

OPTIONS FOR THE INVESTMENT AND INNOVATION PROGRAM [DRAFT]

Based on the information provided in the pilot evaluation, Metro staff has identified five options for consideration by Council:

1. Discontinue the program, if Council determines that either the pilot demonstrates that: (a) outcomes are not proportionate to the program costs; (b) that program resources should be allocated to other Regional Waste Plan actions; or (c) to reduce overall WPES costs.
2. Continue the I&I program with its current scope to allow for a broad range of eligible projects and a balance of environmental and equity impacts.
3. Continue the program, and prioritize projects with highest racial equity benefits over those with environmental benefits.
4. Continue the program, and prioritize projects with highest environmental benefits.
5. Continue the program, and prioritize recycling infrastructure projects.

The options for a future I&I program are described in more detail below.

Option 2: Continue the I&I program with its current scope to allow for a broad range of eligible projects and a balance of environmental and equity impacts.

The I&I pilot was broadly scoped, enabling funding of a range of project types from large capital infrastructure improvements to training of minority deconstruction contractors and waste prevention projects at schools. As noted above, each project also weighed, and resulted in, different levels of environmental and equity impacts.

Of the 93 percent of survey respondents that think the I&I program adds value and should continue, 64 percent think it should continue with its current broad scope.

Option 3: Continue the program, and prioritize projects with highest racial equity benefits over those with environmental benefits.

The I&I pilot had equity as a co-equal goal with environmental and health impacts, but projects varied in the degree to which equity was a primary focus. Some of the large capital projects had no direct equity impacts, but were funded because of their substantial environmental and health impacts or benefits to the waste system. Other grants—particularly the program grants—had direct and substantial equity impacts in the form of resources to minority-owned/serving businesses and organizations, expanded access to services, job creation and training opportunities.

The program could require that all projects demonstrate direct, significant equity outcomes to receive an I&I grant. The challenge will be to define what this means across different types of projects, and for businesses and organizations that are in different places in their equity journey. Specific indicators should be identified that would qualify a project for funding, tailored to type of

applicant and type of project. Per statutory guidelines, projects under this option would still need to be related to the Metro's work to manage waste and address product life cycle impacts.¹

Option 4: Continue the program, and prioritize projects with highest environmental benefits.

This approach would prioritize the environment and human health goal of the I&I program. Under this scenario, racial equity would still be a core goal of the I&I program as a whole, but projects with strong environmental impacts would not need to demonstrate significant direct equity impacts.

To focus on environmental and health impacts, it will be valuable to solicit projects that address these impacts earlier in the product life cycle. As noted earlier in this evaluation, there are some inherent parameters on Metro's ability to be effective at this, so we should expect that many projects will still address end-of-life (reuse, repair, recycling, composting, energy recovery, including anaerobic digestion).

Option 5: Continue the program, and prioritize recycling infrastructure projects.

There continues to be need for investments in stabilizing and updating private recycling and composting facilities, particularly in advance of potential statewide changes to modernize the recycling system that will take years to fully implement.² These investments could include projects to produce:

- Higher quality recyclables that could meet specifications of a broader range of domestic, North American and international markets;
- New or expanded local end markets;
- New collection options for materials that are not collected at homes and businesses.

¹ ORS 459.335 Use of fees collected by the metropolitan service district.

² Information on the Recycling Steering Committee's process to develop a concept for modernizing Oregon's recycling system can be found here <https://www.oregon.gov/deq/recycling/Pages/Recycling-Steering-Committee-Resources.aspx>.