

Analysis By: Jessica Kinard

BUREAU OF PLANNING AND SUSTAINABILITY

All Funds Budget Summary	Adopted FY 2015-16	Request Base FY 2016-17	Decision Pkgs FY 2016-17	Request Total FY 2016-17	Percent Change
Resources					
Beginning Fund Balance	\$2,678,687	\$2,773,911	\$0	\$2,773,911	3.6%
Licenses & Permits	2,903,916	2,957,729	0	2,957,729	1.9%
Charges for Services	2,252,975	2,426,264	380,020	2,806,284	24.6%
Intergovernmental Revenues	973,404	1,791,732	0	1,791,732	84.1%
Interagency Revenue	417,500	364,450	0	364,450	-12.7%
Miscellaneous Sources	60,989	83,313	0	83,313	36.6%
General Fund Discretionary	8,587,407	7,418,368	339,132	7,757,500	-9.7%
General Fund Overhead	783,723	794,790	0	794,790	1.4%
Total Resources	\$18,658,601	\$18,610,557	\$719,152	\$19,329,709	3.6%
Expenditures					
Personnel Services	\$11,226,945	\$11,039,387	\$284,132	\$11,323,519	0.9%
External Materials and Services	2,411,787	2,428,022	205,000	2,633,022	9.2%
Internal Materials and Services	2,388,659	2,238,638	150,000	2,388,638	0.0%
Debt Service	57,742	62,016	0	62,016	7.4%
Fund Transfers - Expense	177,643	189,396	0	189,396	6.6%
Contingency	2,395,825	83,661	0	83,661	-96.5%
Unappropriated Fund Balance	0	2,569,437	140,020	2,709,457	NA
Total Requirements	\$18,658,601	\$18,610,557	\$779,152	\$19,389,709	3.9%
Total Bureau FTE	97.40	90.65	2.70	93.35	-4.2%

Percent Change is the change from FY 2015-16 Adopted Budget to FY 2016-17 Total Requested Budget.

Key Issues**Public Involvement and Planning**

In urban planning, community involvement is frequently a requirement for the development of plans and codes, and also provides a key tool for successful plan implementation. According to the American Planning Association, “[c]ommunity engagement can bring vibrancy and innovation to planning practice by strengthening the degree of public commitment to planning processes and making more perspectives available to decision makers.”¹ The type and scope of community involvement performed by planning departments varies greatly depending on the time, place, and type of changes that are being discussed. At the most basic level, planning bureaus disseminate information to stakeholder groups and respond to public inquiries after required public notices. More involved practices include running or staffing public engagement processes and public hearings, and tracking and following up with the public on their concerns.

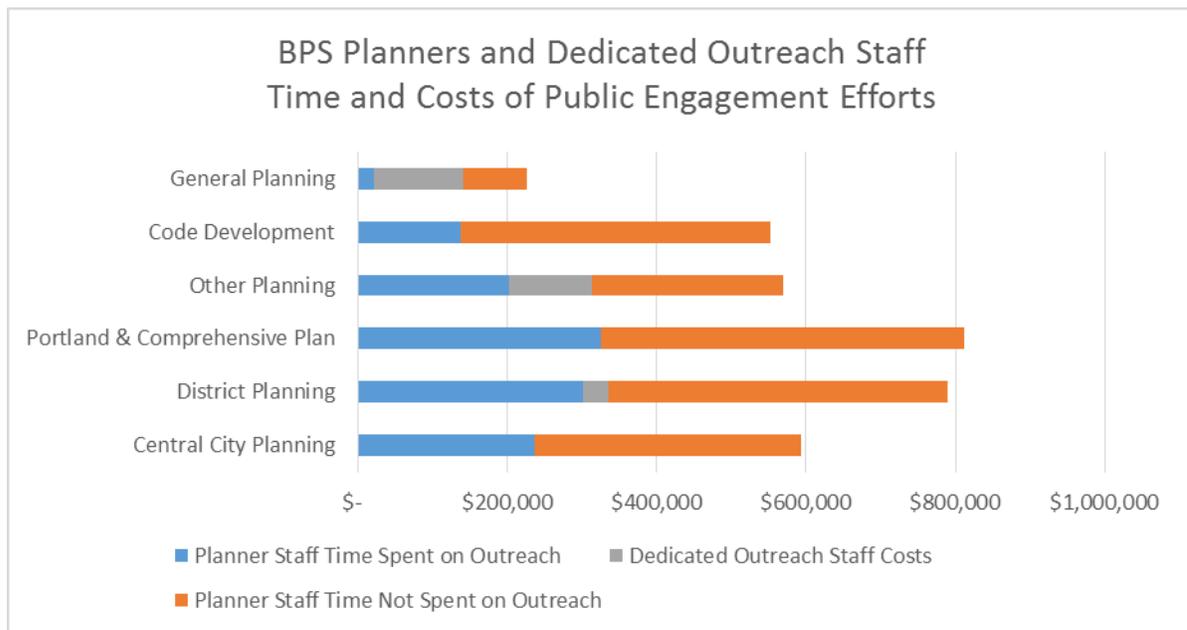
The Bureau of Planning and Sustainability (BPS) states that with large projects such as the Comprehensive Plan, the Central City 2035 Plan, and the Portland Plan, the bureau’s public involvement practices take the form of a large campaign since the bureau is attempting to reach large audiences. As a result, the bureau

¹ *Community Engagement: How arts and cultural strategies enhance community engagement and participation*. American Planning Association. Accessed online at <https://www.planning.org/research/arts/briefingpapers/pdf/engagement.pdf> on 2/25/16

has hired dedicated staff for public outreach and communications around these projects while also committing significant amounts of planner time towards outreach.

Over the past several years, the bureau has committed significant resources to the completion of these three large projects. Recently, timelines for completion of the Central City 2035 and the Comprehensive Plans were extended in part due to a desire for more time for community review and engagement. These decisions around the scope and type of public engagement come with costs.

As the results of public involvement efforts actively inform planning work, there is a need for a feedback loop between the public and planners. At BPS, this is accomplished by having the planners themselves spend significant amounts of their time on public involvement. When BPS creates project work plans, they estimate that District and Central City planners will dedicate 40% of their time, and a project planner will average up to 20% of their time, to meet demands associated with public involvement during the planning phase of the project. Once the bureau has published the public review drafts of changes to code, a project planner will spend over 25% of their time on public engagement.



The total estimated Planning division staff costs of conducting outreach and engagement is \$1.5 million. This estimate does not include costs for the development, printing, and mailing of public notices and outreach materials; the cost of administrative support; or the cost of staffing a call center with temporary or limited term employees to respond to public inquiries. In the bureau's FY 2016-17 base budget, Planner classifications total 31.30 FTE and approximately \$3.8 million in staffing costs. Based on the estimates of planner time spent on outreach discussed above, CBO estimates that a total of 9.84 FTE in the Planner classification is spent on conducting outreach. In addition, the bureau has 2.00 FTE dedicated to Planning-related outreach and an additional 4.00 FTE dedicated to Sustainability-related outreach. Two bureau packages in the FY 2016-17 budget – related to the Comprehensive Plan and the Single Dwelling Development Code Project – also include requests for a total of \$120,664 in additional General Fund resources to assist with public involvement.

The internet and advances in technology provide opportunities to engage and harness the collective intellect of a wide range of people,² and potentially provide more cost effective options for public engagement than traditional face-to-face outreach. The bureau has utilized technology in outreach efforts: with the Comprehensive Plan, the bureau launched the MapApp that enabled the public to easily interact with proposed zoning changes and provide feedback electronically to the bureau and to other members of the community. This application provided not just an opportunity to disseminate public information, but also created a user-friendly public forum where individuals could present their thoughts on proposed zoning changes at any time and from any location with an internet-equipped device. Thus, the bureau created a platform to reach more people while decreasing the amount of staff time required to plan and conduct public meetings. CBO recommends that the bureau continue investigating these types of opportunities and use them not only as a way to effectively engage people but to also as a strategy to save staff time and resources.

As recent BPS planning efforts have required relatively more outreach than typical plans, staff time spent on outreach may decline in ensuing years. However, the amount and type of outreach conducted by the bureau is also decided by bureau leaders and elected officials. CBO recommends that the bureau make Council aware of the costs of changes in project scope – particularly with regards to the public involvement costs – at the point that decisions are being made to expand or change a given project.

Some level of public involvement is critical to successful urban planning. The question for decision makers must be, given known costs related to engagement and outreach, how much and what types of public involvement is necessary or desired, and what are the financial tradeoffs of those investments? This information should continue to be made available to Council as they establish their funding priorities and the bureau enters into the final stages of the Comprehensive Plan and the Central City 2035 Plan.

Decision Package Analysis & Recommendations

Complete Single-Dwelling Development Code Project, PN_01, \$361,380, 2.40 FTE

With this request, the bureau is seeking \$361,360 in one-time General Fund support to continue the project in FY 2016-17. This includes \$246,380 for 2.40 FTE, \$75,000 to print and distribute public notices to 155,000 properties, \$20,000 in professional services for consulting work, and \$20,000 for ½ an intern to staff the public information call center. As in the current year, the bureau plans to continue to dedicate 2.00 existing FTE to this work for most of the year, for a total of 4.40 FTE assigned to the project.

This is the continuation of a project funded by Council in FY 2015-16 related to residential infill. According to bureau projections, by 2035 there will be approximately 260,000 more people in Portland in 123,000 new households. The bureau estimates that 20 percent of the new housing will be single-dwelling attached or detached units, and demand is increasing for alternative housing options that accommodate

² Brabham, Daren C. *Crowdsourcing the Public Participation Process for Planning Projects*. *Planning Theory*; 2014 Journal Citation Reports.

additional housing units within a typical single-dwelling building form. The project scope includes evaluating Portland's single-dwelling development standards to ensure that new or remodeled houses are well integrated and complement the fabric of neighborhoods, while also focusing on three topics: scale of houses, narrow lot development, and alternative housing options.

Originally, the project was estimated to take roughly 18 months at an estimated total cost of \$811,956. In the FY 2015-16 adopted budget, BPS received a total of \$482,212 for this project. At the time of the requested budget, BPS anticipated seeking \$100,000 in General Fund support in the FY 2016-17 budget. The original project schedule held that the research and education phase, as well as the development of initial code concepts, be completed by January 2016. However, due to the volume of issues surrounding this project, the bureau was required to hold two Council work sessions instead of one, which were not completed until February. According to the bureau, the Mayor also requested a change of approach that will require two sets of City Council hearings – one for the regulatory concept (scheduled for December 2016) and one for specific code changes (scheduled for December 2017).

CBO did not recommend funding this project in the FY 2015-16 budget; however, since the first year of the project was funded, CBO recommends it be completed within the original scope, which includes an additional \$103,498 in General Fund one-time support. To the extent that decisions were made to increase project scope and costs without formally going to Council for additional resources, the bureau will need to absorb those additional costs through internal offsets from other programs if Council does not allocate additional funding in the FY 2016-17 budget. CBO notes that the bureau is also requesting \$50,000 in one-time General Fund resources to support interns for the call center through PN_02, which CBO is recommending for funding.

CBO Recommendation: \$103,498, 0.70 FTE

Completion of New Comprehensive Plan, PN_02, \$175,664, 0.55 FTE

The bureau is requesting one-time General Fund resources in the amount of \$125,000 for materials and services and \$50,664 to support a portion of a Community Outreach and Information Representative to complete work on the Comprehensive Plan.

In spring 2016, the bureau will send the new Comprehensive Plan to the State for approval. In fall 2016, the bureau will need to mail required state notices of zoning changes to all affected properties. The language of these notices are mandated by the state and can be confusing to building owners; the result of which is high call volumes with follow up questions. The bureau is requesting one-time funds in the amount of \$50,000 to send the notices and \$50,000 to staff a call center to field questions related to these notices. The request also includes \$25,000 for the Portland Bureau of Transportation (PBOT) to complete a traffic and transportation impact analysis related to the Task 5 code projects as well as any changes made by City Council during the final stages of adopting the plan. According to the bureau, PBOT work cannot be funded through the bureau's Gas Tax Revenues.

In addition, this request includes \$50,664 in one-time General Fund support to continue funding 0.55 FTE of an expiring limited-term Community Outreach and Information Representative. As mentioned in the major issues discussion, bureau staff spend a significant amount of their time conducting outreach and engagement. Currently no bureau-wide strategy or training exists for staff on effective strategies for public involvement in planning. In addition to providing targeted outreach around the Comprehensive Plan, this position would work on developing outreach tools for all staff.

CBO recommends this package with the exception of General Fund support for the Community Outreach and Information Representative. This position was formerly funded on an ongoing basis, but the bureau decided to reallocate the ongoing funds to other priority positions in FY 2015-16, as they believed the Comprehensive Plan work would be completed by FY 2016-17. CBO agrees that the bureau should develop and implement core strategies and training for staff around public involvement practices, particularly since on average 32% of planner staff time is spent on public involvement. CBO recommends the bureau prioritize this function with existing resources – including the existing 2.00 FTE Community Outreach and Information Representatives dedicated to planning outreach – to reflect the priority of completing the Comprehensive Plan in relation to other projects.

CBO Recommendation: \$125,000, 0.00 FTE

Design Overlay Zone Assessment, PN_03, \$115,110, 1.25 FTE

The bureau is requesting \$115,110 to start work on an estimated 18-month project related to improving the Bureau of Development Services' (BDS') design review process. In the current fiscal year, BPS and BDS hired an independent consultant to undertake an assessment of the City design review system. The assessment is expected to be completed in December of 2016.

This request highlights the need for three distinct areas of work by BPS: 1) to the extent that the contracted assessment recommends changes to the design review process and commission structure, BPS will need to legislate changes and update the Zoning Code; 2) the bureau has identified a need to update the community design standards as a core tool of the design review process; and 3) the bureau and BDS have identified a critical need to update the Central City Fundamental Guidelines. These three projects have been identified as key actions to implement the City's Comprehensive and Central City 2035 Plans.

Portland is expected to grow by roughly 123,000 households by 2035, which will spur new development and reshape the Central City and our neighborhood main streets and centers. According to the bureau, poor design can increase public backlash against new development, result in appeals and delays, increase development costs, discourage investment, and impact livability and economic performance. The current design review process is significantly outdated and unprepared to handle the level and type of new projects anticipated by the bureau in ensuing years.

In addition, improving design review could help the affordable housing crisis. In fall 2015, the Mayor and Commissioner Saltzman convened a Government Accountability, Transparency, and Results (GATR) session on affordable housing development. GATR sessions are data-driven executive level management

meetings focused on specific policy or programmatic areas of interest to the Mayor. As a result of this session, staff identified bottlenecks and opportunities for improvement that may speed up the timelines for certain types of housing development projects by several months. Faster design review may generate both private and public cost savings and could also impact the bureau's Key Performance Measures *Percentage of Portlanders living in complete neighborhoods* and *Percentage of new housing units in the four-county region that are within the City of Portland*.

While there will be additional costs beyond FY 2016-17 to fully complete the project, the bureau has not yet identified what those costs may be. CBO agrees with the importance of reviewing and improving the design review process; however, CBO needs to better understand the findings and recommendations of the currently commissioned assessment, and understand the full project cost before recommending limited General Fund resources. As a result, CBO does not recommend the package at this time. If the proposal goes forward, CBO recommends that Council consider utilizing BDS fee revenue where possible in lieu of General Fund resources.

CBO Recommendation: \$0

Transit Corridor Development and CC 2035 Planning, PN_04, (\$209,232), (2.00) FTE

The bureau submitted this package as part of its mandatory 5% General Fund reduction proposal. This reduction would eliminate \$15,000 in professional services and two positions: a Planner I and a Program Coordinator. Both of these positions are currently vacant; thus this package will not result in layoffs.

The Planner I position is part of a five-planner team working on the Central City 2035 Plan (CC2035) which is anticipated to be completed in FY 2016-17. The bureau states that the loss of this position may impact their ability to complete required work on time. In the long term, once CC2035 is complete, this position would be returned to the Code division where they would be assisting with Comprehensive Plan implementation as well as special projects such as recent requests around zoning codes for emergency shelter.

The Program Coordinator position was slated to be the bureau's new dedicated lead for coordination around land use, development, transportation, and transit planning. Specifically, this position would coordinate work between planning, PBOT, Metro, PDC, and other partners as relevant on major projects such as the SW Barbur and Powell/Division projects, as well as redevelopment along civic corridors such as 82nd Avenue.

The bureau states that only in the past few years have they been able to obtain necessary ongoing staffing to provide core functions and reduce bureau reliability on serial one-time funds. There is concern that accepting reductions in ongoing staff would once again make the bureau reliant on serial one-time funding to operate. The bureau is requesting one-time funds for priority projects in PN_01 and PN_02, and CBO is recommending \$228,498 towards these priority requests. CBO believes that the bureau may be able to absorb these reductions with minimal short-term impact, assuming the bureau prioritizes existing staff and resources for the most immediate and core needs. However, CBO is concerned about

the long-term impact of these reductions on the bureau's reliance on serial one-time funding requests. Due to limited General Fund resources, CBO recommends that this package be accepted on a one-time basis to fund bureau priorities such as PN_01 and PN_02 as well as other priorities across the City, but recommends that the funds be restored as ongoing in the bureau's FY 2017-18 base to protect against the need for serial one-time funding requests.

CBO Recommendation: (\$209,232), (2.00) FTE

Demographic and Housing Research, PN_04, (\$120,658), (1.00) FTE

The bureau submitted this package as part of its mandatory 5% General Fund reduction proposal. This cut would eliminate a Management Analyst position that has been the bureau lead for demographic and housing related research. Without this position, the bureau would rely more on basic data and demographic skills of planning staff. Accepting this package would result in a layoff.

The types of analyses that have been supported by this position include: housing impact, gentrification vulnerability, Title VI Limited English Proficiency analysis, development permit reporting to Census and PSU Population Research Center, and several projects related to getting accurate counts for Portland in the 2020 census.

CBO does not recommend this reduction, and further recommends that this function be prioritized as a core function in the bureau as it provides a critical role in informing and ensuring development and service provision plans are equitable. As evidenced by bureau budget service maps, there are critical issues and disparities related to service delivery, livability, and equity in Portland neighborhoods. Understanding the demographic backgrounds and analysis behind current and future service delivery – through the work of this current position – is critical to the City's ability to effectively reduce disparities through planning and policymaking.

CBO Recommendation: \$0, 0.00 FTE

Sustainability, PN_06, (\$64,132), (0.5) FTE

The bureau submitted this package as part of its mandatory 5% General Fund reduction proposal. This package would reduce staffing for BPS sustainability programs by decreasing the full-time equivalent (FTE) values of two existing staff members. These staff are not currently working on a full-time basis, and the reduction would not reduce the hours currently being worked. However, the reduction does reduce the bureau's ability to adapt to changes in staffing or program needs. The biggest reduction is in relation to implementing the Climate Action Plan, as the majority of the reduction package (\$47,544) will come from the Policy and Planning division of the sustainability arm of BPS. This may mean that certain action items of the Climate Action Plan will be implemented later than originally planned.

CBO recommends this reduction. Implementation of the Climate Action Plan is largely integrated into bureau staff work; however, in cases where the bureau is responsible for completing a project related to an action item, they do have more dedicated staff. While the bureau highlights that this reduction may

delay timelines on action item projects such as electric vehicle strategy, the reduction reflects the actual FTE of the individuals filling those positions currently. Acceptance of this package would not decrease the current work being done by the bureau.

CBO Recommendation: (\$64,132), (0.50) FTE

Smart Cities, PN_07, \$140,000, 1.00 FTE

This request is for \$140,000 in one-time General Fund resources to fund a Program Coordinator and \$40,000 in external materials and services to coordinate and improve the use of smart cities technology across the city. Smart cities initiatives – where the use of technology and large sets of data are used in collaboration with government to improve the life of citizens – is an emerging, popular field in public private partnership. City bureaus have been approached in recent years by private (mostly technology-centered) vendors that are interested in partnering with the City to use current technology and tools in various City projects. BPS has identified a need for the City to be more coordinated and intentional in the use of these smart city tools to solve public policy challenges, and has specifically identified the planned Powell/Division Rapid Transit development project where the bureau could coordinate the use of transportation, air quality, and demographic data to inform and improve the project.

CBO does not recommend funding this package. The planning division is working on completing several large, multi-year projects directly related to their core mission, while also continuing work on other mission-critical projects such as code updates, and CBO believes resources and staff time should be prioritized towards successfully completing these efforts. While the City would benefit from coordination around Smart Cities, it is not clear that this function should be provided by BPS.

CBO Recommendation: \$0, 0.00 FTE

PN_08: Public Trash Can Expansion, PN_08, \$380,020, 1.00 FTE

Through this request, the bureau would add approximately 825 public trash cans across the City over five years, with a one-time cost of purchasing and installing the trash cans of \$500,000 and an estimated ongoing operational cost of \$1.1 million. Currently, BPS provides public garbage collection for 600 garbage cans in seven business districts at a cost of \$400,000. The Comprehensive Plan identifies a total of 31 Regional Centers, Town Centers, and Neighborhood Corridors and proposes expanding the program to all 31 Centers and Corridors to provide equitable service across the City. The program is funded out of the Solid Waste Management Fund. To pay for this increased service, the bureau is proposing a commercial tonnage fee increase of \$1.30 during the first year of the expansion in FY 2016-17 and an additional \$1.30 increase during the last year of the expansion.

BPS currently charges a commercial tonnage fee of \$8.30 per ton; the proposed changes would raise the fee to \$9.60 per ton in FY 2016-17 and \$10.90 per ton in FY 2019-20. While this is a substantial increase in the fee BPS charges (16%), it is only a 1% increase in the total commercial tonnage fee of \$103 leveraged by Metro and BPS together, and this disposal fee is estimated to be something under half of the total cost of garbage collection that haulers charge to businesses.

BPS has noted that in order for the program to be successful and help achieve livability goals, it is critical that business owners in these districts exert ownership over the cans and the collection program. CBO recommends that BPS explore cost sharing options with districts to ensure buy-in and alleviate the cost burden of fee increases on all commercial clients including those outside of the corridors receiving this new service.

CBO agrees that there should be equitable public garbage collection throughout the City. In the context of the Comprehensive Plan, where many neighborhoods and business districts are expected to be absorbing more density, it also makes sense to ensure the City's and bureau's livability goals are achieved through some level of public garbage collection in highly used corridors. As a result, CBO recommends that the bureau begin work on this project. However, CBO recommends that the bureau develop relationships with the new business districts and hone the estimate of required new trash cans before implementing fee increases. Therefore, CBO recommends that the bureau hire the proposed new FTE as a limited term position using one-time available reserve funds from the Solid Waste Management Fund. Once the plan is complete, and business districts are in agreement on critical aspects, the bureau should request additional funds and necessary fee increases to pay for purchasing, installing, and servicing new cans.

CBO Recommendation: \$0, 1.00 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
Bureau of Planning & Sustainability											
<u>Adds</u>											
PN_02 - Completion of New Comprehensive Plan	01	0.55	0	175,664	0	175,664	0.00	0	125,000	0	125,000
PN_01 - Complete Single-Dwelling Development Code	02	2.40	0	361,380	0	361,380	0.70	0	103,498	0	103,498
PN_07 - Smart Cities	03	1.00	0	140,000	0	140,000	0.00	0	0	0	0
PN_03 - Design Overlay Zone Assessment — Impleme	04	1.25	0	115,110	0	115,110	0.00	0	0	0	0
PN_08 - Public Trash Can Expansion	05	1.00	0	0	380,020	380,020	1.00	0	0	80,000	80,000
<i>Total Adds</i>		<i>6.20</i>	<i>0</i>	<i>792,154</i>	<i>380,020</i>	<i>1,172,174</i>	<i>1.70</i>	<i>0</i>	<i>228,498</i>	<i>80,000</i>	<i>308,498</i>
<u>Reductions</u>											
PN_06 - Sustainability	01	(0.50)	(63,132)	0	0	(63,132)	(0.50)	(63,132)	0	0	(63,132)
PN_05 - Demographic and Housing Research	02	(1.00)	(120,658)	0	0	(120,658)	0.00	0	0	0	0
PN_04 - Transit Corridor Development and CC2035 PI	03	(2.00)	(209,232)	0	0	(209,232)	(2.00)	0	(209,232)	0	(209,232)
<i>Total Reductions</i>		<i>(3.50)</i>	<i>(393,022)</i>	<i>0</i>	<i>0</i>	<i>(393,022)</i>	<i>(2.50)</i>	<i>(63,132)</i>	<i>(209,232)</i>	<i>0</i>	<i>(272,364)</i>
Total Bureau of Planning & Sustainability		2.70	(393,022)	792,154	380,020	779,152	(0.80)	(63,132)	19,266	80,000	36,134