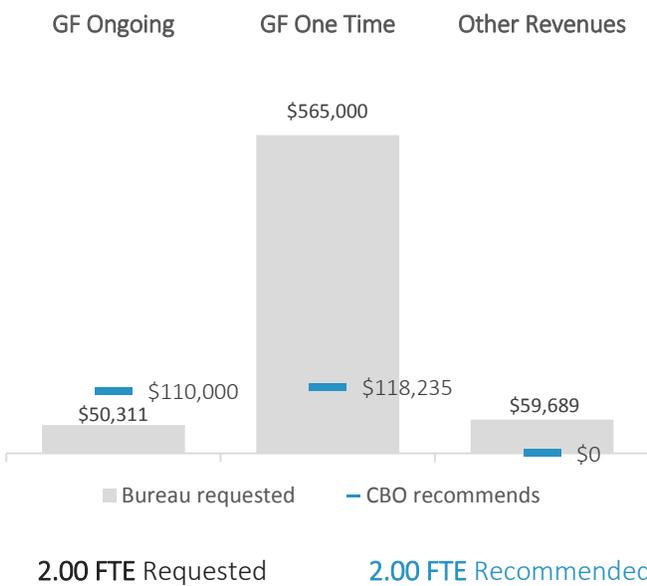


Analysis by: Yung Ouyang

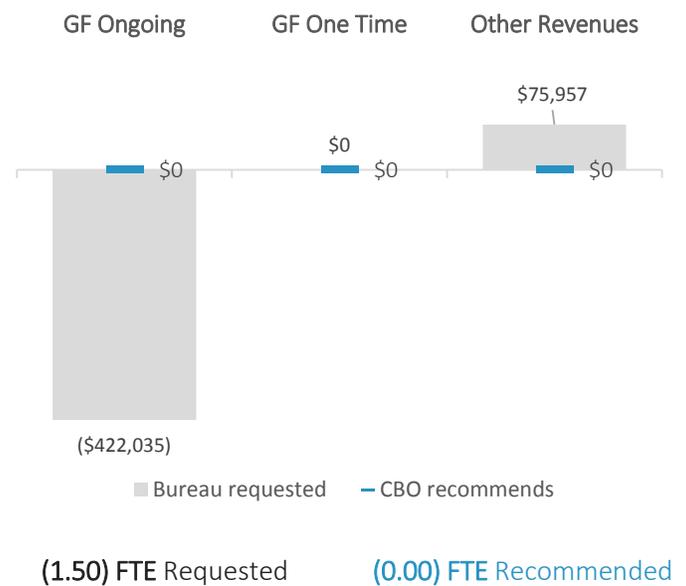
Office of Neighborhood Involvement

Several of the Office of Neighborhood Involvement's (ONI) requests affect immigrant/refugee communities in Portland. Additions include an expansion of the New Portlanders program as well as one-time funds to respond to acts of hate and intimidation. Proposals for service reductions involve only the Graffiti Abatement Program. Findings from a recent report from the Auditor's Office regarding accountability of grantees, performance metrics, and other issues should be considered when reviewing ONI's requests for additional funds.

Adds



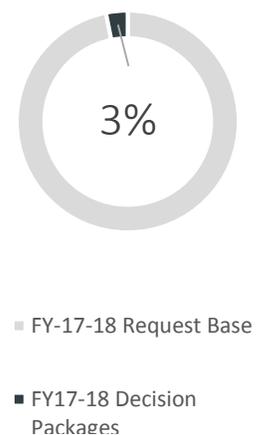
Reductions



Adopted Budget Revenues - 5-Year look back



Decision Packages & Requested Budget



Key Issues

Audit Response – Performance and Budgetary Impacts

After the release of the November 2016 report from the City Auditor's Office highlighting ONI's lack of accountability for the use of public funds and the outdated City code, standards, and funding model for community organizations, ONI held internal meetings to discuss how to respond. Two documents were subsequently released by the bureau: 1) a *Proposed Strategy for Addressing ONI Audit Findings*, including timelines for the implementation of action steps, and 2) a memo to its Commissioner-in-Charge highlighting the bureau's successes, challenges, and responses to key audit findings. This section discusses issues of concern to CBO, namely, the development of performance metrics and the bureau's statements of need for additional financial resources to adequately respond to the audit.

One of the conclusions of the audit is that the performance measures required of grant recipients are not defined or useful. While ONI has trained its funded partners on best practices on such issues as financial management, and grantees do submit quarterly reports that include quantitative measures, it is unclear how well these metrics measure outcomes or impacts. The Proposed Strategy provides a January to March 2017 timeframe for establishing outcomes and community indicators, with the compilation of annual performance measures happening from July to September 2017, and holding grantees accountable by simplifying performance reporting occurring from July 2017 to March 2018. ONI is concerned about burdening its grantees with additional reporting requirements and, therefore, wants to ensure that the performance reporting they do is also useful to them and is an effective use of their time and resources.

CBO supports ONI's updating of performance measures and reporting strategies for grantees. However, CBO believes it is equally important for the bureau to focus on its own use of outcome-based performance metrics. CBO has, in prior reviews, discussed room for improvement in ONI's Key Performance Measures, which tend to quantify workload instead of focusing on outcomes or impacts. The lack of standards for measuring the performance of community engagement is a nationally recognized problem, and CBO believes there is an opportunity for ONI to innovate and become a leader in this area. To that end, the bureau is currently partnering with CBO to participate in the Bloomberg *What Works Cities* initiative as well as participating in a cohort with Project Impact Portland to develop more effective qualitative measures that better communicate the impact of the bureau's work.

ONI's response to the audit also indicates that the bureau believes that it needs additional resources to implement some of the audit's recommendations. For example, one of the action steps the bureau intends to take is to develop an equitable funding methodology for its partner organizations that is driven by the collection and analysis of data, and ONI believes that this step would partially depend on its ability to fund a research assistant. Both CBO and ONI believe that the creation and hiring of a management analyst position first funded in FY 2016-17 is a

good first step in helping the bureau to develop better performance metrics and achieve a systemic change in how the City engages the community. This position's responsibilities include the development of more effective means to measure outcomes of civic engagement efforts. The position is currently researching software for funding agencies that would help ONI to streamline its grants process. CBO recommends that ONI continue to utilize the position for the purposes of performance measure development as well as the grants processes. Since the bureau recently received this additional funding for the position, CBO recommends that ONI first reprioritize existing resources to implement the action steps associated with its response to the audit's findings.

Marijuana Regulation Program Update

In November 2014, the voters of Oregon legalized the use of recreational marijuana in the State, and ONI staff began working on its regulation on behalf of the City. During the FY 2015-16 budget development process, the bureau received \$440,000 in one-time General Fund resources and 3.0 FTEs to staff the program. From May to October 2015, program staff actively worked on policy development, and retail stores began opening towards the end of 2016. ONI's regulation program is currently funded solely by fees and staffed with 8.0 FTEs.

ONI's program has processed 526 applications for marijuana businesses, and 212 have been approved so far. Staff has fielded over 3,000 inquiries from the industry and has been a main point of contact for information on how to start compliant businesses. Medical dispensaries that were operating out of compliance with fire, life and safety, zoning, and building codes have been brought into compliance, including eight locations that were not registered with the Oregon Health Authority. Program staff has collected, analyzed, and maintained the data for successful implementation of the 1,000-foot buffers mandated in order to minimize saturation of the market. Compliance staff has also issued over 100 warning letters as a mechanism for education and to gain voluntary compliance. ONI notes that this has been 90% successful.

Revenues for FY 2015-16 totaled \$382,900, which was supplemented with a General Fund allocation for the startup of the program. Year to date FY 2016-17 revenues are at \$622,260, which is on track to exceed budgeted revenues of \$825,000. However, revenues collected have varied based on the volume and type of licenses and the status of final license approval.

With regard to outcomes, the City has been able to learn from the experiences of cities in Colorado and Washington. Denver implemented a more complicated and stricter system that included buffers from parks, child care facilities, and community centers. Areas without these services quickly became saturated with marijuana businesses, rents increased, and other types of businesses were priced out. ONI staff engaged in an analysis of the possibility of this happening in Portland and decided to limit saturation through a more uniform approach that would prevent the creation of a "marijuana row."

Furthermore, Denver initially relied heavily on police to address compliance. However, there was limited trust between law enforcement and the industry, as well as confusion about what

the authority of law enforcement was. Portland decided to address compliance through administrative processes as is common with alcohol establishments, with the police involved only with problem-solving serious illegal activity. With regard to product safety, Denver wanted the US Environmental Protection Agency to regulate pesticides in marijuana plants, but the federal agency did not do so because recreational marijuana is still illegal on a federal level. Multiple individuals were poisoned by the toxicity of oils after the pesticides in the oils were concentrated. ONI engaged with the State agencies that regulate the safety of the product to advocate for levels to be established for oils as well as plants. Moreover, Colorado had multiple explosions due to butane use in the processing of cannabis to create the oils. Portland has proactively worked closely with Portland Fire & Rescue and the Bureau of Development Services to notify them of potential problem locations, as well as requiring businesses to complete permitting processes and become fully legal before beginning operations.

Prior to privatization, Washington State had a limited number of sales locations which corresponded to their distribution of liquor stores. It currently has 303 retail licenses in the entire state. Oregon will likely have that many in Portland alone. While Denver has 54 staff devoted to marijuana issues, local municipalities in Washington are pre-empted from establishing regulations specific to marijuana. The result has been a reactive approach to nuisance and noncompliance with building codes, while Portland used the authority allowed in statute to develop a proactive approach and has been able to prevent many problems associated with marijuana with only eight staff persons. However, the industry and at least one elected representative have expressed concerns that the City may have over-regulated and stifled the market. While many of the problems experienced by early-adopter cities like Denver may have been prevented by ONI's efforts, CBO nevertheless recommends that the City and the bureau adopt some performance metrics for the program.

Decision Package Analysis & Recommendations

1% Cut (New Portlander Program to Overhead component), NI_01, (\$75,957)

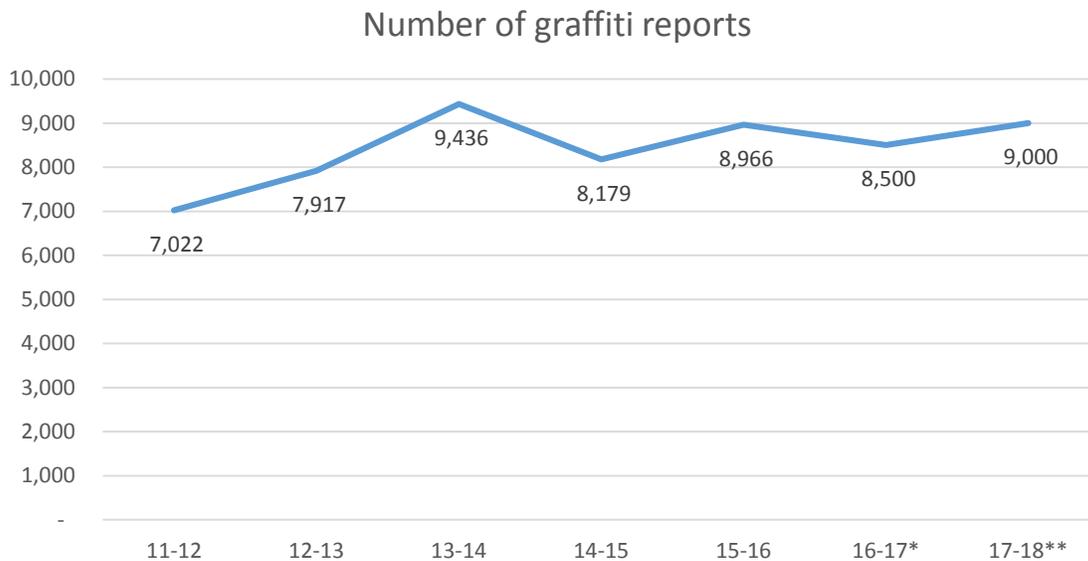
As part of its 5% reductions, ONI is putting forward a request to convert funding for the New Portlander program to the overhead model. This was also proposed by the bureau in FY 2016-17 but was rejected by the overhead committee because the committee believed that the program's function was more outward facing than a service provided to bureaus. This year, CBO asked ONI to provide information on the percent of time program staff works with City staff, the percent of time program staff devoted to each of the subprograms, and the status of the transition of the New Portlander Policy Council into a Commission, and forwarded the bureau's answers to the overhead committee for review. Despite information from ONI noting the program's service across City bureaus, most members of the overhead committee continued to view this program as either serving members of the general public or community more than the bureaus, or view the program as having limited value to their bureaus. CBO believes that the New Portlander's program may be eligible for overhead funding under the City's financial policies, but it also believes there is value in having the overhead committee

weigh in on these proposals and thus is deferring to the committee’s recommendation. However, CBO recommends that ONI discuss with the bureaus whether there are ways that the program could be more useful to the bureaus and thus more likely to be included in the overhead model in the future. There is no effect on the overall program since it will continue to be funded by ongoing General Fund discretionary resources.

CBO Recommendation: \$0

1% Cut & 4% Incremental Cut (Graffiti Abatement program), NI 01-02, (\$346,078), (1.50) FTE

Along with the proposal to convert the New Portlander program funding to overhead recovery discussed above, ONI proposes to reduce free graffiti removal services for private property owners in order to come up with a 1% reduction in its ongoing General Fund allocation. A second request proposes to completely eliminate the bureau’s Graffiti Abatement program to reach the 5% reduction in ongoing General Fund resources as directed.



*Estimated
 **Projected

Graffiti in Portland is predominantly tagger graffiti, with gang-associated graffiti accounting for only 5%-10% of all graffiti. Reported incidents have remained stable over recent years, and referrals for removal are based on these reports. Graffiti reports in FY 2015-16 totaled 8,966, an increase of 9.6% over the prior fiscal year. However, there can be substantial variance since property owners and volunteers who are actively cleaning up graffiti without contacting ONI contractors may not be reporting all that is removed. Half of all reports of graffiti come from North Portland. East Portland only accounted for 5% of overall reports. This is not reflective of the graffiti problem in East Portland, but rather the complaint driven nature of the program. In

recent months, the program has seen an increase in offensive and hate graffiti, while winter is usually a time that graffiti incidents decrease. The bureau expects this trend to continue, at least through the end of the current fiscal year.

The cost of referred graffiti clean-ups varies by size, type of material to be cleaned, and ease of removal, with a typical removal costing between \$75 to \$90 dollars, but a clean-up can be as expensive as \$1,200 in some cases. Request NI_01 eliminates \$8,450 from the Graffiti Abatement Program, which is about 5.6% of the funds for contracted removal services, leaving approximately \$140,000 for those services. If only the free removal program is completely eliminated (about \$150,000 in ongoing General Fund resources), program staff would focus on volunteer clean-up coordination and enforcement against private property owners. Graffiti abatement staff currently engage with other organizations to perform clean up events throughout the spring and summer months to supplement the removal needs of the community because funding for free removal is limited. ONI believes that because the program is already understaffed and underfunded, increasing volunteer activation beyond current levels would be challenging, but the bureau could continue to sustain volunteer efforts. Tags that cannot be removed by volunteers would be the responsibility of the property owners, so enforcement action against property owners would likely increase as a focus for the program.

Eliminating only the free removal program is not recommended since the enforcement-only approach would further punish property owners who are already victims of a crime. In addition, due to the substantial increase in hate-related graffiti, CBO does not recommend reducing or eliminating any portion of the Graffiti Abatement program that would disproportionately impact low-income communities who not only experience more incidents but also have fewer resources to mitigate them. Furthermore, eliminating the program would most likely result in the loss of the volunteer component that leverages substantial additional resources and supplements the removal needs of the community.

CBO Recommendation: \$0, 0.00 FTE

Continue Expanded New Portlanders Program Staff, NI 03, \$110,000, 1.00 FTE

During the FY 2016-17 budget development process, ONI received one-time General Fund resources to fund a position to support the New Portlander Policy Council as it transitioned to and operates as a Commission to advise Council and bureaus on immigrant and refugee issues. Concerning this transition, Council passed an ordinance establishing the new commission in June of 2016. The recruitment of 25 community members has been completed and scheduled for Council approval in February 2017, with an orientation and strategic planning retreat planned for early spring. This request proposes to continue the position permanently, funded by General Fund overhead resources of \$59,689 and General Fund discretionary resources of \$50,311. Similar to the request to convert the existing ongoing program to the overhead model (NI_01), CBO submitted this request to the overhead committee.

With regard to estimates for how many more persons would be engaged and how much diversity in civic life would be increased by the addition of this position and other impacts, ONI has responded that data would need to be obtained from the bureaus directly on specific outcomes of engagement within their own programming. While ONI notes that roughly 126,000 Portlanders (or about 20%) are immigrants or refugees, the community that the New Portlander program is targeting, the US Census Bureau's 2011-2015 American Community Survey 5-Year Estimates note that about 86,000 residents are foreign-born, or about 14%. CBO acknowledges, though, that the population in question is typically under-counted by the Census Bureau.

ONI states that the New Portlanders program draws from its Diversity and Civic Leadership (DCL) program to recruit future Community Engagement Liaisons, deepening and furthering engagement of immigrant communities in bureau projects. In light of recent anti-immigrant/refugee sentiments, CBO believes there is value in the expansion of a program that advises City Council and bureaus on issues pertaining to these communities and involves them more in the City's processes. ONI has also provided CBO with examples of other cities that the bureau considers to be comparable to Portland, but have many more staff persons devoted to immigrant and refugee issues, including Seattle (eight staff), San Francisco (55 staff), and Denver (14 staff). However, CBO remains concerned that the position lacks well-defined and quantitative outcomes and recommend that ONI better define and provide specific and quantifiable impacts for the program expansion. As with NI_01, the overhead committee recommended against overhead funding for this position. Therefore, CBO is recommending funding of the expansion with additional ongoing General Fund discretionary resources.

CBO Recommendation: \$110,000, 1.00 FTE

ONI Accommodations Fund, NI 04, \$100,000

ONI requests \$100,000 in one-time General Fund resources to establish a fund available to all of its programs to provide tools that make it easier for traditionally under-represented communities to participate in civic life, activities, events, and meetings, including such services as language translation, childcare, transportation, and ADA accessibility. If approved, ONI would make \$75,000 of the funds available for disbursement while spending \$25,000 on administration, set-up, and evaluation.

ONI worked with OMF-Procurement several years ago in the development of Citywide contracts for language interpretation and translation services. The bureau notes that as of February 8th, 2017, the City's accounting system shows that \$194,002 have been spent on language translation services since the beginning of the contracts in December 2014, a period of about two years. However, bureaus are allowed to utilize language services outside of those listed contracts so the total may be higher. ONI also notes that the East Portland Action Plan spent about \$20,000 on accommodations in FY 2015-16. The bureau is not aware of any Citywide

ability to track other accommodation efforts such as childcare, bus passes, and other types of accommodations other than the one-time \$50,000 fund available to bureaus from the Office of Equity and Human Rights. ONI itself previously had a \$45,000 Accommodation Fund limited to use by the Neighborhood Program, but currently, the bureau does not have any funds allocated specifically for accommodations. ONI states that having a centralized accommodation fund is a best practice for organizations striving for equity by engaging the disability, low-income, and English as a Second Language (ESL) constituencies.

ONI notes that when a program has to pay for accommodations out of its budget, this creates a disincentive to engage people who need disability-related, language/cultural-related, childcare, or transit accessibility supports to participate. The bureau also believes that this creates inequities in funding and administering programs that are targeted at marginalized groups. ONI states that programs that do not serve communities who need accommodations bear none of these costs and can allocate their budget toward the intended purpose of the program. CBO notes, though, that the City has a stated goal to engage all communities in the City's civic processes, and providing accommodations should be considered part of the intended purpose of these programs. CBO recommends that accommodations be considered part of outreach and engagement costs and that the bureau should prioritize resources to achieve equitable outcomes. To the degree that overall outreach and engagement outcomes are not meeting targets, the bureau should request additional engagement resources.

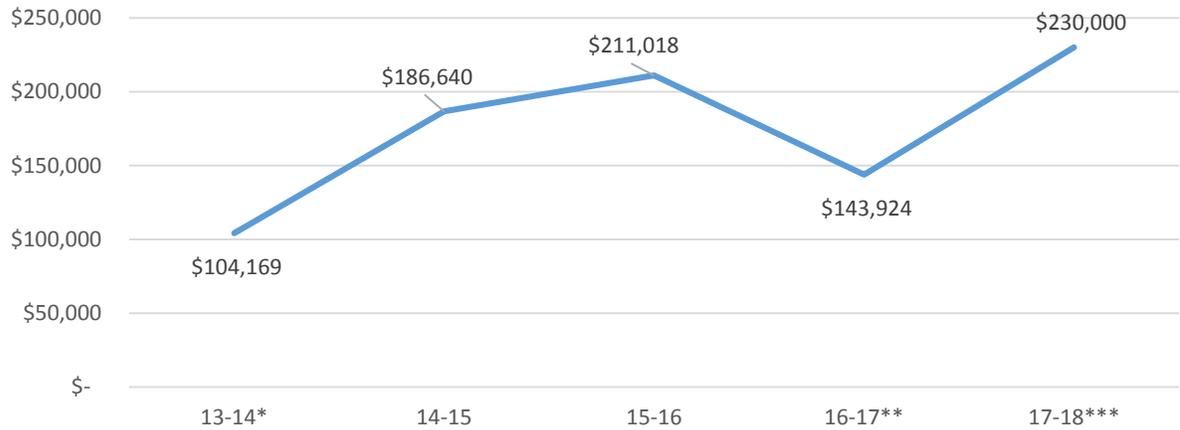
CBO Recommendation: \$0

Continue Noise Control Administrative Support, NI 05, \$0, 1.00 FTE

This request would add an ongoing administrative support position that was previously funded by one-time General Fund resources in FY 2016-17. Fee revenues from the Noise program would fund the position in FY 2017-18. ONI believes that the program is on track to exceed budgeted revenues in FY 2016-17 and plans to finalize its projections in time for the Spring BMP. The bureau currently estimates that the revenues may result in an additional \$40,000 to \$50,000 above what is budgeted.

There is currently a noise variance fee study in progress that is expected to be completed in the spring of 2017. Preliminary results of the study show that the current fees would likely cover the variance portion of the work of noise program staff. However, General Fund resources are still required to respond to complaints. If the expected revenues associated with the position do not materialize, ONI would need to raise fees or cut administrative staff, reducing the capacity to intake and respond to complaints. Based on ONI's projected revenues for this program, CBO recommends this request.

Noise program revenues



*Program was transferred from the Bureau of Development Services this year.

**Year-to-date, as of February 14, 2017

***Requested Budget figure

CBO Recommendation: \$0, 1.00 FTE

Portland United Against Hate, NI 06, \$465,000, 1.00 FTE

ONI requests \$465,000 in one-time General Fund resources to create a partnership between eight community-based organizations and the City to enhance reporting of hate crimes, hate speech, and acts of intimidation, as well as engage volunteers to train and support targeted communities on their rights and how to respond. Approximately \$104,000 would be spent on a position at ONI, while about \$347,000 would be allocated to the eight community-based organizations, or an average of about \$43,000 per organization, with the remaining funds spent on materials and services. Although eight organizations have been in discussion with ONI on the project, the bureau has indicated that it would engage in a competitive process to determine which organizations would receive funding.

ONI notes that there are currently no thorough and centralized models being used nationally, statewide, or locally to track hate crimes or hate speech or to activate a community response team. The Associated Press last year reported that the Portland Police Bureau failed to consistently report hate crime numbers to the FBI. Neither Multnomah County nor the City of Portland participated in this reporting. Most hate crime statistics, if captured, are done so through law enforcement agencies. But many vulnerable communities do not engage directly with law enforcement for various reasons, including lack of trust. The only similar data currently available is incidences of hate graffiti captured by ONI's Graffiti Abatement Program which totaled 23 from November 2016 to January 2017. One-third of the state's nine active hate groups currently monitored by the Southern Poverty Law Center are located in Portland, and the media has reported 110 hate incidents in the state since 2013. ONI notes that while the Portland Police Bureau is revamping its database, the database is currently unavailable. ONI

expects its effort to capture specific data and the demographics of those impacted, which would provide data useable to change policy where necessary and provide additional resources to agencies engaged in prevention of and response to hate crimes.

While the approach is yet to be finalized, ONI's plans require accountability of the funded organizations by clearly outlining deliverables in the RFP, conducting site visits with program staff, requiring action plans with clear measurements, and requiring submittal of quarterly financial reports. With regard to effectiveness, the bureau plans to compare community safety using surveys before and after a campaign blitz, as well as conduct satisfaction surveys with recipients of the program's services. ONI believes that this effort would ultimately prevent acts of intimidation, hate speech, and hate crimes. The bureau states that the program would immediately begin a better tracking mechanism which would inform where funds could be better spent, both geographically and within cultural, ethnic, or other vulnerable populations. The program would provide education and outreach to community and victims to train them on how to identify and report hate crimes, how to respond to intimidation and harassment, and how to organize and advocate for policy and resource allocation change.

Due to concerns about the ability of local law enforcement to collect comprehensive data on hate crimes, hate speech, and acts of intimidation, CBO is recommending funding for the position to collect data on hate acts, maintain a centralized reporting database, share information with other agencies, and coordinate with impacted communities. CBO has concerns about the grant funding for eight community partners to serve as central points of contact. While ONI has indicated that it intends to initiate a competitive process for the funding, its description of the request lists a number of specific organizations, and it is unclear how open the process would be for other community-based organizations. In addition, the Auditor's November 2016 report specifically noted ONI's lack of accountability with regards to its grantees, including the lack of performance accountability. CBO believes that it is important for the community to develop a strategy to respond to hate crimes, hate speech, and acts of intimidation. Therefore, it is recommending that \$346,765 be allocated in Special Appropriations specifically for this purpose, and that ONI, the Office of Equity and Human Rights, and the OMF-Grants office work with the entire City Council to determine the most effective way to allocate the funding to ensure that it meets the current needs in the community. CBO notes that unless additional funding is made available, this would be the only Special Appropriations funding allocated for FY 2017-18.

CBO Recommendation: \$118,235, 1.00 FTE, plus \$346,765 in Special Appropriations

Bureau Budget Summary – Request and Recommendations

Below is a summary of ONI’s operating budget.

	Adopted FY 2016-17	Request Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Revised (A+B+C)
Resources					
Charges for Services	\$ 1,182,369	\$ 1,322,042	\$ -	\$ -	\$ 1,322,042
Intergovernmental Revenues	286,191	300,807	-	-	300,807
Interagency Revenue	18,261	18,461	-	-	18,461
General Fund Discretionary	8,483,902	8,212,483	193,276	34,959	8,440,718
General Fund Overhead	282,340	228,223	135,646	(135,646)	228,223
Total Resources	\$10,253,063	\$10,082,016	\$328,922	(\$100,687)	\$10,310,251
Requirements					
Personnel Services	\$ 5,258,693	\$ 5,363,778	\$ 123,199	\$ 143,318	\$ 5,630,295
External Materials and Services	4,217,341	3,916,046	210,399	(254,062)	3,872,383
Internal Materials and Services	777,029	802,192	(4,676)	10,057	807,573
Total Requirements	\$10,253,063	\$10,082,016	\$328,922	(\$100,687)	\$10,310,251

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
Office of Neighborhood Involvement											
<u>Adds</u>											
NI_03 - Continue Expanded New Portlanders Prograrr	01	1.00	50,311	0	59,689	110,000	1.00	110,000	0	0	110,000
NI_06 - Portland United Against Hate \$465,000	02	1.00	0	465,000	0	465,000	1.00	0	118,235	0	118,235
NI_04 - ONI Accomodations Fund	03	0.00	0	100,000	0	100,000	0.00	0	0	0	0
<i>Total Adds</i>		<i>2.00</i>	<i>50,311</i>	<i>565,000</i>	<i>59,689</i>	<i>675,000</i>	<i>2.00</i>	<i>110,000</i>	<i>118,235</i>	<i>0</i>	<i>228,235</i>
<u>Reductions</u>											
NI_01 - 1% Cut	01	0.00	(84,407)	0	75,957	(8,450)	0.00	0	0	0	0
NI_02 - 4% Incremental Cut	02	(1.50)	(337,628)	0	0	(337,628)	0.00	0	0	0	0
<i>Total Reductions</i>		<i>(1.50)</i>	<i>(422,035)</i>	<i>0</i>	<i>75,957</i>	<i>(346,078)</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<u>Realignments</u>											
NI_05 - Continue Noise Control Administrative Suppor	01	1.00	0	0	0	0	1.00	0	0	0	0
<i>Total Realignments</i>		<i>1.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Office of Neighborhood Involvement		1.50	(371,724)	565,000	135,646	328,922	3.00	110,000	118,235	0	228,235