



2040 Planning and Development Grants
Committee on Racial Equity
October 17, 2019

Esteemed Committee Members,

We look forward to our upcoming discussion with you and the opportunity to obtain your collective insights and feedback as we re-align our grant program to better accomplish Metro's equity and development goals. We aspire to use our limited time together for constructive dialogue so we may gather the creative ideas and critical thinking of committee members. We have attempted to distill essential background information into a few brief pages which we hope will enable you to understand the key goals of program as we ask you to consider and comment on the upcoming changes staff propose. We will take time at the outset of our conversation to answer any questions you may have regarding past program operations and the proposed adjustments. We will then jump into our discussion regarding the two case studies described on pages 5-8 of this handout.

Both case studies are excerpts of past project applications that were awarded funds in recent grant cycles, though they did not apply under in the Equitable Development project category. We invite your help to "test drive" our proposed new grant requirements by considering how these projects, each with laudable regional planning goals, might hypothetically be expanded and revised to also deliver the impactful equity outcomes emblematic of the innovative, win-win projects that Metro aspires to support to help build thriving communities and advance racial equity throughout our region. Your ideas and input will help us better describe potential approaches, projects and programs to grant applicants, and help to provide inspiring examples of successful outcomes.

Program History and Goals

Since its inception in 2006, Metro's 2040 Planning and Development Grant program has supported a range of local planning and development projects across the region. Funding for the program is generated from a regional excise tax on construction permits issued within the Metro service district. Over the course of seven grant cycles conducted to date, Metro has awarded more than \$26 million in funding to 110 projects across the region.

The initial grant cycles of the program funded planning of lands at the edges of the region that had recently been brought into the urban growth boundary (UGB) in order to make it ready for development. Over the years, the program has evolved to respond to changing local and regional development priorities. In subsequent grant cycles, projects that removed barriers to infill development in existing urban areas already served by infrastructure were prioritized over planning of lands at the edges of the region, where the lack of infrastructure and financing had stalled development. However, the central mission of the program has remained essentially consistent: to support planning and pre-development activities that remove barriers to development, make land ready for development, and help existing developed sites to be ready for redevelopment, in order to implement the region's long term plan for livability and to facilitate needed housing development to meet the demands of a growing region.

Evolution of the Equitable Development Program Focus

In 2016, in order to use unallocated funds left from the grant cycle in 2015, Metro offered one round of Equitable Housing Planning and Development Grants to support local implementation of projects that would reduce barriers to construction of affordable housing across the region. In this first round of grants focused on equity-related topics, Metro awarded \$575,000 to seven local governments for projects that addressed equitable housing planning and development issues.

Grant Cycle	Types of planning and development projects targeted	Dollars Awarded	Total Projects
Cycle 1 FY 2006-07	Concept planning for areas recently brought into UGB	\$6.2 million	25
Cycle 2 FY 2009-10	Community and economic development inside the UGB	\$3.7 million	17
Cycle 3 FY 2013-14	Community and economic development inside the UGB with 50% for planning new urban areas and urban reserves.	\$4.5 million	19
Cycle 4 FY 2015-16	Community and economic development inside the UGB and 25%-30% for planning new urban areas and urban reserves.	\$4.7 million	16
Cycle 4EQH FY2016-17	Planning related to development of equitable housing	\$575,000	7
Cycle 5 FY 2017-18	Equitable development projects (\$984,000) infill development projects within the UGB (\$602,746) and new urban area planning (\$400,000)	\$1.99 million	9
Cycle 6 FY 2018-19	Equitable development projects (\$895,000) infill development projects within the UGB (\$580,000) and new urban area planning (\$520,000)	\$1.99 million	10
Cycle 7 FY 2019-20	Equitable development projects (\$835,000), infill development projects within the UGB (\$250,000) and new urban area planning (\$1,343,000)	\$2.43 million	7

Approximate Total of Grant Dollars and Projects Awarded in Cycles 1-7	\$26.33 million	110
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At the outset of the 2017 grant cycle, the Council authorized additional program adjustments, continuing to prioritize the use of CET funds to promote equity across the region. The Council established a policy target designating 50% of the \$2 million total grant funds available to fund equitable development projects. Equivalent investment targets for equitable development projects were established for the grant cycles in 2018 and 2019. Metro continued to refine guidelines regarding the types of projects that could be eligible for consideration in the Equitable Development funding category. For the 2019 grant cycle, eligible equitable development projects could include, but were not limited to:

- Planning or pre-development work for equitable housing (diverse, physically accessible, affordable housing choices with access to opportunities, services and amenities);
- Planning or pre-development work for facilities and community investments that will advance quality of life outcomes for marginalized communities, including communities of color, such as quality education, living wage employment, healthy environments, and transportation;
- Facilitation of development-related efforts in partnership with a community organization whose primary mission is to serve communities of color;
- Planning or pre-development for projects that will serve a specific neighborhood or geography with a high percentage of residents that are people of color or historically marginalized communities;

Grant Application Process 2017-2019

Although the application processes and criteria have been refined each year since 2017, the process has been generally consistent over the last several grant cycles. Applicants submit a draft letter of intent, and then have a pre-application conference with Metro staff to receive feedback on their proposal. Following the conference, they submit a final letter of intent incorporating any desired revisions. Metro staff review and approve all letters of intent that meet the program’s basic eligibility requirements. Applicants submit a final application which includes a detailed project scope and budget and responds to questions regarding all aspects of the grant evaluation criteria. (See page 10 for a list of the current criteria.)

Grant Screening Committee Review

The nine members of the 2040 Planning and Development Grant Screening Committee are appointed by the Metro Chief Operating Officer (COO). The current composition of the committee includes 4 members who are people of color. The members of the screening committee are selected to bring a wide range of expertise in the following areas, as set forth in the program’s administrative rules:

- Economic development;
- Urban planning;
- Real estate and finance;
- Infrastructure finance relating to development or redevelopment;
- Local government;
- Urban renewal and redevelopment;
- Business and commerce;
- Neighborhood Association or Community Planning Commission with an understanding of community livability issues;
- Environmental sustainability relating to development or redevelopment; and
- Social equity relating to community development and redevelopment planning.

The committee members review and consider the various applications and make a recommendation to the Metro COO. The COO subsequently makes a recommendation to the Metro Council, who ultimately determine the final

2040 Grant Screening Committee (2019 Grant Cycle)	
Damien Hall, Chair	Ball Janik, LLP
Felicia Tripp Folsom	Portland Leadership Foundation
Diane McKeel	Mt. Hood Community College
Ed McNamara	Retired Housing Developer
Michael Parkhurst	Meyer Memorial Trust
Andrea Sanchez	Housing Development Center
Charri Schairer	Tualatin Hills Parks and Recreation District
Tony Weller	CESNW, INC.
Janet Young	Retired Economic Development Professional

awards.

Screening Committee Concerns and Suggestions

At the conclusion of their review of the 2019 grant proposals, members of the committee reflected on the program, the types of proposals received in recent grant cycles, and offered additional comments and recommendations for potential future adjustments to the grant program and requirements. While the Committee members would like to see Metro continue to prioritize the funding of equitable development projects, many of the applications received in this category over the last several cycles have not been as strong as the committee would like to see and did not merit funding. Committee members suggested additional program adjustments Metro might make prior to the next grant cycle, including:

- Customize the grant evaluation criteria so that the each of the three funding categories have more specific and applicable criteria
- Host a meeting at the outset of each grant cycle to emphasize what is expected in an equitable development project approach;

- Consider how Metro could best cultivate involvement of community based organizations and other non-government entities
- Tap the expertise of Metro's Committee on Racial Equity (CORE) to further consider program adjustments that could result in better applications for equitable development projects.

Overview of Staff Proposal for Program Re-alignment

Program staff have developed a proposal for a new program framework for the 2040 Planning and Development Grants, which will be reviewed with the Metro Council in an upcoming work session on October 29. The primary changes proposed by staff include:

- Create a separate, more streamlined path for consideration of New Urban Area Planning grants that aligns with the urban growth management decision process; requests for grants for concept planning of urban reserves would continue to be considered on an annual basis but would be reviewed by staff and approved by the Council, rather than be considered by the Grant Screening Committee. Set aside 25% of CET Revenues each year so that these grants continue to have adequate resources available, even if grant requests and awards may not happen every year.
- Focus the bulk of Metro's investments within the UGB towards a smaller number of higher impact, multi-year efforts that are focused on Metro's dual priorities of implementing the 2040 Growth Concept and advancing racial equity across the region. Require that local governments and community partners apply as a team to accomplish the grant objectives. Require robust public engagement (including involvement of communities of color and other historically marginalized groups) and additionally require that proposals must also incorporate project components specifically designed to advance racial equity in the near term.
- Offer a limited number of smaller grants to support inclusive and equitable engagement practices as part of local planning and development projects related to implementation of the 2040 Growth Concept. Grant funds would specifically provide resources to enable the involvement of community organizations and/ or community liaisons to help engage communities of color and historically marginalized communities in planning and development initiatives
- Revise the application process in order to streamline the process for the applicants and allow Metro to work collaboratively with potential grantees to develop and refine project proposals and thereby co-create the kinds of robust equitable development projects and partnerships that will truly advance racial equity. The Grant Screening Committee will review letters of intent, invite a short-list of applicants to present their project in person, and recommend select finalists to the COO. The COO would then make a recommendation to the Metro Council. The Council will review the recommendation and ratify the selection of finalists. Metro staff will work with each of the finalists to further explore partnership opportunities, refine the project approach and develop detailed project scopes. The Council would review and approve the final, fully developed project proposal.

Case Study #1:

Applicant: City of Beaverton

Downtown Design and Development Readiness

Project scope and development goals:

The Downtown Design and Development Readiness Project is about taking concrete steps to make development happen. Past Beaverton projects, including the important and award-winning Community Vision Plan, have done the valuable work of defining what the community wants Downtown Beaverton to be. This project is about allowing and encouraging that future. This project will fix the Development Code; remove obstacles to development; make sure density comes with design; and integrate thinking and actions about buildings, streets, parks, plazas and other essential urban elements to ensure a vibrant and livable Downtown.

The project will implement the community's high-level vision for a vibrant Downtown by:

- Better defining Downtown and establishing mini-districts within it so strategies can be more fine-grained.
- Removing obstacles to development and rethinking site and building design rules.
- Encouraging new buildings, jobs and housing.
- Working closely with our partner Tualatin Hills Park & Recreation District (THPRD) to define the role of urban public spaces and how these can support development and improve livability.
- Promoting safe, inviting streets and sidewalks that work with adjacent development and promote a variety of ways to travel and improving connections between Old Town and Beaverton Central to unite the two parts of Downtown.

- Developing implementation next steps, including identifying "quick wins."
- Conducting the project with significant and inclusive public engagement, including property owners and the development community members who will build Downtown's future buildings.

Beaverton is already making efforts in this area. The Beaverton Urban Renewal Agency has funded a storefront improvement program, subsidized tenant improvements, been a partner in development projects and offers a Predevelopment Assistance Grant Program to help property owners/developers evaluate development options for sites. However, development rules and Beaverton design standards remain a significant obstacle. The code currently has only two zoning districts for this large area, which creates a "one-size-fits-all" environment in a location where market conditions, optimal building form, uses and other factors can change from one block or street to another. In addition, Beaverton's design standards are outdated, sometimes unclear and are not crafted specifically for Downtown. Many existing rules actually make a quality, dense, active urban environment illegal, such as residential parking minimums, vision triangle requirements at intersections, and low building height limits.

Beaverton has the vision and the will to create an active Downtown. This project will create an urban design framework, code changes and an implementation plan supported by the Beaverton community members, city leaders and the development community in order to facilitate development and help achieve the city's vision. The city's partnerships with THPRD and the Beaverton Downtown Association will provide a strong foundation for a holistic and inclusive approach.

How the project proposed to advance racial equity:

With additional housing downtown, more current and future residents will be able to live near jobs (Nike, nearby industrial areas, etc.) and easily commute to others, such as in Hillsboro or Downtown Portland. Increasing the housing supply also will reduce rent pressure. Beaverton received a Metro Equitable Housing Grant to study preventing displacement and preserving and adding affordable housing. Lessons learned can be applied in Downtown, and will help the city remove obstacles to increasing the housing supply, including affordable housing.

Equity is an important value in Beaverton. We will work with our Diversity Advisory Board to craft an inclusive public engagement strategy and ensure people have the opportunity to comment on how the benefits and burdens the project might generate are evaluated and distributed. Adding housing units -- including affordable units -- in a high-opportunity area like Downtown will promote equity. Beaverton also has received a Metro Equitable Housing Grant, and this project will coordinate with those efforts to preserve the affordable housing.

As part of the city's project management approach, we will create (in coordination with the consultant team selected) a public engagement plan that involves tools such as mailing lists, e- newsletters, brochures, promotion through partners, web pages, online open houses, interactive in-person community meetings, focus groups, charrettes, exhibits, maps, reports, media announcements, legal notices and other methods. Throughout, we will make these accessible to all by using plain language, spreading the word through trusted community leaders, translating materials, providing interpretation and other methods (including meeting people where they are already gathered).

In addition, Beaverton has a Diversity, Equity and Inclusion Plan and language access policies that put inclusive public engagement as a high priority and provide resources to achieve it. We plan to work with the city's Diversity Advisory Board early and often as we proceed with this project. Inclusive engagement is particularly important because about 50 percent of Downtown's residents

identify themselves as Hispanic on the U.S. Census, about 30 percent of households in Downtown are below the poverty level and Beaverton in general is one of the more diverse cities in Oregon.

Meaningful public engagement will be conducted at each phase of the project. During the initial research and analysis phase, staff and consultants will work to identify existing conditions, obstacles to desired development and opportunities to make Downtown a vibrant, active place. Public engagement activities with a variety of stakeholders (including developers and design professionals) will help the city determine if we have correctly identified the areas strengths, weaknesses, opportunities and constraints, providing a good footing for the next phase.

During the development of the urban design framework, iterative public engagement will help the city create a framework that is supported by the community and includes principles for future development as well as more detailed, specific urban design approaches for different sections/districts/blocks of Downtown. This is important because the development rule changes (including the design guidelines and standards) and the implementation plan will be based on trying to achieve the urban design framework. Having a wide variety of stakeholders (residents, business owners, property owners, developers, design professions, institutions, underrepresented populations, etc.) work together, hear each other and come to agreement about the future of Downtown will build support for the implementation work that is part of this project and other implementation projects to come.

Case Study #2:

Applicant: Port of Portland

Employment Lands Site Readiness Toolkit

Project scope and development goals:

To more fully utilize existing employment lands in the Portland metropolitan urban growth boundary (UGB), local jurisdictions at the regional, county and city level and their private-sector development partners need a range of site development tools to address pre-development challenges on employment lands. This project will develop a site readiness toolkit for the region's existing employment lands. For the purpose of this project, employment lands are broadly defined as land that could be used for employment-generating activities, including land zoned for industrial and commercial uses.

The region has a limited area for growth inside the existing Metro UGB, and must make wise use of existing employment lands and smart investments within that boundary. One solution to reducing development pressure is to more efficiently use the region's existing supply of employment lands to support an economy expected to expand its workforce by 85,000 to 440,000 by the year 2040 (Metro's forecast).

The deliverable for the grant will be a toolkit that jurisdictions and their private-sector partners can use to move existing vacant, under-utilized, and redevelopment sites to market-ready status. The long-term development outcome will be an increase in the use of the *existing* supply of employment lands in the region. This project focuses on a more efficient use of the region's supply of employment lands as a necessary condition for continued economic growth and employment capacity.

The Port of Portland is one of 19 regional partners ready to participate in the Employment Lands Site Readiness Toolkit project. This partnership includes active participation and leadership by: 2 counties (Clackamas and Washington); 13 cities (Fairview, Gresham, and Portland in Multnomah County; Happy Valley, Milwaukie, Oregon City, and Wilsonville in Clackamas County; Beaverton, Cornelius, Forest Grove, Hillsboro, Sherwood, Tualatin, and Wilsonville in Washington County); and 4 regional partners including Greater Portland Inc. (GPI), National Association of Industrial and Office Properties (NAIOP), Portland General Electric (PGE) and Port of Portland.

These partners recognize there are vacant, under-utilized and redevelopment employment lands with complex development challenges in varying degrees of readiness and a decreasing supply of market-ready sites within their jurisdictions. This project will build their capacity to implement the tools and strategies identified by the consultant team. Through this process, economic development practitioners, policymakers, and land use professionals with the responsibility for assisting private sector development will gain a shared set of practices and solutions they can use to remove development barriers on existing employment lands.

How the project proposed to advance racial equity:

Greater Portland 2020, the regional economic development strategy, is committed to creating economic prosperity for all. This project will include research into an equitable development assessment impact model for site investment analysis - similar to the model adopted by King County, Washington. With a tool like this ready for adoption here, communities can add an equitable development perspective to their site analysis and development investment decision-making process.

Many of the vacant, under-utilized and redevelopment employment sites located within the Metro UGB are located near underserved/underrepresented residents. This is especially true for larger, vacant industrial sites in the outer edges of the UGB where underserved/ underrepresented residents have moved in part due to housing affordability. When cities, counties, the port and private sector partners adopt and apply pre-development tactics to bring underperforming sites to market, the region will see an increase in proximity to employment opportunities for our growing regional population and underserved/underrepresented residents. Creating opportunities for employment in these areas will help create a more equitable and prosperous region for all. As noted in response #3F, job creation in closer proximity to these underserved and/or underrepresented residents increases access to employment opportunities and reduces commute times for these residents. Metro's Equity desired outcome #6 of the Regional Framework Plan (the benefits and burdens of growth and change are distributed equitably) will be well served by this project.

This project will produce a toolkit that helps jurisdictions identify tools and strategies to improve site readiness. Each jurisdiction will engage their public (including marginalized communities) and other stakeholders (including property owners and possible development professionals) in the application of these tools on employment lands consistent with their practices and standards. GPI, the Port, and most of the jurisdictions in the project cohort have adopted engagement practices that are designed to reach into all communities. A deliverable of this project is the presentation of an equitable development impact analysis tool that jurisdictions can use to better understand and refine equity impacts resulting from site development.

The toolkit, tools and strategies developed through this project will be broadly distributed throughout the region by GPI, NAIOP, Metro and the network of economic development practitioners and stakeholders.

Test driving the proposed grant requirements

Questions for the CORE to consider and discuss on Oct. 17

1. If the applicants were seeking to expand the scope of their projects to incorporate related project components that could meaningfully advance racial equity in the near term, what potential elements would complement the proposed work?
2. What sorts of additional community partners might the applicants invite to join their project team to help implement this work, develop equity-focused project approaches, and deliver both short term and long term equity outcomes?
3. What advice would you offer Metro planning and development staff working with this applicant to refine the proposed project approach in order to better address equity issues?
4. If you were a Screening Committee member or a Metro Councilor considering the prospect of investing in this project, what factors do you think are the most important to consider?

Grant Evaluation Criteria

(2017, 2018, and 2019 Grant Cycles)

Clear development outcomes. Proposal presents a compelling project concept with specific, impactful outcomes to facilitate development. Performance measures are clearly articulated.

Advances and complements regional goals and policies. Proposed project will support Metro's established regional policy goal of advancing racial equity. Proposed project will also help to advance established regional development goals and outcomes expressed in the 2040 Growth Concept, the Urban Growth Management Functional Plan, and the following Six Desired Outcomes stated in the Regional Framework Plan, adopted by the region to guide future planning:

- People live and work in vibrant communities where their everyday needs are easily accessible;
- Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
- People have safe and reliable transportation choices that enhance their quality of life;
- The region is a leader in minimizing contributions to climate change;
- Current and future generations enjoy clean air, clean water and healthy ecosystems;
- The benefits and burdens of growth and change are distributed equitably.

Aligns with local goals and/or maximizes community assets. Proposed project will help realize community plans and goals, accommodate expected population and employment growth, and/or maximize existing community assets such as public transit, parks, natural features, historic districts and employment areas.

Likelihood of implementation. Relevant key stakeholders (property owners, policy makers, jurisdictions, service providers, etc.) have committed full support for the project goals and timelines, will be meaningfully involved in guiding the project, and have the capacity and authority to implement actions/investments as needed to bring the project to fruition. Opportunities and threats to project commitments have been identified.

Public involvement. Proposal incorporates best practices for public involvement; strategies for meaningfully engaging neighbors, businesses, property owners and key stakeholders (including historically marginalized communities and residents with lower incomes) are clearly articulated and well-conceived; proposal indicates how public input will be used to strengthen the project outcomes, and/or increase the likelihood of successful implementation.

Team roles and capacity. Roles and responsibilities of the applicant, as well as any additional partners have been clearly defined; proposed staff has the skill sets, experience and time needed to successfully manage all aspects of the grant project and oversee the work of the consultant team or teams on behalf of the project partners.

Applicant track record. Applicant has proven capability to successfully implement community development projects, especially past Planning and Development Grant projects; prior grants have fully delivered expected products and outcomes according to the approved schedule of milestones; any grant projects still underway are on track and/or scheduled for completion prior to initiation of proposed project.

Grant leverage. The extent to which partners have committed additional in-kind or direct financial contributions to the project beyond the required minimum match.

Replicable best practices. Proposed project will develop best practices that could be replicated in other locations. (Note: This criterion may not be applied to all projects).

Completed Equitable Development Grants

City of Beaverton Anti-Displacement Housing Strategy	\$ 100,000
City of Milwaukie Cottage Cluster Feasibility Analysis	\$ 65,000
City of Oregon City Equitable Housing Strategy	\$ 100,000
City of Portland Equitable Housing Strategy for the SW Corridor	\$ 100,000
City of Tigard SW Corridor Affordable Housing Predevelopment	\$ 50,000
Washington County Affordable Housing Site Evaluation, Barriers & Solutions	\$ 97,500
Portland/Multnomah Office of Homeless Services Tri-county Strategy to Expand Permanent Supportive Housing	\$ 150,000
Housing Authority of Clackamas County Hillside Master Plan for Housing Opportunity	\$ 214,000

Equitable Development Grants In Progress

City of Cornelius Urban Renewal Plan, Town Center Plan, and Site Planning	\$ 315,000
Clackamas County – DTD Park Avenue Development and Design Standards	\$ 180,000
City of Portland Opportunities for Affordable Housing in Faith Communities	\$ 125,000
City of Portland Southwest Corridor Equitable Housing Strategy	\$ 230,000
City of Wilsonville Equitable Housing Strategic Plan	\$ 62,500
Albina Vision Trust Community Investment Prospectus	\$ 375,000
City of Portland Cully Community Centered Equitable Development	\$ 160,000
Clackamas County - DTD 82nd Ave: Affordable Housing and Mixed-Use Development	\$ 300,000