

Memo



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Date: October 4, 2021
To: Committee on Racial Equity
From: Suzanne Piluso, Investment and Innovation program manager, WPES
Jon Mayer, Community Services and Education Program Director, WPES
Rosalynn Greene, Manager, Policy and Program Development, WPES
Subject: Investment and Innovation grant program | equity strategy update

The purpose of this memorandum is to update CORE on enhancements to the Investment and Innovation (I&I) grant program's strategy to advance equity, as a follow-up to a March 2021 presentation to CORE on the equity outcomes of the program's pilot phase.

At CORE's March meeting, members provided helpful input on this question: *How well is the I&I program meeting its goal of advancing racial equity for historically marginalized communities by sharing benefits and reducing burdens of the region's garbage and recycling system?* In general, CORE found the program to be on the right track, but noted more could be done to advance equity. In April, the Metro Council considered this and other stakeholder feedback in deciding to continue the program beyond the pilot phase, and directed staff to identify additional opportunities to enhance the program's racial equity outcomes.

In response, staff has identified additional strategies for the next grant cycle that will launch at the beginning of 2022. The two most significant are:

- *All applications* must meet a minimum equity threshold to be considered for an I&I grant.
- Metro will convene and support a second review committee with community representation for selecting program grants, in addition to the capital grant committee.

These strategies are described in more detail below. We welcome any feedback CORE members may have on this approach. To provide input or for more information, please contact program manager Suzanne Piluso at suzanne.piluso@oregonmetro.gov.

Overview of the Investment and Innovation grant program

The Metro Council initiated the I&I program in 2018 to invest in private companies and nonprofit organizations to stabilize and foster innovation in the regional waste prevention, reuse, recycling and composting system, while at the same time providing economic opportunities and other benefits for communities of color and other historically marginalized communities. The I&I program helps Metro achieve the overarching objectives of the 2030 Regional Waste Plan by reducing the environmental impacts of products and advancing racial equity.

This March, program staff presented CORE with key findings from an evaluation of the grants awarded to date. These are summarized in an Impact Summary report attached as Attachment 1. (The full evaluation report can be found on the program website <https://www.oregonmetro.gov/tools-partners/grants-and-resources/investment-and-innovation-grants>)

The I&I program pilot evaluation helped clarify the areas where the program has the most ability to affect change, which is reflected in the following updated equity goal statement:

I&I grants advance specific Regional Waste Plan goals and actions related to racial equity by:

- *Increasing access to economic and other benefits generated by the region's garbage and recycling system;*
- *Reducing harms of the system on BIPOC and other underserved communities; and*
- *Building the capacity of businesses and organizations operating in the system to advance diversity, equity and inclusion.*

The pilot evaluation revealed progress toward these goals in the following primary ways: Over \$850,000 was awarded in three grants to the only black-owned facility operating in the region's solid waste system. A total of approximately \$464,000 was awarded to six nonprofit organizations that serve primarily communities of color or other underserved communities through waste prevention and reduction initiatives. The grants funded 17 new jobs targeting underserved communities, in addition to capacity building and professional advancement opportunities for BIPOC workers and employers. In post-grant interviews, recipients shared that the grants have contributed to an increased understanding and application of equity principles at their work places—this is particularly important at facilities that are early in their equity journeys.

Other equity impacts relate to environment, health and safety. I&I grants have improved worker conditions by increasing safety and reducing dust and noise, and reduced nuisances that impact neighboring communities such as odors and traffic associated with waste facilities. Further, by reducing contamination and hazards such as needles on recycling sort lines, the grants have protected frontline workers (the majority of whom are BIPOC), and avoided exporting harms from contamination to developing countries.

As we shared with CORE in March, applicant responses to the I&I program's equity objectives and criteria varied widely during the pilot. In general, equity was a more focused priority in nonprofit organizations that have equity as core to their mission, and less so in for-profit capital grant applications (with a few notable exceptions). Not surprisingly, some private sector applicants have a long way to go to operationalize equity.

Enhancements to the I&I program's equity strategy

In refining the I&I program's equity goal and exploring new tactics, we began by clarifying the program's sphere of influence within the private and nonprofit sectors. This program is one of several mechanisms to achieve specific Regional Waste Plan goals related to equity in the garbage and recycling system. Some of the systemic inequities will be more effectively addressed through comprehensive regulatory and policy initiatives (as opposed to one-off, short-term grants for starting or expanding specific projects and programs). Major projects are underway to address inequities that are baked into the solid waste system, including new tonnage allocation standards that incentivize good jobs and workforce conditions, and the Material Recovery Facilities (recycling facilities) standards project that will result in new regulatory standards to address worker pay, health and safety, and equitable end markets.

Two additional approaches to further advance the I&I program's equity goals will be added this year, building on previous strategies:

1. All applications must meet a minimum equity threshold to be considered for an I&I grant.

CORE and other stakeholders recommended that the I&I program establish a minimum equity threshold, to ensure all applicants demonstrate at least some commitment to equity to be awarded a grant.

Recognizing that applicants vary significantly in their commitment to equity and even basic understanding of equity concepts, the program seeks to meet applicants where they are. Applicants will be provided a “menu of options” in the solicitation that outlines specific ways they can meet the minimum threshold (a draft is attached as Attachment 2). This standard sets a “floor” to qualify for funding; meeting it will not automatically result in a grant award. The more significantly an applicant demonstrates direct equity impacts of a proposed grant project, the higher the grant proposal will be scored by the review committees and greater the chance of being awarded a grant. Staff will provide opportunities for consultation during the application period to help applicants identify opportunities to advance equity specifically tailored to their proposed projects and businesses or organizations.

We will test this minimum threshold approach in the FY21-22 cycle, and anticipate it will evolve over time as we identify additional opportunities and resources.

2. Metro will convene and support a second review committee with community representation for selecting program grants.

In past grant cycles, Metro selected the program grant awards primarily internally due to limitations in the program’s capacity to support two external grant committees. This year the I&I program will add a second committee for evaluating program grants. Both committees will include 2-3 community representatives, along with local government and a business member. I&I staff will provide members training and support on Metro’s equity strategy and on applying the grant review criteria. This step aligns with the Regional Waste Plan principle of making investment decisions in partnership with communities.

Additional efforts to promote equity through the I&I program

Program staff has identified a number of ways to more directly use the program to advance a deeper understanding and application of equity principles within the region’s garbage and recycling industry. These include clarifying what we mean by “advancing racial equity” and best practices for community engagement when designing projects. It also includes providing technical support for private companies on hiring and supporting minority, women and other historically underrepresented workers and contractors to implement grant-funded projects.

We are streamlining aspects of the application and grant management processes to reduce the administrative burden of a grant, particularly for community organization grantees.

Next steps

- At the March meeting, CORE expressed interest in having a member on an I&I grant review committee, which we would welcome! Over the next couple of months, the I&I program manager will work with Sebrina Owens-Wilson to invite CORE membership on the review committees.
- The FY21-22 grant solicitation will launch at the beginning of January 2022 with a call for proposals. Up to \$2 million will be available for capital and program grants. After the new

grants are awarded in mid-2022, program staff will evaluate the grant cycle to identify lessons learned and additional opportunities for advancing equity.

- The Waste Prevention and Environmental Services department that houses the I&I program is evaluating whether this program should pause grant-making after the FY21-22 cycle for strategic planning with the other community investment programs, including application of Metro's new Racial Equity Framework.

Attachments:

1. Investment and Innovation grant program pilot—Impact Summary Report (April 2021)
2. DRAFT minimum equity threshold (FY21-22 solicitation)

cc: Roy Brower, Director, Waste Prevention and Environmental Services (WPES)
Jennifer Payne, Manager, Community Waste Prevention, WPES



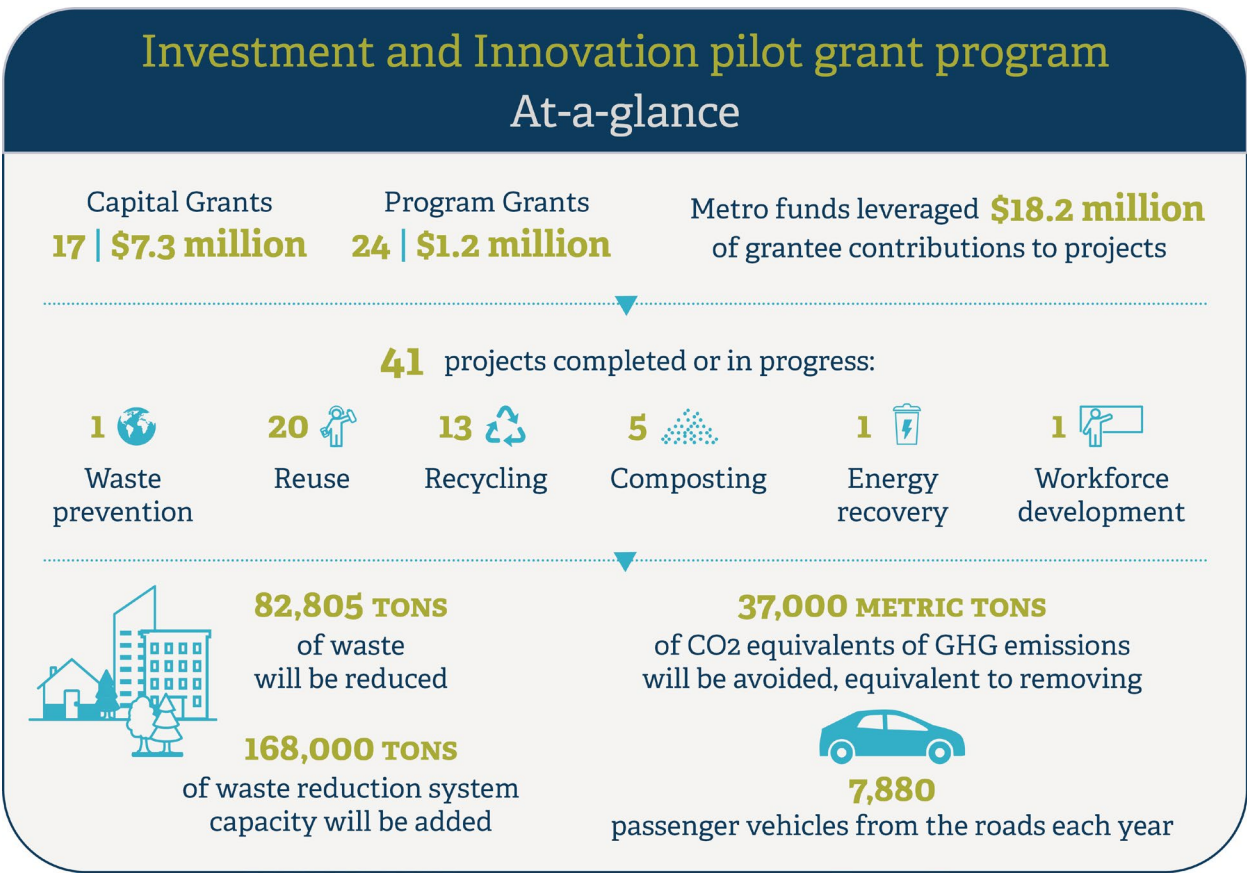
Investment and Innovation grant program pilot

Impact summary report

OVERVIEW

The Metro Council initiated the Investment and Innovation (I&I) program in 2018 as a three-year pilot to invest in efforts of private companies and nonprofit organizations to create, expand, preserve and broaden efforts that advance waste prevention, reuse, recycling and energy recovery in the greater Portland area, and to help foster economic opportunities and other benefits for communities of color and other historically marginalized communities. The I&I program helps Metro achieve the overarching objectives of the 2030 Regional Waste Plan by reducing the environmental impacts of materials throughout their life cycle and advancing racial equity.

This Impact Summary provides a high-level overview of the environmental, human health and racial equity impacts of the I&I pilot. ¹ It is a companion piece to the full evaluation report completed in spring 2021.



¹ The grants awarded during the pilot are not all fully implemented. This summary describes *actual impacts* of completed grants awarded in 2018, and *anticipated impacts* from grants awarded in 2019 and 2020.

ENVIRONMENTAL AND HUMAN HEALTH IMPACTS

The I&I grant program seeks to preserve and expand the greater Portland area's capacity to reduce the environmental and human health impacts of products at any stage of the product life cycle, with particular emphasis on the end-of-life stage through waste prevention, reuse, recycling, composting and producing energy from waste. The I&I grants are advancing progress on Regional Waste Plan goals by:

Improving systems for recovering recyclables, food scraps and yard debris to make them more responsive to changing markets and evolving community needs.

Example: Two I&I grants enabled Pioneer Recycling Services to invest in rapidly evolving technology at its material recovery facility in Clackamas. Pioneer purchased and installed two sorting robots, and the following year installed optical sorters. Both projects were for new technologies or applications of technology that had not been previously tried in the greater Portland area. The grants enabled Pioneer to test the effectiveness in improving sort processes and delivering products more likely to be recycled. Pioneer volunteered to share results and key learnings from both of these proof-of-concept projects with direct competitors to encourage innovation, benefitting both recyclers and the region as a whole.



Photo courtesy of Pioneer Recycling

Supporting efforts to recover and distribute surplus edible food.



Photo courtesy of Urban Gleaners

Example: In 2019, grant funds provided Urban Gleaners with a refrigerated van and additional staffing, enabling this nonprofit organization to rescue more than 1 million additional pounds of nutritious, edible surplus food from local businesses and deliver it to food pantries and meal sites – a 19 percent increase over the prior year. The grant funded an experimental partnership with Door Dash to test a “closed loop” pilot, through which food would be rescued more efficiently through partnership with drivers already on the road. Urban Gleaners was awarded a second I&I grant to hire additional staff for a second shift to scale up its food rescue and redistribution operation.

Investing in neighborhood-scale reuse and repair services and infrastructure.

Example: Two I&I grants enabled Pioneer Recycling Services to invest in rapidly evolving technology at its material recovery facility in Clackamas. Pioneer purchased and installed two sorting robots, and the following year installed optical sorters. Both projects were for new technologies or applications of technology that had not been previously tried in the greater Portland area. The grants enabled Pioneer to test the effectiveness in improving sort processes and delivering products more likely to be recycled. Pioneer volunteered to share results and key learnings from both of these proof-of-concept projects with direct competitors to encourage innovation, benefitting both recyclers and the region as a

Implementing strategies to increase the salvage of building materials for reuse.

Example: City Repair was awarded a grant in 2020 to develop a process and five demonstration projects to divert usable construction waste (mock-ups of building projects that are normally destined for landfill) in order to provide homes for people without them. The work was done in partnership with community housing organizations. The lessons learned from the project will be incorporated into a training module for architects, contractors, builders, developers and reuse advocates to expand the network of people diverting additional mock-ups on an ongoing basis.

Increasing knowledge among community members about garbage, recycling and reuse services.



Photo courtesy of Angela Holm and Free Geek

Example: Eco-School Network was awarded a grant in 2018 to train and support a cohort of parent leaders in 20 schools to assess current practices of managing cafeteria waste, and implement unique parent and student-led waste reduction initiatives. The cumulative impact of the projects resulted in more than 120 tons of avoided waste through prevention, reuse and recycling. Even more significantly, the projects built awareness and excitement for waste reduction among students, parents and teachers, which will have ongoing benefits beyond the grant.

RACIAL EQUITY IMPACTS

Goal 2 of the Regional Waste Plan directs Metro to “Utilize grant programs to invest in businesses and nonprofit organizations to strengthen regional efforts around reducing waste, making better use of the waste that is produced and helping foster economic opportunities for communities of color and others who have historically been left out of the garbage and recycling system.” I&I grants are furthering implementation of Goal 2 by:

Creating new opportunities to participate in the garbage and recycling system, including workforce development and career pathways.

Example: City of Roses Disposal & Recycling (COR), one of the few Black-owned businesses in the greater Portland area’s waste management sector, was awarded two I&I grants to expand and update its facility in Northeast Portland that handles primarily construction and demolition debris. Infrastructure improvements included the addition of designated areas for additional processing, as well as storage, machinery and specialty processing areas. COR’s business expansion associated with the first I&I grant resulted in job growth as well, yielding 13 new living wage jobs with benefits that primarily went to under-represented individuals.

Supporting new partnerships to expand service delivery to historically marginalized communities.

Example: Repair PDX is developing new community partnerships with local public schools and nonprofit organizations such as ReBuilding Center to focus repair skills trainings and apprenticeships on underserved communities, including teaching sewing and technology repair to resilient youth experiencing homelessness.



Photo courtesy of Jesus and Jesse Fonseca and Repair PDX

Funding organizational efforts to advance equity, including new diversity/inclusion policies and equity trainings.

Example: GreenWay Recycling and Urban Gypsum were awarded grants in 2019 that include working with Constructing Hope on an equity assessment of organizational practices. Urban Gleaners is undergoing a process in collaboration with Resolutions NW to be more culturally responsive to the diverse population experiencing food insecurity that it serves, and has added an Ambassador Board to apply an equity lens to operations and outreach, with three of the founding members being people of color.

FOR MORE...

For much more detail, see the full evaluation report. It includes information on how the program was implemented, the status of each of the grants and their specific environmental and racial equity outcomes, and options for the future of the I&I program.

Minimum equity threshold

To be considered for an I&I grant, an applicant must demonstrate **at least one direct equity impact from the grant project or program and/or an activity that demonstrates commitment to advancing equity** from the list below. This is a minimum threshold to be eligible for a grant; it does not ensure a grant will be awarded. The more significantly the application demonstrates that the project or program will advance racial equity, the higher the application will be scored and greater the chances of being awarded a grant.

Direct equity impacts from the grant:

- Economic benefits
 - Applicant organization or business is owned, led by and/or primarily serves BIPOC individuals and communities (indicate whether COBID Certified Business).
 - Grant will fund hiring of COBID-certified (or COBID-eligible) contractors and subcontractors.
 - Grant will fund new jobs for BIPOC individuals, particularly those that provide living wages and benefits.
 - Grant will fund new measures to retain and develop career ladders for BIPOC employees.
- Organizational/business capacity
 - Grant will fund improvements to ensure safe and healthy working environments for BIPOC employees.
 - Grant will fund meaningful training opportunities and/or the development of inclusive policies and practices.
- Community benefits
 - Grant will fund new or expanded culturally-responsive programs and services for BIPOC communities.
 - Grant will fund improvements to facility relationship with surrounding community by reducing harms and/or providing community benefits.
 - Grant project will be co-created with community (i.e., community is informing and shaping the work, as well as benefitting from it directly).

Activities that demonstrates applicant commitment to advancing equity:

- Inclusive contracting
 - Participate in grant kick-off meeting with Metro staff to develop strategy for hiring BIPOC/COBID-certified contractors and subcontractors.
 - Demonstrate that all contracted professional services funded by I&I grant will be paid living and/or prevailing wages for all work on the I&I grant-funded project.
- Good jobs and inclusive workforce
 - Demonstrate that all workers at grantees' business or organization are paid a living wage and benefits by describing employee compensation structure, healthcare and other benefits provided to employees. Provide documents, when available, that detail wage scales, annual cost of living adjustments (COLA), healthcare program, vacation and

sick time, and any other related benefits or incentives. *If awarded grant, may be required to participate in a wage verification audit.*

- Demonstrate diversity of the applicant business/organization and project team, as well as any proposed contractors/subcontractors, including race, gender, veteran status and disability, as well as other measures of diversity. Distinguish between staff and management to demonstrate diversity at all levels, not just frontline staff.
 - Identify an activity promoting workforce equity, diversity and inclusion within applicant business or organization that will be undertaken if awarded the grant, and explanation of how the results will be reported to Metro.
- Community benefit
 - Identify an activity promoting workforce diversity within applicant's local community that will be undertaken if awarded the grant, and explanation of how the results will be reported to Metro.
 - Partner with community workforce/training organization to provide technical job shadow opportunities.