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**BUREAU OF PLANNING & SUSTAINABILITY**

All Funds Budget Summary	Adopted FY 2014-15	Request Base FY 2015-16	Decision Pkgs FY 2015-16	Request Total FY 2015-16	Percent Change
<b>Resources</b>					
Beginning Fund Balance	\$2,272,450	\$2,678,687	\$0	\$2,678,687	17.9%
Licenses & Permits	2,851,643	2,903,916	0	2,903,916	1.8%
Charges for Services	2,223,486	2,252,975	0	2,252,975	1.3%
Intergovernmental Revenues	1,569,880	991,904	(168,500)	823,404	-47.5%
Interagency Revenue	425,452	285,500	102,000	387,500	-8.9%
Miscellaneous Sources	73,466	60,989	0	60,989	-17.0%
General Fund Discretionary	7,291,360	7,255,053	732,354	7,987,407	9.5%
General Fund Overhead	587,547	769,665	14,058	783,723	33.4%
<b>Total Resources</b>	<b>\$17,295,284</b>	<b>\$17,198,689</b>	<b>\$679,912</b>	<b>\$17,878,601</b>	<b>3.4%</b>
<b>Expenditures</b>					
Personnel Services	\$10,480,020	\$10,764,033	\$456,912	\$11,220,945	7.1%
External Materials and Services	1,765,747	1,584,787	153,000	1,737,787	-1.6%
Internal Materials and Services	2,402,825	2,218,659	70,000	2,288,659	-4.8%
Debt Service	52,307	57,742	0	57,742	10.4%
Fund Transfers - Expense	164,254	173,031	0	173,031	5.3%
Contingency	0	2,400,437	0	2,400,437	NA
Unappropriated Fund Balance	2,430,131	0	0	0	-100.0%
<b>Total Requirements</b>	<b>\$17,295,284</b>	<b>\$17,198,689</b>	<b>\$679,912</b>	<b>\$17,878,601</b>	<b>3.4%</b>
<b>Total Bureau FTE</b>	<b>96.80</b>	<b>93.50</b>	<b>3.80</b>	<b>97.30</b>	<b>0.5%</b>

Percent Change is the change from FY 2014-15 Adopted Budget to FY 2015-16 Total Requested Budget.

**Key Issues****Key Performance Measures**

In preparation for the FY 2015-16 Requested Budget, the Bureau of Planning & Sustainability worked with the City Budget Office to identify and develop Key Performance Measures (KPMs) that provide Council with more useful information for decision making. The intent of these measures is to track the progress of the bureau's core services. The bureau identified four existing Performance Measures to elevate to KPMs. Included below is a brief discussion on each KPM, what it measures, what it does not measure, and potential adjustments or additions that may better track the progress the bureau is making towards achieving its mission.

Percent of new housing units in the four-county region that are within the City of Portland

This KPM ultimately measures the City's ability to capture a large portion of the region's new housing development (based on building permit data), which is impacted by the City's planning efforts to create a range of livable, desirable, and affordable neighborhoods. Many factors affect where within a region residents chose to live. The bureau's work in Comprehensive & Strategic Planning, Area Planning, and General Planning directly affects many of these elements.

As building permit data is updated monthly, this metric could be updated semi-annually. It may also be possible to analyze how Portland compares to other American cities. A similar metric to measure the City's capture rate of regional job and wage growth may give further insight in to the effects of the bureau's efforts to create a prosperous city. However identifying sufficiently robust data may prove to be problematic.

#### Percent of Portlanders living in complete neighborhoods

This measure was highlighted as part of the FY 2014-15 Budget process, and strengthens the connection between the City's Portland Plan and the annual budget process. A Complete Neighborhood is defined by meeting threshold levels on at least 5 of the following 7 indicators:

- Bicycle access and connectivity
- Food access
- Transit access
- Recreation access
- Distance to neighborhood elementary school
- Sidewalk density
- Commercial services

This performance measure captures the effectiveness of the bureau's planning efforts to ensure all Portlanders have access to public and private amenities in their neighborhood. This measure will help decision makers make better informed choices about the geographic distribution of City resources, as well as inform discussions on in-fill development and density related to the completion and implementation of the Comprehensive plan update, and the Central City 2035 Plan. This performance measure strongly correlates with the Climate Action Plan goal of having 90% of Portland residents live in neighborhoods where residents can easily walk or bike to meet all basic daily, non-work needs and have safe pedestrian or bicycle access to transit.

#### Percent of waste recycled or composted

This measure tracks the effectiveness of the Waste Reduction & Recycling program to minimize the percentage of the city's trash that ends up in a landfill as part of the bureau's implementation of the City's Portland Recycles! Plan. This metric quantifies the progress made towards the City's goal of recovering 75% of all waste by 2015. It does not measure the effects of the City's efforts to minimize the amount of trash entering the waste stream. The Portland Recycles! Plan that Council adopted in 2007 also includes the goal of reducing per capita waste generation below 2005 levels by the year 2015. These efforts are better captured by pounds of solid waste generated per household, and tons of solid waste generated by business. A performance measure that identified the total amount of solid waste generated on a per capita basis would give decision makers a better opportunity to assess the success of all of the bureau's solid waste efforts, including the bureau's Sustainability Education & Assistance program. While the bureau clearly has less control over the total volume of trash created compared to the percentage of

waste recovered, the Portland Recycles! Plan notes that, “**Waste prevention must be an overriding objective for the future of our waste management system**”<sup>1</sup> (bold in original).

#### Percent reduction in per person carbon emissions from 1990 levels

This Key Performance Measure gauges per capita carbon dioxide emissions from Multnomah County (including emissions from generating electricity used here). This measure helps evaluate the bureau’s planning efforts, along with the bureau’s partnership with Multnomah County to implement the Climate Action Plan. Elevating this performance measure to a KPM will also partially preemptively meet the draft Climate Action Plan update requirement for the City to incorporate a climate action performance measure in the annual budget process. The relative slow pace at which this measure moves, and the difficulty and imprecision of measurements, may limit its ability to influence short term decisions; however it is helpful in evaluating progress made towards the City and County’s Climate Action Plan goals of reducing carbon emissions 40% from 1990 levels by 2030, and 80% by 2050.

#### **Achieving Portland Recycles! Plan Goals**

In June 2006 Council directed the Office of Sustainable Development to conduct a public process and develop a plan to achieve a series of solid waste management goals by 2015:

- a) promote sustainability of the solid waste and recycling system that includes maximum efficiency, equity and economic vitality, improved worker safety and reduced environmental and human health impacts over the entire life cycle of the materials, and
- b) minimize the impact of harmful wastes by targeting toxicity and reducing greenhouse gases emissions, and
- c) reduce per capita waste generation below 2005 levels by the year 2015, and
- d) maximize recovery of all waste with a target of 75% by the year 2015 and promote highest value use of the recovered materials.

The Portland Recycles! Plan adopted in August of 2007, and updated in April 2008, directs the bureau’s efforts to achieve those goals. The City has not achieved its goal of reducing per capita waste generation below 2005 levels or recovering 75% of all solid waste by 2015. Additionally, The City of Portland and Multnomah County’s 2009 Climate Action Plan calls for a 25% reduction in solid waste generation from current levels, and 90% waste recovery by 2030. The bureau has fully or partially implemented a large number of the recommendations to achieve the goals in the plan, but implementing additional recommendations may be necessary to achieve the City’s goals. Recommendations that could be expanded or implemented include developing customer and hauler waste reduction target incentives, implementing a ban on recyclables in the garbage, and strengthening composting and recycling regulations for the multifamily sector. Currently, the bureau intends to gradually spend down the Solid Waste Management Fund balance as the bureau completes implementation of the Portland Recycles! Plan. If additional revenue is required, the bureau should consider raising the commercial tonnage fees (currently at \$8.30/ton) paid for by haulers serving multifamily and business customers. The bureau has not adjusted the rate in three years, and does not intend to for the next five. Correspondingly, residential franchise fees are set at 5% of total revenues collected by haulers. Raising the tonnage rate would also have the benefit of increasing the market cost of producing trash, and on the margins, encourage waste reduction and recovery. As the bureau develops a plan for the next five years of Portland’s solid waste

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<sup>1</sup> Portland Recycles! Plan page 4

management activities, it is important to ensure the Fund has sufficient revenues to achieve the City's solid waste goals.

## Decision Package Analysis & Recommendations

### **Planning Realignment, PN\_01, (\$66,500), (1.20 FTE)**

This package eliminates positions previously funded with intergovernmental revenues that are no longer available. The package was required because the bureau previously budgeted ongoing positions with one-time resources, in this instance, Construction Excise Tax (CET) grants from Metro. The package also recognizes \$102,000 of interagency revenue from the Bureau of Development Services for completion of the RICAP 8. Without interagency support, the bureau would suspend RICAP in favor of focusing on higher priorities. Several years without RICAP, however, might require the bureau to dedicate base budget resources to resolve emergent minor but chronic code issues that the RICAP process currently addresses.

*CBO Recommendation: (\$66,500), (1.20 FTE)*

### **Single-family Development Regulations, PN\_02, \$332,212, 2.60 FTE**

This package would fund 2.60 FTE with one time General Fund Discretionary and Overhead resources to assess the implications of code requirements on house design and development economics, and how the scale and pattern of single family development varies across neighborhoods. The project will make recommendations addressing compatibility of infill development and how to increase the types of units that allow a greater range of incomes to find housing in single-family neighborhoods. The bureau sought, but did not receive, \$118,500 in the FY 2014-15 Fall BMP primarily for a consultant to undertake an independent and comprehensive review of the City's design review process, tools, and results. Currently 2.00 FTE are budgeted in the bureau's base budget for staff support for management, urban design and graphics, economic analysis, and outreach related to this project, with a total cost of \$261,958. In addition to this package, the bureau intends to request for approximately \$170,000 of one time General Fund resources in the FY 2014-15 Spring BMP for consultant work. The bureau would not be able to proceed without receiving funding in the Spring BMP. The bureau also anticipates seeking approximately \$100,000 in FY 2016-17 to cover part of the project lead and half of the funding needed for the public hearing process. The full total cost estimate of this project is \$811,956. Approval of \$332,212 for this package would still require additional one-time resources, or for the bureau to realign ongoing resources away from higher priority projects to support this project.

The City may be able to finance this project with BDS permit fees. The bureau notes that other jurisdictions finance code maintenance functions with building permit resources. It is possible for the creation of single-family development regulations to be an allowable use of building permit fees. It may be advisable for the bureau to seek a formal opinion on the legality of such a funding mechanism, which could preserve the City's General Fund resources.

The bureau believes that in the long-term, improved single family development regulations may create additional opportunities for low density residential development. However, the bureau acknowledged in their response to CBO's questions that, "additional requirements may increase development costs affecting affordability". Making it easier for the development of duplexes, triplexes, ADUs and row houses has the potential of increasing the supply of more affordable homes, but imposing additional requirements related to lot coverage, height, setbacks, and required rear -yard area as proposed in the package may decrease the affordability of single family homes in residential areas.

Regarding the effect of the package on the bureau's performance measures, it is fairly easy to see the connection between this package and an increase in the percent of residents rating the attractiveness of new residential development "good" or "very good". However it seems less obvious how imposing additional regulations that will limit density in residential neighborhoods experiencing in-fill development, which are almost exclusively already complete neighborhoods, will increase the percent of Portlanders living in complete neighborhoods a bureau KPM). Similarly, it is less than clear how taking steps that may effectively limit density and increase the cost of housing in some of Portland's most desirable neighborhoods will increase the percent of new housing units in the four-county region that are within the City of Portland another bureau KPM).

Not pursuing this project would also allow the bureau to realign the resources currently in the base budget to completion of the Central City Plan update (see below), a project the bureau identifies as a high priority for the upcoming fiscal year. Furthermore, it is not clear if there is an advantage to beginning implementation of the new Comprehensive plan ahead of completion and adoption of the plan by Council.

*CBO Recommendation: \$0, 0.00 FTE*

### **Completion of Central City Plan update – CC2035, PN\_03, \$284,200, 2.00 FTE**

This package would fund an additional 2 FTE on top of the 2 FTE in the bureau's base budget to complete the update of the Central City Plan (CC2035) by the end of FY 2015-16 (with the public hearing process potentially continuing into FY 2016-17). This package also includes funding for a consultant to analyze the feasibility of options for the design and alignment of a Green Loop. The bureau has clearly identified completion of the Central City CC2035 Plan as a focus of the bureau, but at the same time only budgeted two of the four FTEs currently working on the plan in the bureau's base budget. The bureau should realign resources to this high priority project to ensure completion in 12-18 months (completing the Plan without this package will require 24-30 months). The bureau may also be able to use other non-General Fund resources. Notably, other jurisdictions in Oregon use building permit revenues for zoning code and regulatory update projects similar to CC2035. It may be advisable for the bureau to seek a formal opinion on the legality of such a funding mechanism, which could preserve the City's General Fund resources, as well as better aligning the beneficiaries of the CC2035 update, with who pays.

*CBO Recommendation: \$0, 0.00 FTE*

**Historic Resources Inventory Update, PN\_04, \$130,000, 0.40 FTE**

This package would design, pilot, and refine a new efficient approach to update the City's Historic Resources Inventory. Part of the scope of the consultant work on the HRI will be to develop options and budget for updating the HRI citywide over a five year period. Using the Los Angeles Historic Resources Survey as a benchmark, The City should anticipate requiring at a minimum \$200,000 a year for five years to implement a Historic Resources Inventory update citywide, with a potential total cost significantly higher. While the bureau will seek governmental and private charitable grants to support the work, it is unlikely these resources will cover a significant portion of required cost, and the bureau has not included any intergovernmental revenues in the package. The bureau should identify resources in the bureau's base budget in FY 2016-17 through FY 2021-22 to realign for implementation of the inventory update, or ask Council for the entire amount (\$1.13 million). Under the City's current periodic review work plan from the state, the City is not required to update Goal 5 policies, and therefore the likelihood of being found out of compliance in the short and medium term seems minimal. Additionally, this package, and any additional implementation work will not improve the bureau's Key Performance Measures, and is unlikely to materially improve the bureau's other performance measures. To the extent that it is necessary to rectify past geographic inequities of the current HRI (only one of the City's 600 historic landmarks is east of 82<sup>nd</sup> Ave), it may be advisable for the bureau to realign resources for a limited review of potential historic resources in East Portland building upon the bureau's 2011 Reconnaissance Survey of Modern Historic Resources of East Portland.

*CBO Recommendation: \$0, 0.00 FTE*

**City of Portland**  
 Decision Package Recommendations  
 (Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
<b>Bureau of Planning &amp; Sustainability</b>											
<i>Adds</i>											
PN_02 - Single-family Development Regulations	01	2.60	0	318,154	14,058	332,212	0.00	0	0	0	0
PN_03 - Completion of Central City Plan update - CC2	02	2.00	0	284,200	0	284,200	0.00	0	0	0	0
PN_04 - Historic Resources Inventory Update	03	0.40	0	130,000	0	130,000	0.00	0	0	0	0
<i>Total Adds</i>		<i>5.00</i>	<i>0</i>	<i>732,354</i>	<i>14,058</i>	<i>746,412</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Reductions</i>											
PN_01 - Planning Realignment	01	(1.20)	0	0	(66,500)	(66,500)	(1.20)	0	0	(66,500)	(66,500)
<i>Total Reductions</i>		<i>(1.20)</i>	<i>0</i>	<i>0</i>	<i>(66,500)</i>	<i>(66,500)</i>	<i>(1.20)</i>	<i>0</i>	<i>0</i>	<i>(66,500)</i>	<i>(66,500)</i>
<b>Total Bureau of Planning &amp; Sustainability</b>		<b>3.80</b>	<b>0</b>	<b>732,354</b>	<b>(52,442)</b>	<b>679,912</b>	<b>(1.20)</b>	<b>0</b>	<b>0</b>	<b>(66,500)</b>	<b>(66,500)</b>