

STAFF REPORT

2040 PLANNING AND DEVELOPMENT GRANTS, CYCLE 9: REVOLVING LOAN FUND FOR ECONOMIC RECOVERY AND INVESTMENTS IN THE REGION'S COMMUNITIES OF COLOR

Date:	July 2, 2020	Presenter(s):	Elissa Gertler
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Meeting Date:	July 14, 2020		Jeff Raker
Prepared by:	Lisa Miles	Length:	45 minutes

ACTIONS REQUESTED

Consideration of Ordinance 20-1447, For the Purpose of Authorizing Economic Development and Community Stabilization Grants through the 2040 Planning and Development Grant Program is scheduled on July 23, with a second reading July 30.

Consideration of Resolution 20-5113, For the Purpose of Approving Fiscal year 2020-21 Funding for Grants Funded with Construction Excise Tax, is scheduled for consideration on July 30.

Approval of both the Ordinance and Resolution will enable staff to work with partners to submit applications for federal grant funds available through the Economic Development Administration, which could potentially leverage a 4:1 match of Metro funds and facilitate the region's economic recovery from the COVID-19 crisis, as well as providing needed support to the region's Black people, Indigenous people, and other communities of color. Economic Development Administration staff have advised Metro staff that time is of the essence and the earliest possible submittal of grant applications will greatly increase the likelihood of receiving federal CARES Act funding.

IDENTIFIED POLICY OUTCOMES

Expand approved purpose of the Construction Excise Tax to include grants for economic development and community stabilization.

Award Cycle 9 of the 2040 Planning and Development Grants for specified economic development and community stabilization purposes and direct the Chief Operating Officer and Metro Staff to work with partners to seek to leverage additional funding and to implement grant projects.

POLICY QUESTION(S)

Does the Council wish to expand the approved purpose of CET funds to include grants for Economic Development and Community Stabilization?

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

POLICY OPTIONS FOR COUNCIL TO CONSIDER

If the Metro Council approves Ordinance 20-1447, Cycle 9 grants, as well as future cycles of grant awards, could fund plans and projects that will advance economic development and community stabilization in addition to the previously established purpose of funding regional and local planning that is required to make land ready for development or redevelopment. If Council does not approve the ordinance, future grant cycles will continue to focus funding on planning that is required to make land ready for development or redevelopment.

Community stabilization refers to plans, activities and programs which allow long term residents and businesses of color in an area to remain in place and thrive, even as major public and private investments in those areas bring changes to the economic and built environment that would otherwise harm those long term residents. Examples of harm may include direct taking of property for public projects, changes to real estate values and rents in the area that make the location unaffordable or displacement of a business' core customer base. Activities to reduce this potential for harm may include affordable housing development, small business assistance programs, development of community serving facilities, culturally-specific placemaking, and property redevelopment that facilitates wealth creation for those threatened with harm or who have been harmed by previous public investments in that area.

If the Metro Council approves Ordinance 20-1447 and Resolution 20-5113, CET grant funds for Cycle 9 will be allocated for the purposes specified in the Resolution, and the COO and staff will follow up with partners to work to leverage additional grant funds and to implement projects as described. The immediate award of these funds will very likely improve Metro's chances of receiving a grant award from the Economic Development Administration CARES Act Recovery Assistance Program, which could provide up to a 4:1 match of Metro dollars. An invitation to submit Cycle 10 grant applications would be issued in September 2021, unless the Council determined that a different timeline for a new round of grants was warranted.

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

would be issued in September 2021, unless the Council determined that a different timeline for a new round of grants was warranted.

STAFF RECOMMENDATIONS

Staff recommend that the Council approve ordinance 20-1447 to enable CET funds to support grants for Economic Development and Community Stabilization.

Staff recommend that the Council support the following proposed grant awards:

- \$1 million to Craft3 and MESO to fund a Regional Revolving Loan Fund to support underserved and under-resourced businesses and entrepreneurs with a specific priority for increasing access to capital and assistance for Black people, Indigenous people, other people of color, women-owned businesses, and veterans.
- \$250,000 additional grant funding to the Albina Vision Trust to build on the Community Investment Plan work underway and to study site-specific redevelopment opportunities to advance implementation of the Albina Vision in the near term.
- \$250,000 to create an opportunity fund to support wealth creation for Black people, Indigenous people, and other communities of color throughout the region. The Metro COO and staff will seek to leverage Metro's initial \$250k investment to obtain additional funding for wealth creation for communities of color through a grant from the Economic Development Administration and other sources. The Metro COO and staff will subsequently work to identify organizational partners to implement an initial round of projects and to award grant funds for such projects.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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

Legal Antecedents

- Metro Ordinance 06-1115 ("2006 CET Ordinance) established the construction excise tax
- Metro Ordinance 09-1220 extended the CET for an additional five year period (through September 2014).
- Metro Ordinance 14-1328 extended the CET for an additional five year period (through December 2020) and directed the Metro COO to propose

amendments to the existing administrative rules.

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

Financial Implications

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

ATTACHMENTS

Draft Ordinance 20-1447 and Exhibit A to the Ordinance
Draft Resolution 20-5113

[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? [INSERT]