

# Climate Pollution Reduction Grants – Implementation Grants

## CLIMATE LEADERSHIP INVESTMENTS IN MOBILITY, AFFORDABILITY & TRANSIT-ORIENTED ENERGY-EFFICIENCY

### 1. OVERALL PROJECT SUMMARY AND APPROACH

#### a. Description of GHG Reduction Measures

Residential building GHG reduction measure 2 will provide necessary gap funding to incentivize the development of new energy-efficient affordable homes in the metro area. Through grants, site acquisition and partnerships with developers and community-based organizations, [Metro's Transit-Oriented Development Program](#) has funded and supported the creation on high-density affordable and mixed-income housing within the greater Portland region's centers and frequent transit corridors. Since 1998, the program has invested over \$40 million dollars supporting the construction of over 7,000 units near frequent transit. The program recently updated its program framework to only fund projects that significantly contribute to the region's supply of regulated affordable housing. The program also now requires developers to meet with partner organizations to have an early design meeting to discuss energy efficiency measures that could be implemented in the project. To aid in the implementation of these measures, the program added a new category of bonus incentives for projects that meet ambitious energy efficiency and urban heat island mitigation goals.

#### Features of the CPRG-funded program

Metro would use funding from this grant to fund a new TOD Program Climate Leadership bonus incentive of up to \$100,000 per qualifying development project. The aim of the bonus would be to incentivize affordable housing developers to model their building's future energy use and exceed the state's energy code requirements by at least 15% through additional investments in energy efficiency. Sub-award funds would be used to support this effort in a wide variety of ways that could include, but would not limited to installing:

- Higher R-value insulation in walls and roof
- Lower U-value windows
- High efficiency heat pumps for heating and cooling
- High efficiency electric water heaters
- ENERGY STAR appliances

In order to qualify for this bonus award, developers would also be required to choose at least one other element from a menu of options to demonstrate climate leadership in housing development. The menu of options includes the use of lower embodied carbon building materials, actions to mitigate urban heat islands such as planting trees over surface parking, adding green or reflective roofs, the

installation of solar panels, and the inclusion of onsite multimodal and shared mobility programs for residents. The menu approach offers developers the flexibility to tailor programs to the development site and the community they serve, with consideration for the cost effectiveness of the project. The Climate Leadership bonuses are committed and agreed to before construction but are paid out on a reimbursement basis once a building has been inspected for program compliance and has received a Temporary Certificate of Occupancy from the local jurisdiction.

The new Climate Leadership bonus award would work in partnership with an existing tiered incentive program available through Energy Trust of Oregon that currently offers developers and building owners two paths for achieving energy efficiency-related financial incentives: 1) installing energy efficient appliances to reduce energy consumption, or 2) working with an energy efficiency consultant to calculate a whole building energy model to find design solutions and achieve the greatest financially feasible energy savings. The TOD program incentivizes developers to opt for the second path, which currently is only pursued by a small fraction of affordable housing projects in Energy Trust's portfolio. By encouraging developers to pursue the modeled savings path, Metro would not only effectively encourage the adoption of greater energy efficiency design features but would also develop a valuable database of information on the energy usage of new regulated affordable multifamily buildings constructed in the region ahead of the state of Oregon's efforts toward benchmarking energy use in commercial construction, which is currently scheduled to begin implementation for multifamily residential buildings in 2030.

## **Tasks & Milestones**

### **Task 1- Accepting award and updating program to award new funds**

Once Metro is informed of the new availability of funding, Metro's Chief Operating Officer and the Metro Council execute agreement to accept the funds. The TOD Program Steering Committee, made up of residents with expertise in development, sustainability and urban design, and agency representatives, amends the program's current work plan to increase the current grant maximum for its energy efficiency grant funds. Changes are made as a recommendation to Metro Council, which the council is anticipated to adopt within two months of award announcement.

#### **Milestones:**

- Signed agreement between Metro and EPA accepting grant funds
- TOD Program Steering Committee recommends workplan amendment
- Metro Council adopts recommended workplan amendment

### **Task 2- Ensure compliance procedures are in place to meet EPA reporting requirements**

Metro staff will negotiate with Energy Trust of Oregon ("ETO") to establish any additional agreements necessary to share data for reporting purposes. Metro staff will also document appropriate financial controls for reporting uses of EPA funds to meet all applicable federal requirements.

#### **Milestones:**

- Negotiated agreement between ETO and Metro to confirm compliance check procedures for EPA grant funds
- Report to EPA establishing compliance procedures

**Task 3-** Engage with ETO to implement communication strategy

Metro TOD staff will work with ETO to effectively communicate the availability of Metro CPRG funds. Metro will ensure that ETO is able to refer qualifying projects to apply, understanding the affordability and location requirements of Metro's TOD program. Metro will communicate new program information to all past TOD grant applicants as well as culturally specific organizations that expressed interest in partnering on development projects during community engagement process.

**Milestones:**

- Updates to ETO materials and Metro website
- Outreach announcements distributed to affordable housing developers

**Task 4-** Assess projects on CPRG-funded Climate Leadership eligibility criteria

Metro begins to issue qualifying projects non-binding letters of commitment through rolling applications when staff determine that a project is likely to meet the program's climate leadership grant requirements. Once notified of likely eligibility projects Metro staff will work with developer to begin documentation of design elements that meet the grant criteria. Metro staff present findings of eligibility to TOD Steering Committee and group determines whether project should be recommended to Metro Chief Operating Officer and Council for funding.

**Milestones:**

- Semi-annual reports to EPA regarding number of awards made, status of projects, GHG reductions that are estimated for each project

**Task 5-** Ongoing project monitoring by TOD project management staff

Two months prior to expected financial close of project's construction loan, TOD staff confirm expected grant bonus award and finalize grant agreement documents with developer. This ensures that project has been fully designed and permitted before grant documents are finalized. Within one month of the development project's scheduled financial close, grant documents are executed by both parties.

**Milestones:**

- Executed grant agreements
- Monthly project status checks

**Task 6-** Compliance check of CPRG funded projects

Projects having received Temporary Certificate of Occupancy are inspected both onsite and via documentation for compliance with EPA, Metro and ETO requirements. If found to be complying, grant funds are issued to projects on a reimbursement basis.

Milestones:

- ETO compliance report of each project
- Grant payment to projects meeting program requirements

**Task 7-** Semi-annual progress report to EPA on any committed and expended funds

Metro will submit semi-annual progress reports summarizing accomplishments and milestones achieved. Reports will include a description of each project funded in the past six months, including outputs and outcomes and planned activities for the following six months. TOD staff will also report on Metro's community engagement activity relevant to each project as well as program strategy to mitigate any anticipated risks and progress on workforce development and job quality. Each annual report will also detail the program's impacts on low-income communities and communities of color.

Milestones:

- Successful commitment of approximately 740 multifamily units climate leadership bonuses per year demonstrating significant achievements in reducing modeled energy use.

**Task 8-** TOD program final report details development project improvements funded by CPRG grant and evaluates the impact of the funding in terms of overall additional GHG reduction, and its impacts on low-income communities and communities of color. The report will include lessons learned during the program's implementation.

Milestones:

- Expected funding commitment to approximately 3,700 multifamily units

**Assumptions and risks**

There are two major assumptions in calculating the expected benefits to be derived from the CPRG funding. First, the TOD program assumes that the level of development of affordable housing during the grant period of 2025-2030 is consistent with the production seen in the previous five years from 2018-2023. In 2018, Metro partnered with local cities and counties to engage the community and ask voters to support the creation of new affordable housing in the region. The resulting voter-approved bond of \$652.8 million has [committed funding to create approximately 4,300 multifamily units](#). However, the bond funds are nearly fully committed, so the region is engaged in public conversations about how to continue funding the production of much-needed regulated affordable housing. If a new source of funding is not identified once current funds are fully spent, it is possible that affordable housing construction in the region will slow. Nevertheless, support for the creation of more affordable housing is strong in the region and state and Metro is confident that, if awarded, there will be robust demand for these funds in the grant program time frame.

The TOD program funds developments beyond those that receive regional bond funds and is specifically designed to incentivize the production of regulated affordable housing by developers who do not rely on other major public funding sources. Additionally, the state of Oregon has significantly

increased the amount of funding available to subsidize the construction of regulated affordable housing, and approximately 40 percent of those funds are earmarked for development projects in the Portland metro area. Regardless of the fate of future regional affordable housing funding, the TOD program expects to see consistent interest in its grant funds throughout the 2025-2030 period.

The second assumption is in the calculation of GHG reduction the program will derive through its investments. The state of Oregon does not currently require benchmarking for energy use, though it is in the process of establishing rules to begin requiring it by the end of the decade. Given the lack of publicly available data on the energy use of newly constructed multifamily affordable housing in Oregon, we collected data from the Energy Information Administration's 2020 Residential Energy Consumption Survey (RECS), which shows housing energy consumption by fuel type for different types of structures for structures within the Western climate zone. This application assumes that, in the absence of any energy efficiency incentives funded either by CPRG or by Metro, the new affordable housing units funded by the TOD program would produce the same amount of GHG emissions as the average multifamily housing unit in the MSA. This assumption could slightly overstate the impact of the CPRG-funded incentives due to the fact that newer multifamily buildings are subject to stricter energy codes than those constructed in the past. However, based on historical data provided by energy efficiency consultants, Metro is confident that this gap would be more than offset by the second assumption. The provided calculations assume that projects will at a minimum achieve the threshold requirement of 15 percent efficiency beyond code baseline, whereas our community engagement shows that many affordable housing developers are prepared to be significantly more ambitious in this regard and, if offered additional incentives, may achieve much greater levels of energy efficiency than the bonus award will require in order to decrease ongoing operational expenses and pass utility savings on to their residents. For this reason, the application likely underestimates the energy savings that will be generated by funding the TOD program's Climate Leadership bonus incentive.

### **Priority and alignment with CPRG goals**

According to Metro's recently submitted Priority Climate Action Plan, building energy makes up the largest emissions category, accounting for nearly 13.5 million MT CO<sub>2</sub>e and 53 percent of the region's footprint. Metro's most recent regional population forecast from 2024 has identified a need for about 140,000 new housing units in the region by 2045 to meet the projected population needs. That development will have significant impacts on the region's greenhouse gas emissions in a number of capacities including embodied carbon in the building materials, the impacts of transportation from residents in these units, as well as the ongoing operations of the buildings over their functional lifespans. Metro and the state of Oregon have established policies to encourage this development to be concentrated in areas that are well served by public transit in an effort to address transportation-related GHG emissions. With regards to embodied and operational carbon emissions, local governments are preempted from being able to enforce green building requirements beyond those found in the state building code except in buildings receiving public funds or in-kind benefits. However, because local and regional governments maintain oversight of the affordable housing units that they

fund, affordable housing developers are subject to a myriad of additional requirements that are not applicable to market rate developments. These requirements are meant to secure important public benefits, such as greater environmental sustainability of the buildings themselves, but these often amount to unfunded mandates, increasing the cost of development of badly needed affordable housing.

GHG reduction measure Res-2 was included in the PCAP because providing additional funding for energy efficiency in new affordable housing units addresses the trade-off between housing supply and efficiency by reducing GHG emissions and energy costs for low-income residents without increasing development costs. Furthermore, normalizing higher standards of efficiency sets new regional precedents and incentivizes developers to find innovative and cost-effective ways to meet energy efficiency measures as the metro area strives to meet its 2050 net zero targets.

In alignment with CPRG's goal of implementing ambitious measures that will achieve significant cumulative GHG reductions by 2030 and beyond, Metro's TOD program provides the most immediate opportunity to implement this measure because the program already has partnerships and funding in place to increase energy efficiency in the affordable housing units that it supports. Between 2025-2030, Metro has dedicated approximately \$17.5 million in incentives for developers of high density, regulated affordable housing who commit to early design meetings with program partners to identify areas to increase energy efficiency. These funds provide significant leverage for CPRG funds and will result in significant impacts in GHG reduction. The program is ready to begin implementation as soon as the program funding is approved.

#### **b. Demonstration of Funding Need**

Though there are several state and federal programs that fund energy-efficiency measures in housing units that are already built, the only state program that funds energy efficiency in newly constructed affordable housing—[the Oregon Multifamily Energy Program \(OR-MEP\)](#)—is severely oversubscribed. The program provides \$2.5 million annually to incentivize energy efficiency in existing and new multifamily buildings throughout the state. The last round in fall of 2023 was only able to fund 19 of the 49 projects (38%) that applied, and approximately 60 percent of the program's funding is directed to parts of the state outside of the MSA. Metro's TOD Program already coordinates with the state's Multifamily Energy Program and requires developers to disclose all of their sources of funding as part of their application to Metro. Projects that receive OR-MEP funding would have to demonstrate costs above and beyond the incentives received from the state for energy efficiency measures in order to be considered for additional funds through the TOD Program climate leadership bonus.

Oregon's Department of Energy was also recently notified that it will be awarded \$1,941,990 from the U.S. Department of Energy's [Energy Efficiency and Conservation Block Grant Program](#). That program is also intended to reduce overall energy consumption, and the state of Oregon's plan included strategies to perform building audits and energy retrofits. However, that program is not specifically targeted at affordable or publicly funded housing throughout the state, and the amount of the award

is intended to support program activities in the transportation and community solar sectors as well. Metro will coordinate with the state as this new statewide program is developed and launched and will work to ensure that projects are not receiving incentives from both programs for the same investments.

The State of Oregon's draft PCAP identifies incentives for energy-efficient housing as a state-led measure, and it highlights affordable housing as a priority in the discussion of this measure. Metro will coordinate with the State of Oregon if the state and region apply for CPRG implementation grants to make new affordable housing units more energy-efficient to avoid duplicative applications. Given that Metro's approach to this measure builds on a longstanding program that is tailored to the region's housing market and needs, the risk of duplication seems low.

### **c. Transformative Impact**

The Portland-Vancouver MSA, like many other coastal metro areas, has experienced skyrocketing housing costs over the last 15 years, due in large part to a shortage of affordable housing. Metro's TOD program was originally created with the intent to create market transformations by proving the feasibility of high-density development in a region where the locally achievable rents did not seem to support more expensive building types. Since the TOD program's creation in 1998, the housing market across the region has changed dramatically, and the question for Metro is no longer about whether high density multifamily housing is desirable or financially feasible. High density housing is the norm in station areas and along high frequency bus lines in many parts of the region, and this shift in land uses represents a massive transformation that has and continues to reduce GHGs that would otherwise be emitted across the region.

However, building affordable housing and making these units more energy efficient is a challenge. The high cost of land and construction in the Portland metro area makes it difficult to find a financially feasible pathway to developing even the most basic affordable housing units. Adding unfunded requirements to make these units more energy efficient adds to these challenges and increases costs for developers, which ultimately reduces the total number of units that will likely get built. Providing additional funding for energy efficiency in new affordable housing units reduces GHG emissions and energy costs for low-income residents while offsetting development costs, making development more economically feasible and likely.

With its latest strategic plan update, the program shifted substantially by deciding to focus on ensuring that people with lower incomes would be able to afford to live in neighborhoods with the best transit options. Lower-income households have consistently higher transit mode share and lower access to private vehicle ownership. The Portland metro region has seen the impacts of displacement of lower-income households away from neighborhoods with the best transit infrastructure, as transit modal share falls and lower-income households lose access to high opportunity jobs and are increasingly forced to rely on expensive car ownership to meet their needs.

The new strategic plan also directed the TOD program to incentivize climate leadership and community benefits as a part of the projects it funded, so they could stand as examples of the types of development that should and could be developed more broadly across the region. This measure would provide additional funding to incentivize the development of energy-efficient affordable homes in the metro area. Not only would this address the trade-off between supply and efficiency described above, but it is also the most effective and equitable way for local and regional agencies in the Metro region to reduce emissions from new housing.

### **Scalability**

TOD program requirements and incentives have the unique opportunity to lead to significant scaled up implementation through the likelihood of renewed funding to support the construction of affordable housing across the region. The TOD program staff are involved in the regional housing bond administration and the TOD program is seen as an innovative pilot for ways to require and incentivize greater climate leadership in the development of multifamily affordable housing across the region. When a new source of regional affordable housing capital funding is identified, it is very likely that programs and policies being currently implemented by the TOD program will be adopted in the regional housing bond. The TOD program is also a consistent presence at statewide and national conferences, and staff are often asked to provide advice and consultation on programs hoping to achieve similar results across the country.

## **2. IMPACT OF GHG REDUCTION MEASURES**

The analysis of this measure assumes that it would result in Metro exceeding Oregon's already ambitious baseline energy code in 3,700 affordable housing units that the TOD program is expected to help fund throughout the region from 2025-2030. However, our calculations do not account for GHG emissions reductions strategies that were not included in the Metro PCAP but are a significant feature of the TOD program. These include the baseline GHG emissions reductions that are included by virtue of constructing high-density multifamily housing near transit as opposed to lower density forms of housing which are significantly less energy efficient.<sup>1</sup> This calculation also does not account for the GHG emissions reductions associated with lower VMT and increased transit mode-share that is evident in TOD projects located within a ½ mile of frequent service transit.

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<sup>1</sup> U.S. Energy Information Administration, 2020 Residential Energy Consumption Survey (RECS)





Location Efficiency: Household and Transportation Energy Use by Location

Source: Rose Companies, J. (2011). (rep.). Location Efficiency and Housing Type--Boiling it Down to BTUs. Washington DC: Environmental Protection Agency.

The TOD program surveys residents of TOD program funded buildings every 5 years and has found a 50 percent increase in transit mode-share for residents of TOD buildings as compared to people across the region as a whole. Those additional factors indicate that investments in TOD affordable housing developments, which serve people who are more likely to use transit than higher income households, are an especially important and cost-effective strategy to reduce overall GHG emissions.

#### a. Magnitude of GHG Reductions from 2025 through 2030

The requested CPRG investment in energy efficiency upgrades to TOD projects would lead to significant and durable reductions in GHGs of at least 1,307 MT CO<sub>2</sub>e from 2025 through 2030. As explained in the technical appendix, this calculation accounts for the lag time between when funds are committed to a project during the design and permitting phase and when the buildings will actually be built and occupied and therefore begin yielding GHG reductions. This means that only 60 percent of the units that receive CPRG funds will come online before 2030, however the benefits of the investments will begin to make energy efficient housing immediately more financially feasible.

#### b. Magnitude of GHG Reductions from 2025 through 2050

For the period of 2025 to 2050 we have calculated a GHG reduction of 22,432 MT CO<sub>2</sub>e. While this time period reflects a full build scenario for all of the CPRG funds an almost 20 years of operation, the

durability of the investments in multifamily housing mean that this time period does not cover the full extent of the GHG emissions reduction benefit.

**Table 1: Res-2 electricity co-pollutant reductions**

Pollutant	Annual reductions (kilograms)
Annual Nitrogen Oxides	380
Sulfur Dioxide	227
Source: Metro PCAP 2024; EPA eGRID for NWPP, 2022	

The TOD program is currently energy source neutral, and many developments still include natural gas water heaters due to size constraints and the higher cost of electric water heaters. Because of this, the program has also included forecasted reductions in natural gas usage based on the average use in multifamily buildings in our climate zone.

**Table 2: Res-2 natural gas co-pollutant reductions**

Pollutant	Annual reductions (kilograms)
Ammonia	64
Carbon Monoxide	127
Nitrogen Oxides	299
PM Condensable	1
PM <sub>10</sub> Filterable	1
PM <sub>10</sub> Primary (Filt + Cond)	2
PM <sub>2.5</sub> Filterable	0.3
PM <sub>2.5</sub> Primary (Filt + Cond)	1
Sulfur Dioxide	2
Volatile Organic Compounds	17
Source: Metro PCAP 2024; EPA Wagon Wheel for residential natural gas heating	

### c. Cost Effectiveness of GHG Reductions

The cost of GHG emissions reductions from the requested CPRG funding is about \$17,200 per MT CO<sub>2</sub>e for the time period between 2025-2030. When calculating the cost of GHG emissions reductions across the 2025-2050 time period the cost-effectiveness increases significantly to about \$1000 per MT CO<sub>2</sub>e reduced. This is because the full extent of construction funded by CPRG funds will likely be completed after 2030, likely by 2032.

One element that should be considered is the significant durability of this investment. Per [Fannie Mae](#), multifamily buildings are expected to last an average of about 40-50 years, therefore the total GHG reductions reported in this section represent only half of the reductions that will be produced over the expected lifespan of the buildings. This also means that the cost per ton of GHG emissions reduced decreases by about 30-50 percent if the full lifespan of the funded projects is taken into account.

Again, this calculation accounts for the time between when funds are committed to a project and when the buildings are actually occupied and begin yielding GHG reductions.

**d. Documentation of GHG Reduction Assumptions – Please see appendix**

**3. ENVIRONMENTAL RESULTS – OUTPUTS, OUTCOMES, AND PERFORMANCE MEASURES**

**a. Expected Outputs and Outcomes**

Metro’s TOD program is designed to be flexible to meet the different needs of a variety of communities, development sites and building typologies. Because the program is primarily interested in improving the financial feasibility of high-density affordable housing development near transit corridors where land values are typically high, the requirements that project owners are subject to were designed to provide flexibility while spurring innovation. Developers are asked to meet affordability and energy efficiency thresholds and offered flexibility in how they do so. Because of this flexibility, the TOD program can provide a forecast for the minimum GHG emissions reduction to be expected through CPRG funding, but the likely amount of total emissions reduction will be significantly higher. Outputs are expressed as a minimum specific interventions to be funded will vary with each project.

<b>Outputs</b>	<b>Expected Amount</b>
<ul style="list-style-type: none"><li>• Number of total sub-awards granted per year and over grant period</li></ul>	Approximately 10 sub-awards per year, for a total of 50 from 2025-2030
<ul style="list-style-type: none"><li>• Number of units fully constructed per year (beginning in 2027)</li></ul>	Approximately 740 units per year
<ul style="list-style-type: none"><li>• Energy Usage Intensity (EUI) of funded project</li></ul>	At least 15 percent reduction from baseline code requirement, expect to see a 15-30 percent reduction that will vary by project
<ul style="list-style-type: none"><li>• Average Residential energy-related cost savings per unit</li></ul>	At least 15 percent reduction in average energy costs

TOD program investments result in several important environmental results beyond those funded by the Climate Leadership bonus. These are reported in the program’s annual report as well as on each funded project’s detailed profile.

- **Transit trips generated, GHGs reduced by lowering per capita VMT-** By creating places for people to live and work near high quality transit TOD-funded projects opening in 2022-2023 will generate 103,922 additional transit trips annually. Residents of TOD funded buildings use transit 50 percent more than the regional average. Each year, over 1.79 million more travel trips are made by transit, rather than by car, as a result of TOD program supported projects.

- **Lower GHGs in development overall.** Another menu option for meeting the TOD program climate leadership bonus requirements is using lower embodied carbon building materials, such as green concrete or regionally sourced mass timber. This will benefit the region by reducing the GHGs associated with new development and creating a market for locally sourced building materials.
- **Acres saved-** As part of the TOD program's funding calculations, staff undertake a study of the development typology seen in the project's market area and assume a base case scenario of what the market would produce without density and affordability-related incentives. All of the TOD projects completed to date since 1998 have been built on a total of just over 90 acres of land compared to the 1,129 acres estimated to be required to develop these projects in areas without incentives for higher density development. More compact development preserves valuable farmland and natural habitat.

### **CPRG Outcomes**

- **GHG emissions reductions via more energy efficient buildings**

The main outcome of this program is expected to be significant reductions in GHG emissions from buildings that receive incentives to increase the energy efficiency of their operations.

- **Greater feasibility and implementation of energy efficiency measures in affordable housing**

During interviews, developers of affordable housing confirmed their interest in pursuing ambitious energy efficiency goals in their projects when incentives were paired with requirements. Developers understood the environmental impacts of reducing energy use, as well as the financial incentive of decreasing a building's ongoing operations cost. Developers were also interested in lowering utility costs for residents to ensure greater economic stability.

- **Greater household economic stability from lower utility bills for residents**

Community engagement with residents and culturally specific organizations has identified high utility costs as a contributing factor to housing instability for low-income households. National studies have shown that low-income households spend between 10-20 percent of their monthly incomes on utilities every month and that reductions in the amount spent on utilities can make a significant difference in a household's ability to remain housed over the long term. While residents of affordable housing have their utility costs subsidized, reducing energy usage significantly could lead to an even greater reduction in resident utility expenses.

- **Better air quality for affordable housing residents during wildfire events.**

One of the key strategies to reduce a building's energy consumption is reducing air leakage across the building envelope. This can be achieved through increased insulation, tightly sealing openings around windows, and investing in filtered ventilation systems. Reduced air leakage prevents energy waste and improves indoor air quality by reducing the infiltration of outdoor pollutants and allergens into indoor spaces.

### **b. Performance Measures and Plan**

The main performance metric the TOD program will be using to evaluate projects is each project's modeled **Energy Usage Intensity**, or energy used per square foot per year (kBtu/sq ft/year). In particular, the TOD program would consider a project's net EUI, to allow for consideration of the amount of renewable energy exported to the grid in projects that opt to add solar panels. This number will allow for comparisons against the required EUI of projects based on Oregon's energy code. The minimum efficiency that a project would need to attain to receive CPRG funds would be at least a 15 percent decrease in EUI from the code baseline, though it is likely that the range of outcomes will be in the 15-30 percent from code baseline range.

As a development project funder for the past 25 years, the TOD program routinely performs thorough environmental, legal and financial due diligence for each project receiving funding. For the Climate Leadership bonus, the TOD program has established a relationship with Energy Trust of Oregon to partner on compliance monitoring of all projects receiving energy efficiency incentives.

As part of each project's due diligence, TOD program staff will request the following documentation prior to executing a funding agreement:

- Energy Trust of Oregon letters of commitment immediately after the project's initial early design assistance meeting.
- Oregon Multifamily Energy Program letters of commitment (if applicable)
- Building energy model report and Energy Trust workbook detailing selected energy efficiency measures
- Project pro forma and cost documentation from project general contractors incentivized energy efficiency elements

Once the project is constructed, Energy Trust will perform a physical inspection of the building and confirm that energy efficiency measures represented in ETO workbook were installed. ETO will communicate the results of the inspection to Metro in a post-construction inspection report. Metro will then use the modeled energy savings to calculate the GHG emissions reductions using the methods outlined in the included technical appendix. If desired by EPA, Metro will also report additional outputs and outcomes that have implications for GHG emissions reductions that will be leveraged by CPRG by being funded by other TOD program funding, as well as those related to community benefits listed such as job quality and contracting equity measures in Section V below, such as contract dollars paid to MWESB firms and workforce hours worked by people of color, women and apprentices on CPRG funded projects when available.

### **c. Authorities, Implementation Timeline, and Milestones**

Metro, as an elected regional government, has authority over "matters of regional concern" which include those managed by metropolitan planning organizations such as regional transportation, mass transit planning, housing density, protection of lands, parks, and coordination over land use planning. Metro Council Resolution No. 12-4363 establishes the TOD Program Work Plan in order to implement the Metro TOD Program Strategic Plan. These plans provide guidance and procedures for how the TOD Program can invest in projects throughout the region. Metro's TOD Program funding is authorized

every three years by a vote of Metro’s metropolitan planning organization board, the Joint Policy Advisory Committee on Transportation. The TOD program enjoys broad support from Metro’s partner agencies, and board has reauthorized funding for the TOD program in every such vote taken since the program’s inception.

Metro’s TOD Program is responsible for implementing Measure Res-2: Fund additional energy-efficiency measures in publicly funded, newly constructed affordable housing units. The program makes grants on a reimbursement basis directly to developers of affordable housing who meet the program’s criteria and demonstrate financial need. The program will be responsible for tracking and reporting its sub-award expenditures and will provide EPA with documentation of compliance with all the regulations and provisions associated with CPRG funds.

Metro’s TOD program is currently awarding grants based on the criteria included in this application, so deployment of new funding could begin as quickly as administratively possible.

<b>Implementation Milestones</b>	<b>Anticipated date</b>
Metro is informed of the new availability of funding	October 2024
Metro’s Chief Operating Officer and the Metro Council sign agreement to accept the funds.	December 2024
TOD Program Steering Committee amends the program’s current work plan to increase the current grant maximum for its energy efficiency grant funds. Changes are made as a recommendation to Metro Council, which the council is anticipated to adopt.	December 2024
Metro begins to issue projects non-binding letters of commitment through rolling applications when a project is determined to meet the program’s requirements	January 2025
Metro submits report to EPA on all committed and expended funds on a semi-annual basis	July 2025
CPRG funded projects begin construction	July 2025
Metro submits first annual report to EPA on any committed and expended funds and includes assessment of impacts on low-income and disadvantaged communities	January 2026
Metro submits report to EPA on committed and expended funds on a semi-annual basis	July 2026
CPRG funded projects begin to reach Temporary Certificate of Occupancy	December 2026
Projects having received TCO are checked for energy efficiency compliance and grant funds are issued to projects on a reimbursement basis	December 2026
Metro submits 2nd annual report to EPA on any committed and expended funds	January 2027
Mid-grant assessment of effectiveness of grant and alignment of outcomes with grant goals	March 2027

Mid-grant amendment to address any identified needed changes	May 2027
Metro submits report to EPA on any committed and expended funds on a semi-annual basis	July 2027
Metro submits report to EPA on any committed and expended funds on a semi-annual basis	Jan 2028
Metro submits report to EPA on any committed and expended funds on a semi-annual basis	July 2028
Metro submits report to EPA on any committed and expended funds on a semi-annual basis	Jan 2029
Metro submits report to EPA on any committed and expended funds on a semi-annual basis	July 2029
Metro submits final report to EPA on all committed and expended funds	March 2030

#### 4. LOW-INCOME AND DISADVANTAGED COMMUNITIES

Under its renewed strategic plan, Metro's TOD program is dedicated to ensuring that every project funded by the program directly benefits low-income households across the Portland metro area in a variety of ways.

##### a. Community Benefits

- **Cost savings due to lowered utility bills.** Subsidiz. Resident surveys in Vancouver, WA found that Projects would be encouraged to pursue a path to "net-zero" carbon emissions from energy usage through the construction of a highly efficient buildings envelope, the deployment of high efficiency fixtures and by offsetting any remaining energy consumption with renewable energy generation by installing solar panels or participating in community solar programs.
- **Support of new affordable housing development.** The Portland-Vancouver-Hillsboro MSA faces a severe shortage of housing, particularly housing that is affordable to households earning less than the median household income. The TOD program requires that developers applying for program funds include regulatory agreements guaranteeing that either 50% of the units in the new building are affordable to households earning 80% of Area Median Income, or 25% of new units remain affordable to households earning 60% of Area Median Income. The program has supported the development of 3,248 affordable housing units in the region. The creation of new regulated affordable housing will benefit people with lower incomes for at least the next 30 years.
- **Support of transportation options for residents.** Metro's TOD Program is primarily concerned with developing new high-density housing affordable to a variety of incomes, near high frequency transit service. To qualify, projects must be located within ¼ mile from a high frequency bus line stop or within ½ mile from a light rail station. Projects applying for TOD program funds are also incentivized to support their residents' transportation needs by providing onsite mobility programs, such as providing resident transit passes, developing or connecting to existing e-bike or car-share programs, and having staffing onsite to facilitate active transportation to needed

services, such as walking or biking Safe Routes to School. Improving infrastructure to support various transportation options benefits residents by enhancing their access to a diverse range of transportation modes for meeting basic needs.

- **Urban heat island mitigation.** Projects receiving TOD program funds are required to detail their project's strategies for combating urban heat islands, including but not limited to shaded parking lots, green roofs, reflective paint used on roof or parking surfaces, awnings on windows, and additional landscaping. The program allows developers who incorporate two or more UHI mitigation strategies in their projects to cite those as half of the required elements to obtain the program's climate leadership bonus funds. The incorporation of these design strategies will lead to greater climate resilience through less reflected heat in the region's densest neighborhoods and will benefit households with low incomes in these buildings to benefit from lower energy costs by reducing energy demand and reducing health impacts of extreme heat.
- **Indoor air quality improvement.** The upgrades resulting from this measure will provide long term mold prevention, which can cause illness, and a better barrier from outdoor air, which improves indoor air quality in cases of wildfire hazards. Projects funded by the Metro regional housing bond also have a requirement for including in-unit air conditioning or heat pumps to assist with cooling and filtering indoor air.
- **Reduced noise pollution.** High efficiency building envelopes, including windows and doors restrict noise from nearby roads and construction.
- **Support for minority-owned, women-owned and emerging small businesses.** Each project funded by the Metro TOD program has a requirement of at least 20 percent of its total hard costs being used to contract with certified Minority-owned, Women-owned and Emerging Small Businesses.
- **Creation of workforce development opportunities.** [Metro's Construction Careers Pathway](#) (C2P2) program (discussed in more detail under the Workforce Development section) recommends measures to provide reliable career pathways for women and BIPOC in the construction trades. Projects led by any signatories would provide significant equitable workforce development benefits.

#### **Potential disbenefits to LIDACs under this measure**

- Because the program requires proximity to existing transit, much of the development funded by the TOD program is redeveloping a site from a previous use. There is a risk that households in lower density housing, such as single-family homes will be displaced for the development of higher density multifamily affordable housing. However, projects receiving funds from federal, state or local sources are required to follow the Uniform Relocation Act to compensate existing tenants for the relocation expenses.
- Construction of new housing may create short-term disruptions to surrounding communities such as increased noise and dust and changes in access.

#### **Impacted LIDACs**



### Areas of the Metro region that are eligible for Transit-Oriented Development Program investment

		41051009605; 41051009606; 41051009702; 41051009604; 41051009603; 41051009801; 41051010304; 41051010405; 41051010410; 41051010001; 41051010411; 41051010408
	Clackamas	41005021900; 41005022108
<b>Station Communities</b>		
Res-2	Washington	41067032501; 41067032409; 41067031706; 41067031402; 41067031300; 41067031100
	Multnomah	41051005100; 41051010600; 41051007300; 41051007600; 41051000602; 41051008600; 41051001602; 41051008301; 41051008302; 41051008100; 41051008202; 41051009302; 41051009201; 41051009202; 41051009301; 41051009701; 41051009605; 41051009606; 41051009702; 41051009604; 41051009603; 41051009801; 41051010001; 41051010405; 41051010410; 41051010411; 41051010408
<b>Frequent Bus Lines</b>		
Res-2	Washington	41067032501; 41067032409; 41067031706; 41067031402; 41067031300; 41067031100; 41067030700; 41067032005; 41067032003
	Multnomah	41051004101; 41051004001; 41051007300; 41051007400; 41051007600; 41051001101; 41051008600; 41051000602; 41051001602; 41051008301; 41051008302; 41051008100 41051008202; 41051008400; 41051009302; 41051009201; 41051009202; 41051009000; 41051009301; 41051009701; 41051009101; 41051009606; 41051009702; 41051009604; 41051009603; 41051009801; 41051009803; 41051010001; 41051010405; 41051010410; 41051010411; 41051010408
	Clackamas	41005021900

The TOD program works with the Transportation Research Center (TREC) at Portland State University to survey residents of all buildings it provides funding to every five years. Through these surveys, the program tracks transit use and household travel behavior, but if the program receives EPA funding, it will also be able to ask residents questions specific to the outcomes of the CPRG funding, such as the cost of utilities and the quality of indoor air.

Metro also has an excellent working relationship with Unite Oregon, a statewide community-based organization with chapters in each of Metro's three counties. Unite OR has partnered with TOD program staff to conduct facilitated conversations with neighborhood residents near new affordable housing developments. If Metro receives CPRG funding, Unite OR has committed to working with the TOD program to help inform communities of available resources, engage residents during planning processes and share the information Unite receives from community members that would assist in quantifying the CPRG-funded community benefits back to Metro to help shape programs and plans.

#### **b. Community Engagement**

This CPRG funding request is a direct result of the strategic planning process the TOD program undertook throughout 2022 and 2023. The strategic planning process included one-on-one interviews with staff from 16 culturally specific community-based organizations involved in providing services at and partnering in the development of regulated affordable housing to hear about ways that the TOD program and affordable housing development more broadly could incorporate GHG emissions reductions, racial equity and economic prosperity for low-income and disadvantaged communities in an impactful and financially feasible way. The lessons learned from that engagement process were that utility bills represent a significant financial burden to disadvantaged communities, leading in many cases to displacement from homes and overcrowding. Energy efficiency measures present a concrete way to alleviate that financial burden. Furthermore, low-income and disadvantaged communities are most likely to bear the brunt of impacts from climate change, including a lack of adequate heating and cooling of indoor air, and a lack of air filtration on days with poor air quality due to wildfire smoke. Investments in high efficiency HVAC are considered a high priority for members of the community and the organizations that serve them.

Additionally, in advance of the regional housing bond, Metro staff participated in an extensive community outreach effort to determine community needs and values for affordable housing. In that process, the community's top priority for new affordable housing development was proximity to transit, which reaffirmed the need for investing in affordable housing as transit-oriented development.

The TOD program work plan also requires extensive community engagement for affordable housing projects developed on land owned by Metro to determine the community priorities for each development. This process has included the formation of a site-specific project advisory committee made up of neighbors and people who have experienced housing insecurity, as well as broader community surveys distributed by culturally specific community-based organizations. Through these methods Metro and the TOD program have heard from over 1000 individuals regarding elements and priorities for affordable housing development in the past five years. These engagement efforts will continue through the life of the CPRG grant to determine whether community priorities for Metro investments in housing remain consistent or change over time.

### **5. JOB QUALITY**

All projects that receive TOD program funds are required to establish a goal that at least 20 percent of the project's construction hard costs must be performed by certified Minority-owned, Women-owned or Emerging Small Businesses (MWESB). TOD program grant recipients that are in jurisdictions that are signatories to the [Regional Workforce Equity Agreement](#) are also required to track their workforce equity by race, gender and job classification and are also asked to share their reports with Metro to assist in the creation of a regional workforce equity data baseline.

Metro does not directly perform any of the development or construction work on any of the TOD program grant funded projects. All of the projects are privately-owned. In some cases, Metro owns the land on which the affordable housing is developed. In those cases, the requirements for MWESB participation are higher and workforce equity data reporting is also required.

### **Regional Workforce Equity Agreement**

In the spring of 2022, Metro and other regional jurisdictions finalized and approved one of the first multi-jurisdictional workforce agreements in the country. The Regional Workforce Equity Agreement pairs a comprehensive strategy for supporting the recruitment of BIPOC and women workers into the construction trades, with strong protections for minority- and women-owned firms. The Regional Workforce Equity Agreement is currently being implemented on projects at each of the three adopting agencies. The Regional Workforce Equity Agreement includes significant advancements for racial and gender equity in the construction industry including:

- Full implementation of the Construction Career Pathways Regional Framework (detailed below)
- Commitments from registered union apprenticeship programs (RAP) to lessen barriers to entry into apprenticeship, for BIPOC and women workers, on projects covered by the agreement
- Anti-harassment protections, to ensure BIPOC and women workers feel safe and welcome on jobsites
- High-road contractor standards that ensure all workers have access to healthcare and reward contractors with a track record of delivering on projects and creating safe, family sustaining jobs for workers
- Equity contractor (DBE, MWESB) protections to ensure that BIPOC and women-owned firms can compete and participate on projects covered under this agreement
- Promoting funding of workforce development through a technical assistance fund to support training, recruitment and retention efforts for women and BIPOC workers.

While no formal agreement exists between the Metro TOD program and labor unions or other workers' rights groups, Metro is a signatory to the Construction to Careers Pathways Framework and the Regional Workforce Equity Agreement, which was developed alongside labor unions and relies on them for its success. Projects that are required to submit data regarding workforce equity must include hours worked by apprentices participating in union sponsored registered apprenticeship programs.

### **Construction to Careers Pathways Framework**

The Construction Careers Pathways regional policy framework and toolkit outlines seven critical strategies to provide reliable career pathways for women and BIPOC workers in the construction trades. The framework was developed by a public owner workgroup, with representatives from 16 public agencies, and includes input from industry and community stakeholders. With Metro leading the implementation effort, nine public agencies have formally adopted the framework: Metro, City of Portland, Clackamas County, Multnomah County, Portland Community College, Portland Public Schools, Prosper Portland, TriMet, and Washington County.

The policy framework, summarized in **Error! Reference source not found.** figure below, was designed to provide standardized goals and approaches while providing flexibility in implementation approaches so that both large and small agencies could adopt the policy. The framework sets consistent goals and standards for employing diverse workers across the region and for adopting agencies to provide financial investment in culturally relevant recruitment, training, and retention programs to ensure a robust supply of diverse and skilled labor.

#### Construction Career Pathways framework summary



Source: [Construction-Career-Pathways-Framework-case-study-20220603.pdf \(oregonmetro.gov\)](#) Construction Career Pathways Framework: A case study in job creation for a just society

## 6. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

### a. Past Performance

- 1) **Project title:** Climate Pollution Reduction Grant - Planning Grant  
**Assistance Agreement Number:** 5D-02J36101-0

**Federal or non-Federal Funding Agency and CFDA:** Environmental Protection Agency (EPA) - 66.046 - Climate Pollution Reduction Grants

**Description:** Metro is leading a \$1 million EPA Climate Pollution Reduction planning grant (CPRG) for the Portland-Vancouver Metropolitan Statistical Area (Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill Counties). Under this grant, Metro will inventory and forecast regional greenhouse gas (GHG) emissions; identify projects that reduce these emissions, and analyze the GHG reductions, implementation readiness, and other co-benefits of these projects.

**Contact From Funding Organization:** Danielle Shannon, 1200 Sixth Avenue, Suite 155, Seattle, WA 98101 Email: [shannon.danielle@epa.gov](mailto:shannon.danielle@epa.gov), Phone: 206-553-1260

**2) Project title:** Brownfields Multi-Purpose

**Assistance Agreement Number:** BF - 01J86401 - 0

**Federal or non-Federal Funding Agency and CFDA:** Environmental Protection Agency (EPA) - 66.818 - Brownfields Multipurpose

**Description:** A \$600,000 grant to inventory, characterize, assess, and conduct cleanup planning and community involvement related activities for brownfield sites in Clackamas County, Washington County and Multnomah County in the State of Oregon. Brownfields assessment focused on affordable housing projects in the 3-County area. Project period: 10/01/2020 - 09/30/2023. Metro also received EPA Brownfield Assessment Grants in FY06 (\$200K) and FY08 (\$200K) and a FY16 Coalition Assessment Grant (\$600K).

**Contact From Funding Organization:** Margaret Olson; 805 SW Broadway, Suite 500, Portland, OR 97203

**3) Project title:** Regional Travel Options Program

**Assistance Agreement Number:** OR-2023-004-00

**Federal or non-Federal Funding Agency and CFDA:** Federal Transit Administration (FTA) - 20.507 Federal Transit Formula Grants

**Description:** The RTO program funds and supports transportation demand management strategies to increase the use of travel options, reduce pollution, and improve mobility. Travel options include anything besides driving alone – carpooling, vanpooling, riding transit, bicycling, walking, and telecommuting. The RTO Program provides subawards to government agencies, colleges, universities, public school districts or schools (K-12), and non-profit organizations that increase access to and use of travel options. This is an ongoing program which FTA has funded via consecutive grants for about two decades. The current FTA grant is for \$5,274,856 with a project period of 7/10/23-3/31/25.

**Contact From Funding Organization:** Scot Rastelli, Supervisory Transportation Program Specialist, FTA; [Scot.Rastelli@dot.gov](mailto:Scot.Rastelli@dot.gov), 206-220-7965

**4) Project title:** FY24 MPO UPWP Fund Agreement

**Assistance Agreement Number:** ODOT Agreement No. 73000-00019961



**Federal of non-Federal Funding Agency and CDFA:** Oregon Department of Transportation via the Federal Highway Administration (FHWA) - 20.205 Highway Planning and Construction

**Description:** Annual funding agreement to provide federal funds to Metro to carry out its federally mandated transportation planning activities as the designated Metropolitan Planning Organization for the Portland Urbanized Area. Activities are defined in Metro's Unified Planning Work Program (UPWP). The annual grant amount is typically about \$6 million.

**Contact from Funding Organization:** Glen Bolen, 123 NW Flanders, Portland, OR 97209-4012; phone: 503-731-8284; email: [glen.a.bolen@odot.oregon.gov](mailto:glen.a.bolen@odot.oregon.gov);

**5) Project title:** Safe Streets and Roads for All (SS4A)

**Assistance Agreement Number:** 693JJ32340560

**Federal of non-Federal Funding Agency and CDFA:** Federal Highway Administration (FHWA) - 20.939 Safe Streets and Roads for All

**Description:** A \$2.4 million grant to develop a comprehensive safety action plan for some communities, and perform data collection, enhanced analysis, and quick-build projects in other communities throughout the Oregon Metro region. Project period: 9/28/23 - 9/27/26.

**Contact from Funding Organization:** Nick Fortey, FHWA Oregon Division, 530 Center Street, N.E., Suite 420, Salem, Oregon 97301; 503-316-2565; [Nick.fortey@dot.gov](mailto:Nick.fortey@dot.gov)

**b. Reporting Requirements**

- 1) **CPRG:** Metro is midway through this grant, which runs from 2023 to 2027, and has delivered the two deliverables due under the project to date – the Quality Assurance Project Plan and the Priority Climate Action Plan (PCAP) – on time and consistent with EPA's requirements. Metro's final PCAP is posted both on [EPA's website](#) and on [Metro's website](#). In addition, Metro submitted its only progress report due under this project to date on time and consistent with EPA's requirements in January 2024.
- 2) **Brownfields Multi-purpose grant:** Since 2006, Metro has consistently met grant requirements and expended funds in accordance with its grant agreements with EPA. Metro achieved the goals of these grant projects and completed ACRES, quarterly, annual and end-of-term reporting. Metro completed the FY16 EPA Coalition Assessment Grant on September 30, 2020 with just \$74 of Hazardous Substance funds remaining and \$5,345 of Petroleum funds remaining. Metro is complying with the FY19 workplan including ACRES and quarterly reporting for the FY20 grant. Metro received a one-year extension from EPA on the FY20 grant. Metro expects FY20 funds will be expended by the current Cooperative Agreement end date of September 30, 2024.
- 3) **Regional Travel Options:** Metro provides semi-annual progress reports to USDOT on all its federally funded transportation programs, including the Regional Travel Options (RTO) program overseen by the Federal Transit Administration. The RTO program is on-going and has submitted progress reports in accordance with its grant agreement. Metro has been providing this on-going progress report on a timely basis since taking over administration of the program in 2007. The on-going progress reporting has adequately summarized completion, delay or change of grant funded work program activities since program administration began at Metro.

- 4) **FY24 MPO UPWP Fund Agreement:** Metro submitted a semi-annual and a final report, both on time. The reports demonstrated satisfactory progress made toward goals outlined in the grant agreement.
- 5) **Safe Streets and Roads for All:** Metro has submitted one of the required nine quarterly reports. The report was submitted on time and was accepted. Metro reported progress which met the grant agreement requirements.

**c. Staff Expertise**

**Eryn Deeming Kehe** is a visionary leader with over 20 years of experience in public planning and engagement. Eryn has been at Metro since 2016, and she is currently Urban Policy and Development manager with responsibility for Metro's land use team, the Transit-Oriented Development program and the 2040 Planning and Development Grant program. Eryn is a graduate of the Massachusetts Institute of Technology, where she earned her Master's degree in City Planning and a certificate in urban design. She also holds a Bachelor of Arts in American Studies from Carleton College. She is the Founding Editor of the MIT Student Journal of Planning and served on the National Planning Accreditation Board.

Eryn is known for her ability to lead collaborative planning processes between the public and government agencies that are fair, open, and honest, resulting in greater levels of public trust. She has a proven track record of success in government leadership, navigating through complex decision-making at the city, county, metropolitan, and state level and the management skills to drive complex projects with strict timelines, reporting requirements, and limited budgets.

**Jon Williams** is a Principal Development Project Manager serving Metro's Transit-Oriented Development and Housing programs. Prior to his work at Metro, Jon led creation of a \$92 million downtown urban renewal plan for the City of Redmond, Oregon, and worked as a Senior Vice President of Low-Income Housing Tax Credit underwriting for Red Capital Group (now Lument). Jon earned a Bachelor of Arts in Politics from Princeton University and a Master of City and Regional Planning from the University of Pennsylvania.

**Patrick McLaughlin** is a Senior Development Project Manager serving Metro's Transit-Oriented Development and Housing programs. Patrick purchases land for and funds real estate projects that advance the Greater Portland Region's land use planning and housing affordability goals. Prior to his work at Metro, Patrick facilitated TOD on agency-owned land with the Regional Transportation District (RTD) in Denver, CO and worked as a consultant with BAE Urban Economics. Patrick earned a Bachelor of Arts in Political Science and Economics from the University of California, Davis, as well as a Master of City and Regional Planning from the University of North Carolina at Chapel Hill.

**Andrea Pastor** is a Senior Development Project Manager. Andrea led the development of the TOD strategic planning and work plan adoption process and has been the project lead on CPRG implementation grant development. Andrea has focused her work around aligning incentives and requirements to achieve equitable and sustainable outcomes. Prior to Metro, Andrea was a Senior



Economic Planner for the city of Portland at the Bureau of Planning and Sustainability. She is a board member of the Oregon chapter of the American Planning Association and Portland: Neighbors Welcome. Andrea earned her Master of Urban and Regional Planning from Portland State University and a dual Bachelor's degree in English Language and Literature and Psychology from University of Chicago.

## **7. BUDGET**

### **a. Budget Detail**

The Budget Detail is attached using the provided optional budget spreadsheet template.

### **b. Expenditure of Awarded Funds**

Metro has robust procedures and controls to ensure that awarded funds are expended in a timely and efficient manner within the grant period. Metro's Transit Oriented Development (TOD) team manages an existing grant program that has provided over \$7 million in funds to developers of TOD affordable housing over the past five years. An award from EPA would supplement this existing grant program, allowing EPA funds to benefit from the TOD team's existing procedures and controls. The TOD team works closely with Metro's attorneys and finance staff, who would help ensure the existing procedural framework is updated as necessary to capture any additional federal requirements, like those imposed by the Davis-Bacon Act and Build America, Buy America (BABA).

At an agency-level, Metro has a comprehensive internal control framework and financial policies that are designed to safeguard Metro's assets, promote effective and efficient operations, and ensure accounting transactions are executed in accordance with management's authorization and properly recorded in accordance with generally accepted accounting principles (GAAP) and federal regulations. Metro's most recent Single Audit of federal expenditures issued an unmodified ("clean") opinion, finding no material weaknesses or significant deficiencies in the internal control of major federal programs, and qualifying Metro as a low-risk auditee. Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for 31 consecutive years.

### **c. Reasonableness of Costs**

The reasonableness of the budget is demonstrated in the attached budget narrative and budget spreadsheet, which provides a detailed description of every itemized budget item per the instructions provided in the Notice of Funding Opportunity, as well as EPA's "Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance."