure
- **Carbon Reduction Program**

New formula program allocated at the MPO level:

- **Carbon Reduction Program**

Carbon Reduction Program (CRP)



IIJA CARBON REDUCTION PROGRAM

SUZANNE CARLSON – ODOT CLIMATE OFFICE





INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

- IIJA created a new Carbon Reduction Program (CRP) to reduce carbon emissions
- Oregon will receive a total of \$82.5 million for FY 2022-2026
- Funds for projects in:
 - TMAs
 - Small Urban and Rural Areas
 - Statewide
- Requires Carbon Reduction Strategy

OREGON CARBON REDUCTION PROGRAM - FUNDING

CRP Funding FY22-FY26

TMAs (Portland, Salem, and Eugene)	\$27.6 million
Small Urban and Rural Areas	\$26.0 million
Statewide	\$28.9 million
Total:	\$82.5 million

*Local match is required. Federal-aid requirements for project delivery apply.



FEDERAL CARBON REDUCTION STRATEGY REQUIREMENTS

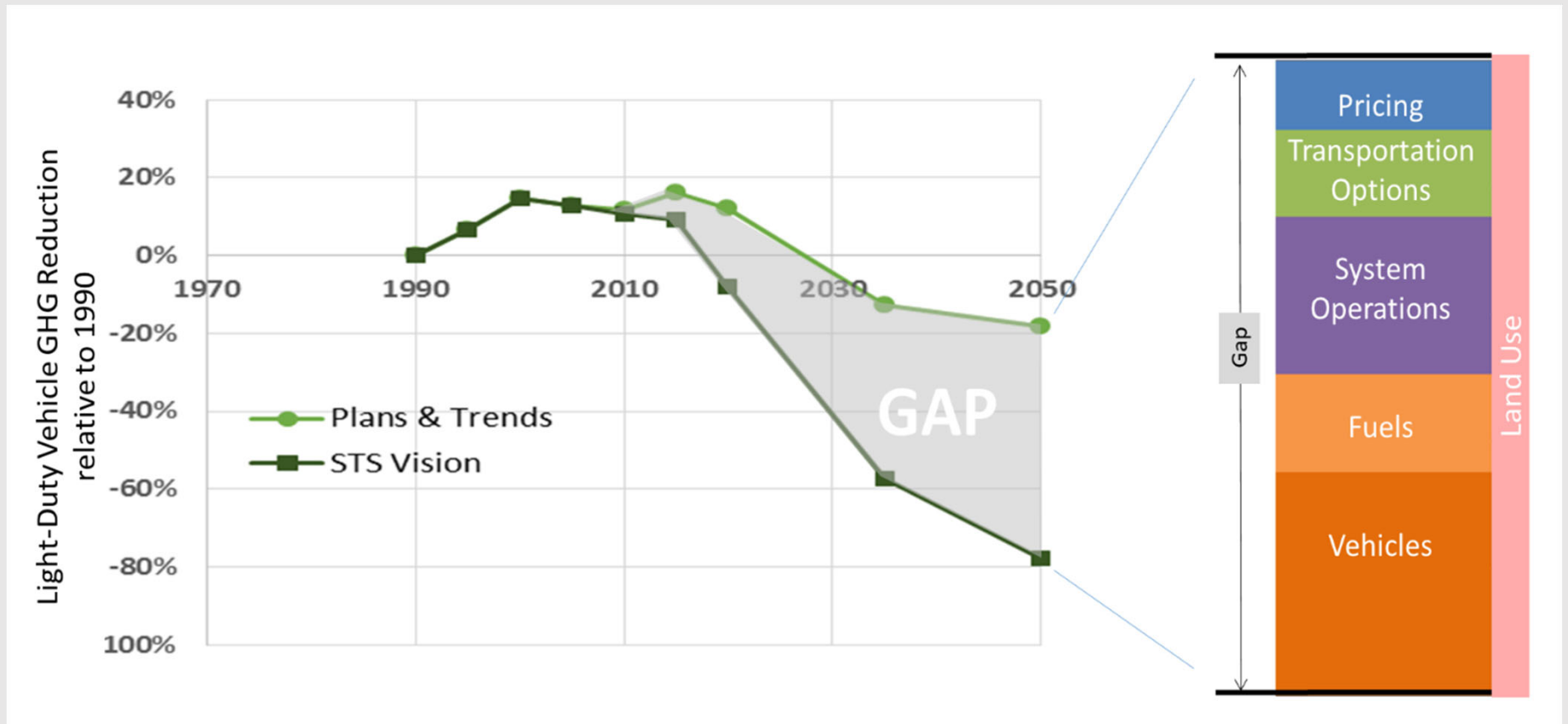
- Support efforts to reduce transportation emissions
- Identify projects and strategies to reduce transportation emissions, which may include
 - Alternatives to single occupant vehicle trips
 - Vehicles or modes that result in lower transportation emissions per passenger mile traveled
 - Construction practices that result in lower emissions
- Strategy should be appropriate to the population density and context

OREGON CARBON REDUCTION PROGRAM - STRATEGY

- Existing *Statewide Transportation Strategy: 2050 GHG Vision (STS)* is OR's framework for reducing transportation GHG emissions - since 2012
- Consultation group of TMAs, MPOs and stakeholders update *STS* to CRP Strategy
- Four priority areas
 - Vehicle and Fuel Technology
 - Transportation Options
 - System & Agency Operations
 - Pricing



STS 2050 VISION



Partnering to Reach Goals



OREGON CARBON REDUCTION PROGRAM – PROJECT SELECTION

- TMAs identify projects using existing outreach and selection methods
- ODOT, in consultation with MPOs and stakeholders, developing an application to select Small Urban and Rural projects
 - Guidelines
 - Selection criteria and weighting
- ODOT will identify projects for the Statewide Allocation



FEDERAL ELIGIBLE PROJECT TYPES

- Traffic monitoring, management, control facilities, and congestion management technologies
- Public transit projects
- Bike, pedestrian, and non-motorized facilities
- Infrastructure-based intelligent transportation systems
- Energy efficient street lighting and traffic control devices
- Congestion pricing, tolling and transportation demand management strategies
- Alternative fuel projects (public charging, hydrogen, natural gas and propane fueling)
- Diesel retrofits
- Projects that reduce truck impacts or port emissions, including port electrification



OREGON CARBON REDUCTION – TIMELINE

- Coordination Kick off (June 2022)
- Strategy Development: Goals and Priorities (Summer 2022)
- TMAs identify projects (current)
- Small Urban & Rural program development (current)
- Small Urban & Rural project selection – first round (Winter – Spring 2023)
- Statewide project selection (Winter – Spring 2023)
- Strategy finalization (Fall 2023)
- Future fiscal years and delivery (2024 – on)

Contact Us



Suzanne.Carlson@odot.oregon.gov



www.oregon.gov/odot/climate/Pages/default.aspx

Carbon Reduction Program (CRP)

Direct allocation to Metro

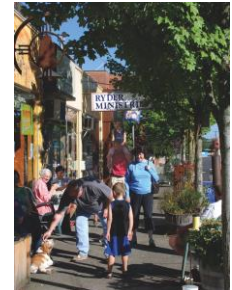
Opportunity for Metro to implement the Climate Smart Strategy

Funding available:

- \$18.8 million (total)
 - **\$16.5 M** for carbon reduction projects
 - \$1.84 M for Climate Smart program implementation, including monitoring, data and communication



Climate Smart Strategy: Policies and Strategies



Adopted in 2014 and approved by LCDC in 2015

Proposed Investment Areas for Carbon Reduction Program Funds

Three Climate Smart Strategies:



Transit (Investment)

- Expanded transit coverage
- Expanded frequency of service
- Improvements in right-of-way to increase speed and reliability of buses and MAX



Active Transportation (Investment)

- New biking and walking connections to schools, jobs, downtowns and other community places



System Management and Operations (Investment)

- Variable message signs and speed limits
- Signal timing and ramp metering
- Transit signal priority, bus-only lanes, bus pull-outs
- Incident response detection and clearance

Carbon Reduction Program Timeline

Define Program

- Introduce program
- Climate Smart refresher
- Outline priority areas/themes
- Propose process

Allocation

- Public
- Coordinate w/the state
- Program analysis

Program Coordination

- Program projects and programs in MTIP
- Coordinate w/the state
- Program analysis

Submission

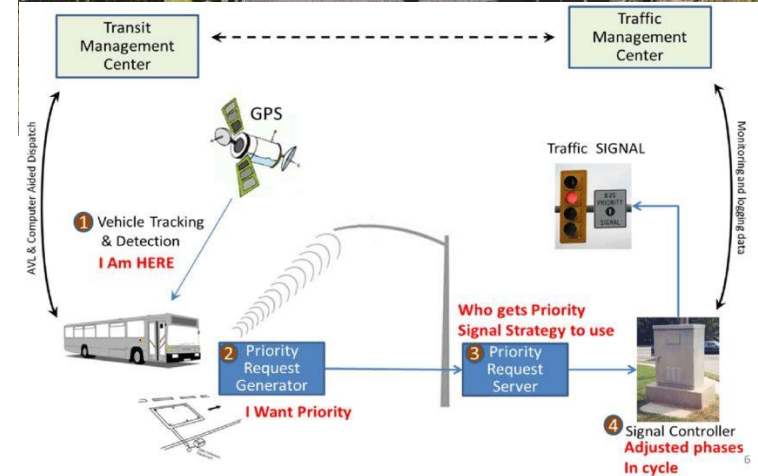
Carbon Reduction Program allocation due to FHWA

Autumn-Winter 2022 Winter- Spring 2023 Summer-Autumn 2023 November 2023

Discussion Questions

Councilor questions, thoughts and/or comments on:

1. BIL, Carbon Reduction Program funding
2. Allocation process
3. Emphasis of select Climate Smart investment areas



Next Steps

- TPAC Introduction/JPACT Introduction – January 2023
- TPAC Recommendation/JPACT Recommendation on Allocation of Carbon Reduction Program Funds – February 2023
- Metro Council Adoption – March 2023

– EXTRA SLIDES FOR Q & A

Comparison of FAST Act and IIJA

	FAST Act	IIJA
Length	5 years	5 years
Funding	\$305 billion	\$567.5 billion
Average Annual Funding	\$61 billion	\$113.4 billion
Total Highway Funding	\$226.3 billion	\$351.3 billion
Total Transit Funding	\$61.1 billion	\$91.1 billion

This table compares key transportation funding categories between the FAST Act and IIJA. The FAST Act expired in 2020 and was extended through 2021.

BIL – Existing Discretionary Programs

FHWA Existing Discretionary

- RAISE \$7.5B, INFRA \$8B

FTA Existing Discretionary

- Capital Investment Grants (e.g. New Starts) – upwards of \$4.6B per year (\$23B total), Region Implications
- Short-term opportunity to capitalize on significant increased funding



BIL – New Discretionary Programs

Over \$100 billion available in competitive programs, including (examples, not exhaustive):

- National Infrastructure Project Assistance (\$10B)
- Reconnecting Communities (\$1B)
- Safe Streets for All (\$5B)
- PROTECT Discretionary (\$1.4B)
- Safe Streets for All



Metro



State Legislative Agenda Update

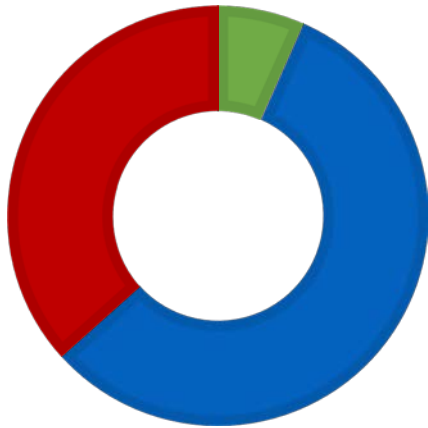
December 13, 2022

What's Changed Since Our Last Council Work Session?

- Capitol will be open
- Election Results
- Legislative Leadership Announced
- Clarity on Leadership Priorities
- New priorities for Council Consideration

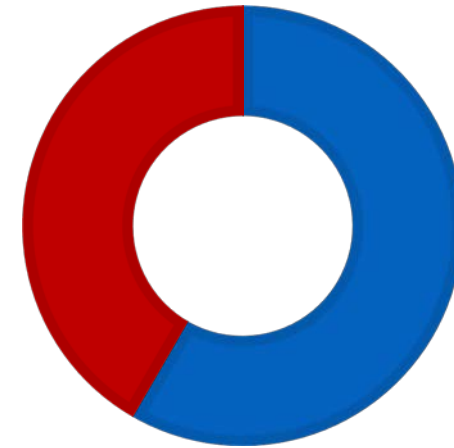
Election Results: High Level

OREGON SENATE



17 DEMOCRATS
11 REPUBLICANS
2 INDEPENDENTS

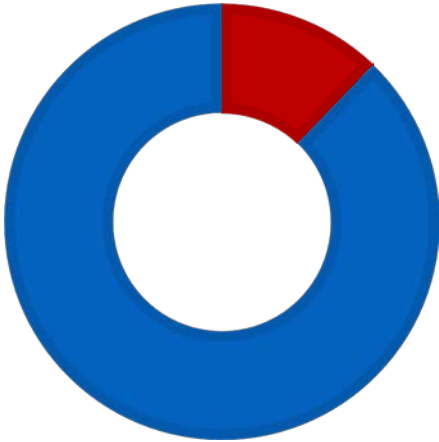
HOUSE OF REPRESENTATIVES



35 DEMOCRATS
25 REPUBLICANS

Election Results: Regional Level

PARTY MAKE UP IN OUR REGION



26 Democrats
5 Republicans

NEW V. RETURNING REGIONAL LEGISLATORS



12 New Members
29 Returning Members

Legislative Leadership

SENATE

President: Rob Wagner (D-Lake Oswego)

Majority Leader: Kate Lieber
(D-Beaverton)

Minority Leader: Tim Knopp (R-Bend)

HOUSE OF REPRESENTATIVES

Speaker: Dan Rayfield (D-Corvallis)

Majority Leader: Julie Fahey (D-Eugene)

Minority Leader: Vikki Breese-Iverson
(R-Prineville)

Legislative Leadership Priorities

- Housing/Homelessness
- Behavioral Health
- Advanced Manufacturing
- Reproductive Health
- Economic Recovery

Industrial Land Readiness

Support legislation that makes industrial land ready for development and advances semiconductor task force recommendations while exercising restraint and care for Oregon's land use planning system.



Leading with Housing Production



Support for the OHNA recommendations and other legislative concepts that will help increase equitable housing production and development that are in line with the fundamentals of Oregon's land use system.

Next Steps

- Formal adoption of Legislative Agenda
- Formal adoption of Legislative Principles - New legislative principle on “tribal sovereignty”
- Next Meeting – January 12

Discussion Questions for Metro Council

- Are there additional topics which the Council would like to adopt legislative positions?
- Are there particular legislative positions that the Council would like staff to prioritize in 2023?

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Employment Agreements

December 2022



Agenda

- Background
- Resulting updates to Metro Code
- Discussion and next steps

Background

- Delegated authority to COO- 2017
- Employment Agreements Audit- Jan. 2020
 - Improve transparency and consistency
 - Reduce financial and compliance risks

Background- Work Session

- Metro Council Work Session- March 2020
 - Clarify management actions based on audit recommendations
 - Seek Council direction on delegation authority

Background- Work Session

- Council consensus to:
 - Continue to delegate authority to COO;
 - Clarify with whom COO can enter into agreements;
 - Change language to compensation from salary;

Background- Work Session

- Council consensus to:
 - Retain existing terms;
 - Require Council approval for agreements with different terms
 - Require Council approval for amendments

Resulting code amendments

- Define executive-level positions
- Replace term salary with compensation
- Require Council approval for amendments in resolution

Discussion

- Does the guidance given in March 2020 still reflect Metro Council's direction or is there additional direction for staff to consider?

Next steps

- Ordinance outlining Code updates for Council consideration in January 2023
- Resolution for updated employment agreement template

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