



Transit Oriented Development Program

Strategic Plan Update

2023



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EXECUTIVE SUMMARY

Metro’s Transit Oriented Development (“TOD”) program makes strategic investments in high-density communities along the greater Portland area’s high-frequency transit network. Since its establishment in 1998, the TOD program’s work plan and strategic approach have evolved in response to changes in the region and emerging best practices. This strategic plan update builds upon an evolution that began in 2017 when the program first prioritized affordable housing. Since then, the program has experienced rapid growth in the number of grants made to regulated affordable housing projects. This increased demand has resulted in more affordability near frequent service transit, but it has also stretched the TOD program’s annual funding, leading the program to reduce the size of grants and delay further site acquisitions.

The TOD program responded to Metro’s explicit commitments to racial equity and prioritized actions that respond to climate change by partnering with non-profit developers and community organizations, incentivizing building design that encourages active transportation and incorporating community-serving uses such as early childhood education, workforce training and non-profit office space into TOD projects. Metro’s equitable development plans identified TOD as a tool to address potential gentrification in future transit system investments such as Southwest Corridor Light Rail and Division Bus Rapid Transit.

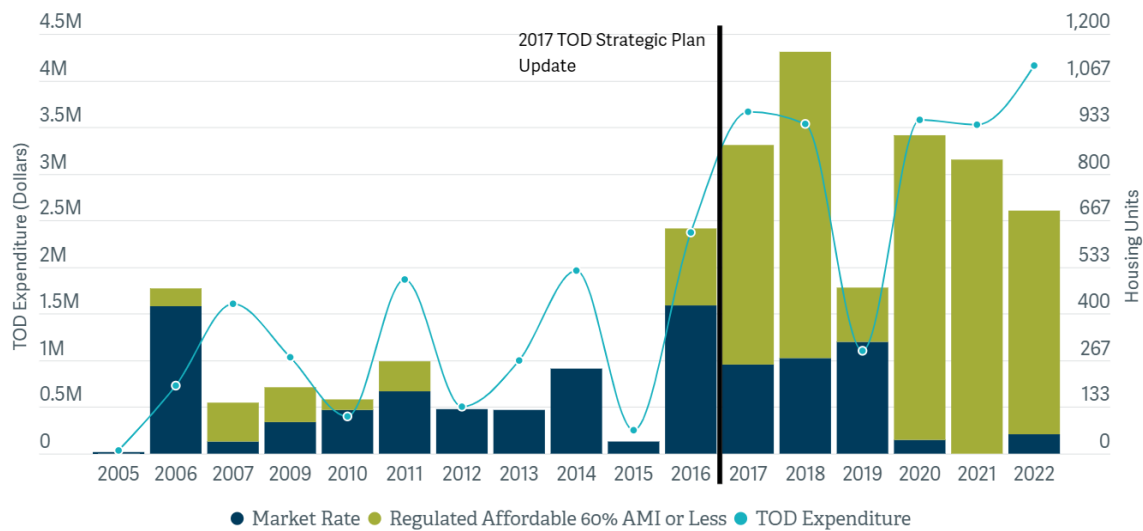
The 2023 strategic plan **updates the TOD program’s mission and desired outcomes** to better reflect the agency’s evolving priorities. The plan formalizes and expands on Metro’s commitment to fostering equitable and climate-friendly communities along the region’s transit system by **setting new goals around affordability, climate and racial equity**, and exploring ways to leverage additional funding to increase the program’s impact over time. These updates to the program are intended to align with existing goals and requirements from other programs, including the Climate-Friendly and Equitable Communities rules adopted by the State in 2022, to help incentivize much-needed housing production without adding administrative or regulatory burden to projects. **Land acquisition is also identified as a key part of the region’s anti-displacement toolkit**, and the strategic plan sets a direction to pursue greater impacts through community-led development partnerships on publicly acquired land.

BACKGROUND & INTRODUCTION

Greater Portland has changed significantly since Metro’s Transit-Oriented Development (TOD) program began in 1998. Over time, the program’s goal of increasing the density of development near transit has not changed, but each strategic plan update has refined that focus to meet the changing needs of the region.

The 2011 TOD work plan directed staff to review and update the program strategic plan every five years. In 2017, upon review and in response to the regional housing affordability crisis, the program adopted a new methodology to account for the higher transit ridership of lower-income households. With the addition of a new category of “Housing Choice” projects that included significant affordability, the updates changed the focus of the program’s funding. The program shifted from primarily awarding funds to market rate buildings focusing on economic development outcomes to prioritizing affordable housing projects.

TOD Program Funded Units by Affordability



When work began on the current update in 2022, briefings with Metro Council members, the program’s Steering Committee, as well as with Metro’s regional transportation and policy technical advisory committees, TPAC and MTAC, helped frame the stakeholder engagement and set goals for the strategic planning process. The goals for this strategic plan are to: 1) align the TOD program with Metro’s racial equity and climate goals, and 2) identify ways to stabilize and increase the program’s budget.

Racial equity

In the past five years, Metro has done significant work to elevate racial equity as a regional priority. The Strategic Plan to Advance Racial Equity, Diversity and Inclusion (SPAREDI), along with the Planning and Development Department’s racial equity strategy, guide Metro’s work and provide clear strategies for program improvement. Some practices that are included in the following strategic recommendations, such as partnering with culturally specific community organizations on development projects, have been a part of the TOD program for several years, but had not been formalized. Others, like tracking workforce demographics and hours worked by underrepresented groups, are new to the TOD program. However, all were identified as potential strategies to pursue in Metro’s earlier planning documents.

Climate leadership

Heat emergencies in the Metro area have brought an increased awareness of the dangers of the urban heat island effect and wildfires have come increasingly close to heavily populated urban areas in recent years. These impacts of climate change solidify the need for action. Metro’s Climate Smart Strategy, adopted in 2014, lays out the region’s priorities to reduce carbon emissions that exacerbate climate change, including promoting transit-oriented development as a key land use strategy to lower the region’s carbon footprint. This strategic plan update includes several elements of the Climate Smart Strategy that were not previously incorporated into the TOD program, such as supporting the transition to cleaner energy sources and reducing greenhouse gas emissions in residential development.

Program stability and growth

Since the last strategic plan update, the program has experienced a dramatic increase in grant requests. The demand for program funds is a sign of success but has resulted in less available funding for site acquisition, which has been a key element of the program since its inception. For this reason, this plan update explores ways to maximize the program budget and impact to support the expanded goals of the program.

Five strategic goals to achieve an equitable and prosperous region

The Strategic Plan to Advance Racial Equity, Diversity, and Inclusion identifies five long-term goals to direct Metro in creating specific objectives, actions and measures of evaluation and accountability as the agency works to help greater Portland reach an equitable and prosperous future.

Goal A

Metro convenes and supports regional partners to advance racial equity.

Goal B

Metro meaningfully engages communities of color.

Goal C

Metro hires, trains and promotes a racially diverse workforce.

Goal D

Metro creates safe and welcoming services, programs and destinations.

Goal E

Metro’s resource allocation advances racial equity.

VISION, MISSION & DESIRED OUTCOMES

The TOD program’s mission has remained consistent over its history. The program was designed to help create compact, walkable communities by incentivizing higher density and mixed-use buildings near frequent service and high-capacity transit. In some significant ways that mission has been achieved in parts of the region. Vertical development is found in many station areas, centers and corridors; walkable neighborhoods command high market prices; and the region has a robust development community and plentiful examples of high-density housing that demonstrate project feasibility to lenders.



However, as land values have risen over the past decade, areas with the best transit access have also seen dramatic demographic changes. Lower income households who rely the most on public transit find it increasingly difficult to find modestly priced housing in the urban core and regional centers. Analysis by TriMet has shown that displacement of lower-income households away from areas well-served by transit investments has negatively impacted transit ridership. Gentrification and displacement of lower income households has led to a lost sense of belonging for some communities and an increase in housing insecurity. Updating the way Metro approaches transit-oriented development is necessary to meet the region’s racial equity and climate goals.

Reflecting input from stakeholders, the mission statement has been updated to reflect the current needs of our region. This strategic plan also updates the program’s desired outcomes which help measure program success.

Updated mission statement

Metro’s TOD program makes catalytic investments to build climate-friendly communities near transit that prioritize the needs of low-income households and people of color.

This updated mission highlights a vision for the region that extends beyond the built environment to consider the people who live in the buildings funded by the TOD program, and how those developments interact with the environment. The new mission also explicitly references Oregon’s new Climate-Friendly and Equitable

Communities regulations that promote density, efficient land use and investments in sustainable infrastructure. Together these changes prompted updates to the program's desired outcomes to place equity and healthy communities at the core:

1. *Higher density that supports transit ridership*
2. *Places that are safe, convenient and enjoyable without a car*
3. *Preventing displacement of communities of color and people with low incomes*
4. *Increased number of affordable housing units near frequent service transit*
5. *Economic benefits for people with low incomes and people of color*
6. *Innovation in housing development and design to advance equity, demonstrate climate-leadership and achieve cost efficiency*

The result of this update is an evolution toward a more equitable program that will make investments to impact the area beyond the walls of each funded development by increasing community stability and environmental sustainability. The updated mission will also build on the work in other parts of the agency and by public and private partners to create more sustainable and resilient places.

PLAN DEVELOPMENT AND STAKEHOLDER ENGAGEMENT

TOD staff began work on a strategic plan update early in 2022. The process of plan development spanned a little over a year and involved frequent discussions with the TOD Steering Committee, a group that provides expert guidance, review and recommendations on Metro's transit-oriented development investment activities, and other stakeholders.



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Each new strategic plan is approved by the TOD Steering Committee. Once approved, the TOD program work plan will be updated to reflect the recommendations of the new strategic plan. The work plan guides program implementation. Proposed revisions are reviewed by the TOD Steering Committee and Metro's Chief Operating Officer prior to seeking Metro Council approval.

Stakeholder interviews

A critical part of the process was understanding the program's impacts, opportunities and challenges from those involved in the program. Outreach focused on collecting a broad range of perspectives on possible changes to the program's structure and requirements that would help achieve the desired outcomes defined by the Steering Committee. Staff conducted interviews with former and current grantees, community-based organizations and program staff from similar grant programs at Oregon Housing and Community Services and Hennepin County, Minnesota, the only other regional TOD program in the country not administered by a transit agency. Staff also worked to refine potential requirements with departments and programs across Metro including the following teams:

- Diversity, Equity and Inclusion, to align with regional trends in workforce equity tracking requirements
- Regional Travel Options, on strategies for increasing transit use
- Capital Asset Management, on green building requirements

- Metro’s new Housing department, on coordination on affordability updates to the program and alignment on racial equity requirements

Previous grantees and other stakeholders were asked about the TOD program’s current impact on their development plans and about several potential changes to the TOD program that would further Metro’s racial equity, climate and program operation goals. The strategic recommendations made in the following section are a result of this engagement and are driven by the themes that emerged from those conversations.

Key themes that emerged

- Maintain a strong connection to transit use, while elevating other priorities.
- Keep the program’s simplicity and ease of use.
- The TOD program should be an anti-displacement tool in broader regional planning efforts.
- The region’s housing crisis requires a focus on affordable housing development, particularly in areas well-served by public transit.
- Ensure that economic benefits of the program, not just affordability, lead to racial equity outcomes.
- New requirements should be consistent with those of other existing programs whenever possible.
- Clear, upfront requirements make it more likely that projects will be shaped to meet them.

Appendix A includes a full list of stakeholders who participated, and a summary of the feedback received.

STRATEGIC RECOMMENDATIONS

The recommended changes to the TOD program will ensure affordability, align the program with Metro's climate and racial equity goals, maximize the program's impact and support its financial sustainability. Specific updates to program requirements will be implemented through the TOD program work plan.

Focus on anti-displacement strategies

These strategies focus on ways the program can help keep people with lower incomes and people of color in their neighborhoods of choice, bolster economic outcomes and support community stability.

Require affordability. The TOD program should require a degree of regulated affordability within each project it supports beyond what is required by the local jurisdiction. The program should balance finding a degree of affordability that will lead to meaningful gains in the number of units affordable to people with lower incomes, with allowing developers flexibility in how they finance a project.



The site for Orchards on 82nd was acquired by TOD program during Division transit planning. Partnerships with APANO and Rose CDC helped the community shape the design.

Set aside for site acquisition. The program should set aside a portion of its annual budget for acquiring land in areas well-served by transit. Past grantees noted that buying land near transit investments is one of the TOD program's most impactful tools. Historically, the TOD program purchased land in advance of the development of the Blue and Red MAX lines, and that allowed for demonstrations of higher

density development. By developing affordable housing on its properties, the TOD program can help ensure that transit ridership remains strong and grows while providing an opportunity for development partnerships with community-based organizations that lead to more positive impacts for community.

Leverage solicitations to strengthen community partnerships. When Metro owns the land, the TOD program should use the developer solicitation process to encourage good faith and mutually beneficial development partnerships with culturally specific community-based organizations that build organizational capacity. The TOD program should encourage community engagement from people with similar life experiences as future residents. Engagement can identify desired outcomes for each project including design, amenities and services, and inform developer selection. Deep engagement with marginalized community members can help identify hyper-local needs resulting in ground floor spaces that are community assets.

Developer solicitations are also a key point where Metro can incorporate its racial equity and climate-friendly goals into developments. Discussion of the kinds of requirements the TOD program should include in solicitations are detailed in the next section.



The concept for Glisan Landing (expected December 2024) was based on extensive community engagement as expressed through the statement of community values included in the developer solicitation issued for the site.

Align & leverage to maximize impact

These strategies are centered on setting new and ambitious requirements while aligning them with funding programs available to developers and community-based organizations from other local, state or federal government or philanthropic agencies. Coordinating with other Metro departments and local agencies will help

drive faster adoption of shared goals on racial equity and climate action and reduce the administrative and regulatory burdens on applicants.

Require contracting equity goals. The program should adopt the contracting goals used by the regional housing bond for all its projects. The goals for contracting COBID-certified firms are well established among affordable housing developers and are modest enough that they do not pose an undue burden on development.

Pilot workforce equity tracking. The program should encourage grant funded development projects to track workforce hours by race, gender and job classification. This type of tracking should be a requirement for projects built on Metro-owned land. The program should work toward incorporating established and heavily negotiated workforce equity goals from Metro's Construction Careers Pathways Program. Doing so will help further Metro's racial equity goals by increasing developer and contractor awareness of workforce equity efforts and by expanding the pool of contractors who can bid on future Metro projects.

Require climate-friendly design. The program should provide developers with a menu of options to choose from that they must incorporate in their projects. These should include the following: strategies to combat urban heat islands, a reduction of onsite parking, energy efficient design, installing renewable energy and electric vehicle infrastructure and providing options for shared mobility for residents.



The Radiator (completed 2015) showcased innovative energy efficiency and was the tallest wood building in Oregon when it received TOD funding.

Leverage other public investments, especially Metro's to spur innovation. The program should work to coordinate with other Metro grant programs, when possible, to have a greater impact in and around development sites. The strategic planning process allowed staff to explore areas where different programs could support mutual goals. Promising coordination opportunities were identified with the following programs:

- The Regional Travel Options program can fund staffing and infrastructure to reduce single-occupancy car trips.
- Community Placemaking grants can help fund cultural events, community gatherings, art installations and other projects to improve the public realm and support community stability.
- The Parks and Nature bond has several grant programs that can support the restoration of natural areas near housing and transit, including the Nature in Neighborhoods program and the Large-Scale Community Visions program.

Partner with TriMet. TriMet's Transit-Oriented Development team recently completed a feasibility analysis of their real estate portfolio. Metro should partner with TriMet to identify high opportunity sites near or adjacent to parcels that TriMet is likely to redevelop. The two teams should also explore coordinating strategies to guarantee that affordable housing will be developed on publicly owned land.

Optimize program to catalyze investments

This set of strategies focuses on the program's structure, honing its current strengths and making needed updates.

Renew and rename. The program should consider revisiting its name and identity to communicate the expanded mission and focus on affordability, racial equity and climate leadership.

Keep requirements clear and applications rolling. TOD grants are highly valued as a reliable source of funding that can be accessed by meeting clear and objective threshold requirements. By setting clear design priorities and incentivizing elements that align with Metro's goals, the TOD program can increase its overall impact.

Make commitments that catalyze development, contingent on results. To better leverage the program's reliability and predictability in the early stages of development, Metro should shift the grant program from gap to catalytic funding. The program should pilot making early commitments to projects contingent on developers delivering designs that meet or exceed the program's requirements.

Historically, the TOD grant program has been a gap financing tool for development projects that would not occur “but for” the Metro subsidy. While this strategy has worked for many years, the move to supporting regulated affordable housing requires a change to this approach. Affordable housing finance is complicated and unpredictable. Making TOD grant funding commitments early in a project’s finance planning serves as a vote of confidence that helps secure other funding.

Update analysis and performance metrics to meet the moment. The TOD program should report new performance metrics regarding racial equity and climate leadership and revisit the types of market analysis that have previously guided investments. The program should also reevaluate ridership assumptions and support projects that meet the region’s economic and housing needs. The following sections of this report provide more details.

Adjust analysis to account for housing needs

Metro’s TOD program invests only in eligible areas, defined as the zones within ¼ mile of Frequent Service Bus lines and Portland Streetcar routes and within ½ mile of MAX stations. Since 2011, Metro’s TOD program has prioritized investments based on the market strength and transit orientation of these station areas and transit corridors. Using data about market strength and the physical environment, the 2011 strategic plan and subsequent updates characterized each station area from a TOD perspective as ‘Plan and Partner’, ‘Catalyze and Connect’ or ‘Infill and Enhance’. Plan and Partner described areas with the weakest market and least transit-oriented environment while Infill and Enhance described areas with the strongest real estate markets and transit orientation.

These typologies helped TOD program staff prioritize investments in areas where they would have the most impact in supporting higher density, walkable and amenity rich transit communities. Projects in Catalyze and Connect areas received the highest priority for TOD investment because of the belief that Metro’s investment could help achieve higher density projects and enhanced neighborhood walkability than would occur without public support. In contrast, projects in Infill and Enhance as well as Plan and Partner areas faced greater scrutiny because of the belief that Metro’s investments were less needed or less likely to significantly improve the transit orientation of the investment area.

With the TOD program’s increased focus on affordable housing and amenities that serve low-income communities, the program’s use of these typologies has changed and will continue to evolve. With increased gentrification pressure and a region-wide housing affordability crisis, new affordable housing is needed in all areas served by Frequent Service and High Capacity Transit. Further, the long-term nature of affordable housing investments and the difficulty of securing transit-adjacent sites means that investments in housing may sometimes need to occur in advance of

the infrastructure improvements or amenities that characterize the region's most pedestrian-friendly areas.

As a result, Metro's TOD program will continue to track the market strength and transit orientation of the places where it makes grants and acquires land and will seek to acquire sites in the areas with the amenities affordable housing residents need to succeed but will no longer use the typologies framework to screen out potential investments in affordable housing. See Appendix B for transit-orientation and market strength maps, updated in 2022.

Update metrics to reflect new program impacts

Tracking metrics are a key part of accountability and an important aspect of measuring program impact. Currently, TOD program staff look at several metrics to determine whether projects meet threshold requirements for grant funding. Staff also generate additional performance measures that are reported annually. The update to the program's mission and desired outcomes necessitates an update to the metrics to incorporate the program's desired outcomes around racial equity and climate action.

Current TOD program metrics

- Total number of units
- Number of affordable units
- Level of affordability
- Parking ratio
- Transit ridership generated
- Construction jobs created
- Acreage preserved by developing more density

Proposed additional metrics

- Number of bedrooms developed
- Percent of projects where workforce hours are available for tracking
- Number of hours worked by equity priority populations when the data is available
- Total dollar amount of contracts to COBID certified minority-owned, woman-owned or emerging small businesses
- Number of projects that installed renewable energy infrastructure

Adding these metrics to project staff reports and annually reported performance metrics will allow staff to better understand and communicate impacts as related to Metro's racial equity and climate leadership goals.

Future funding strategies

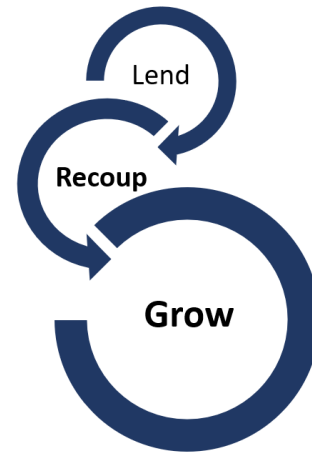
The TOD program budget has not substantially increased since the program's inception in 1998, and the demand for grant funds has increased dramatically over the past five years. This presents a significant barrier to achieving the program's potential impact in the region. The upcoming task for program staff is to identify ways to grow the budget to achieve its long-term vision.

Use current sources more efficiently. Metro should consider structuring TOD grants as loans and recovering land acquisition funds at closing or at the time a project refinances for long term sustainability of the program.

Pursue new sources of funding. Explore federal loan sources available for TOD joint development projects, such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) program which provides loans for TOD projects of regional significance.

Include site acquisition funds in future funding measures. All new funding measures should include money explicitly set aside to purchase sites for multifamily housing along transit investments as an anti-displacement strategy and to support increased transit use.

By acquiring and making sustainable investments in multiple sites along planned transit corridors the TOD program can have a sizable impact as an anti-displacement tool. This will help ensure that the people who most need transit can stay in their communities, close to new and existing transportation infrastructure.



Acknowledgments

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APPENDIX A – STAKEHOLDER ENGAGEMENT

Throughout the strategic planning process there was an effort to collect a broad range of perspectives on possible changes to the program’s structure and requirements that would help achieve the desired outcomes defined above. Staff conducted interviews with former and current grantees, community-based organizations, and program staff from a range of similar grant programs. A complete list of interviewees and staff consulted throughout the process and a summary of the feedback received follows.

Previous grant recipients – Topic: Program goals and requirements

Bob Beauchemin, BC Group

Sherry Grau, BRIDGE Housing

Jessica Woodruff and Thomas Eldridge, Community Development Partners

Levi Curran, Guardian

Andrew Clarke, Hugh Development

Ryan Winterberg-Lipp and Dan Eddie, Human Solutions

Destin Ferdun, Northwest Housing Alternatives

Nick Sauvie, Rose CDC

Community Based Organizations- Topic: Development partnerships and solicitations

Duncan Hwang, Asian Pacific American Network of Oregon (APANO)

Nathan Teske, Bienestar

Travis Phillips, Catholic Charities of Oregon

Ernesto Fonseca and Beatriz Kravetz, Hacienda CDC

Oscar Arana, Native American Youth and Family Center (NAYA)

Hanna Osman and Hamdi Abdullahi, Somali Empowerment Circle

Sahaan McKelvey and Stephanie Marquez, Self Enhancement, Inc

Ty Brown, Urban League of Portland

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Summary of feedback

Racial equity

Affordability requirement: Interviewees were asked about a proposed requirement that 50% of units be regulated affordable at 80% AMI. This target was set based on the requirement used by the Oregon Multifamily Energy Program as well as recent projects funded by the TOD program. The threshold was used as an example of a level of affordability that could potentially be achieved by developers without relying on tax credit financing, given the limitations on private activity bonds that can be issued by the State of Oregon. Affordable housing developers who are eligible for tax credits must meet much stricter affordability requirements for their projects, so none had any concerns about this addition to the program. One market rate developer suggested alternatives to requiring that all projects include affordable units.

Developer solicitations: Developers and community-based organizations agreed that having the TOD program acquire sites presents a significant opportunity for furthering Metro's impact on racial equity. Owning the land gives Metro the leverage to secure broader community benefits that extend past affordability. Community organizations suggested several ways the solicitation process might lead to better racial equity outcomes:

- 1) Make solicitation and procurement processes simpler and the solicitation period longer to allow more time for the establishment of positive development partnerships with community-based organizations.
- 2) Request that the benefits and responsibilities of development partnerships are laid out clearly in project proposals.

- 3) Recognize that the contribution of land is a significant benefit to a development project that should be shared. Plan to help local, culturally specific community-based organizations benefit from land write-downs.

Through the solicitation process, Metro can specify the types of development partnerships that influence ground floor uses and ensure they serve the local community and can set ambitious standards for contracting and workforce equity requirements.

Minority-owned, Woman-owned or Emerging Small Business (MWESB) contracting requirements: Developers generally expressed support for establishing contracting standards intended to improve racial equity outcomes in the world of housing development. Many previous grantees already have self-imposed goals for subcontracting to COBID-certified firms that meet or exceed the goals set by the state and the City of Portland (30% of all contract dollars spent on hard costs and 20% of soft costs). However, several developers said that these goals would be difficult to meet without counting firms that qualify under the emerging small business category, which does not guarantee impact on racial equity outcomes.

Workforce equity: In an effort to increase the diversity of employment in construction trades, several jurisdictions currently require that affordable housing projects that receive regional housing bond funds report certified payroll documenting the share of hours worked by women and people of color in each job class. Metro has a similar requirement on capital improvement construction projects it manages through the Construction Careers Pathways Program. Developers were asked how such a requirement would impact their projects. Several developers expressed that a requirement to report workforce demographics and hours worked by apprentices in all trades would represent a considerable burden to the small firms they subcontract to. Discussions with procurement staff at Metro also illustrated some of the challenges that emerge when incorporating new workforce tracking requirements on general contractors. Nevertheless, many interviewees stated that workforce tracking was likely to yield a higher racial equity impact than a COBID certification requirement. Workforce demographic tracking and equity goals were also seen as a necessary step in building a pipeline of diverse skilled labor that can command middle-class wages.

Other opportunities for greater impact: Interviewees identified opportunities to have an impact on racial equity by strengthening requirements for culturally specific partnerships and seeking feedback about those partnerships from community-based organizations, requiring affirmative marketing strategies and low barrier screening for tenants, and appropriate funding for property management and resident services which are currently not eligible for funding through bond subsidies.

Climate leadership

Sustainability certifications: Tax credit funded affordable housing projects are required by Oregon Housing and Community Services to obtain Earth Advantage Gold certification which requires working with an energy consultant and incorporating elements to improve energy efficiency. Earth Advantage is seen as the most affordable path to green building

certification for multifamily housing, however it still presents a significant expense that increases the cost of development. Some developers expressed that working with an energy consultant without seeking certification could potentially achieve many of the benefits in energy savings without raising costs as significantly.

Solar panel installation: Building code changes at the state level require all new multifamily construction be “solar ready,” however several interviewees explained that it is unlikely a developer or building owner would install solar panels post-occupancy. Some developers noted that other building decisions, such as the longevity of the roof chosen for the building, impacted whether solar panel installation made financial sense. Several affordable housing developers were already working on finding sources of funding at the state-level that help offset the cost of solar arrays. Others noted that if solar panels were required to qualify for TOD funds it would lead them to prioritize solar in design and construction.

Urban heat island mitigation: Several developers noted that there are many competing requirements that impact their ability to include elements like shaded parking lots that reduce urban heat islands, but that the main barrier was the local jurisdiction’s parking requirements. Every tree well in the parking lot represents one fewer parking space, as well as an added maintenance expense. Nevertheless, most developers stressed that their architects often took steps to address the issue in their designs.

Electrification: State-level changes to residential building codes have required electrification and the installation of “electric vehicle-ready” (EV-ready) infrastructure. However, as with solar panels, the final installation of the infrastructure greatly depends on whether it is required by any project funders. Interviewees were generally supportive of requirements when paired with incentives for installation of EV chargers but urged Metro to align its requirements with those of other agencies’ grant programs.

Other opportunities for greater impact: Stakeholders expressed that allowing flexibility in the design and implementation of climate-friendly features was important. Many preferred a menu approach where they could select from an array of preferred design elements. Several developers mentioned design elements that addressed other environmental concerns, such as permeable pavers in parking lots, low-impact stormwater retention facilities and low-flow fixtures to prevent water waste.

TOD Program structure

Impact on decision making: The TOD program is highly valued by grant recipients; with several developers saying TOD funding helps drive their decisions to acquire sites near transit. Those who said the grant program did not impact their site selection noted that residents’ need for transit access drives their decisions to build near transit. Some developers stated that grant funding to support pre-development and site acquisition would be very useful.

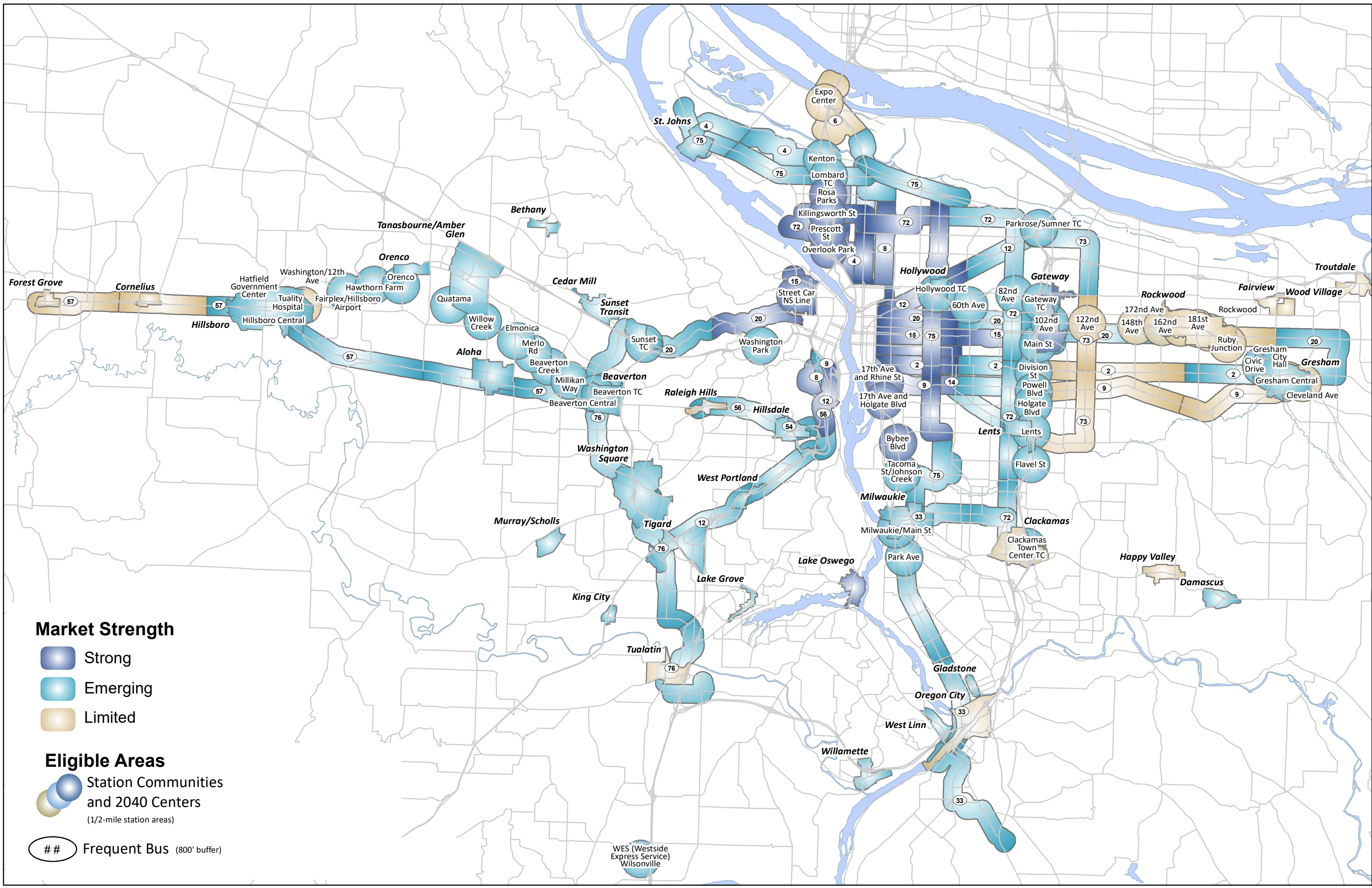
Competition: There was consensus among previous grantees to keep the program non-competitive and increase threshold investment criteria rather than changing to a

competitive grant funding round. Interviewees were in favor of choosing from a menu of requirements to maximize flexibility of their design and approach.

Threshold requirements: Previous grantees understood the need for more stringent threshold requirements to increase the program's impact on racial equity and climate goals. Some interviewees said there should be clarity around what the program is intended to be incentivizing, pointing out that the lower grant amounts would not cover the costs of all the threshold requirements. In the event of new requirements, stakeholders broadly supported aligning them with those of other common public agency grant programs whenever possible to minimize confusion and competing standards. Metro staff from other programs and staff from Oregon Housing and Community Services also stressed the value of aligning program requirements and leveraging resources in a coordinated fashion to maximize the racial equity, affordability and sustainability impact of funding in each area or project.

Site acquisition: Stakeholders were asked whether site acquisition should be a budget priority for the TOD program. Many previous grantees saw the benefits of setting aside a defined amount of the TOD program budget for future site acquisition. Affordable housing developers expressed that it is often a struggle to hold land long enough to secure financing for housing development and they supported the TOD program setting funding aside to pursue sites that are well-served by transit.

Grant size: Interviewees were asked whether reducing the maximum available grant amount would decrease their likelihood to pursue TOD funding. Affordable housing developers noted that even at a lower level, the TOD program would be a priority funding source. They stressed the importance of showing institutional investors that a project has a degree of certainty for other sources of funding, and the TOD program's current threshold requirements provide that certainty. Some market rate developers commented that the smaller grant amount would make them less likely to take the time to apply for the program in the current inflationary environment.



Market Strength

- Strong
- Emerging
- Limited

Eligible Areas

- Station Communities and 2040 Centers (1/2-mile station areas)
- ## Frequent Bus (800' buffer)

WES (Westside Express Service) Wilsonville