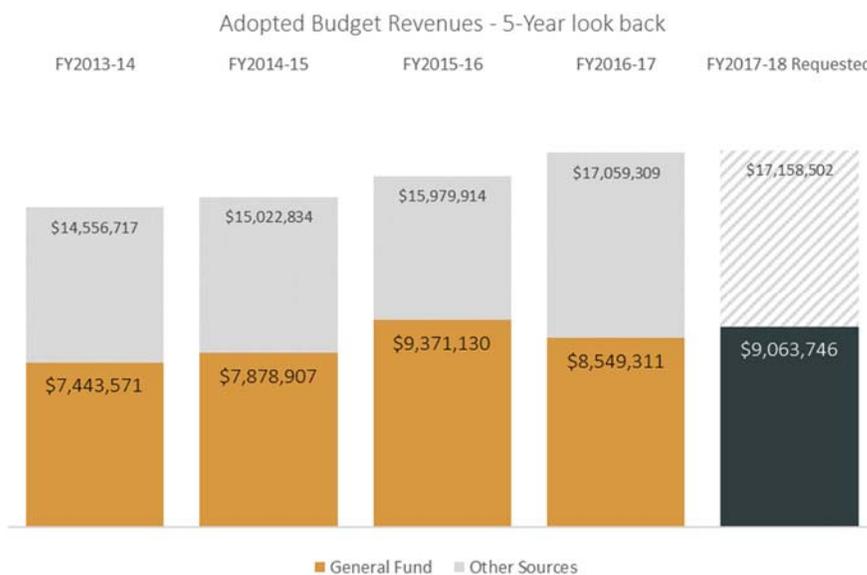
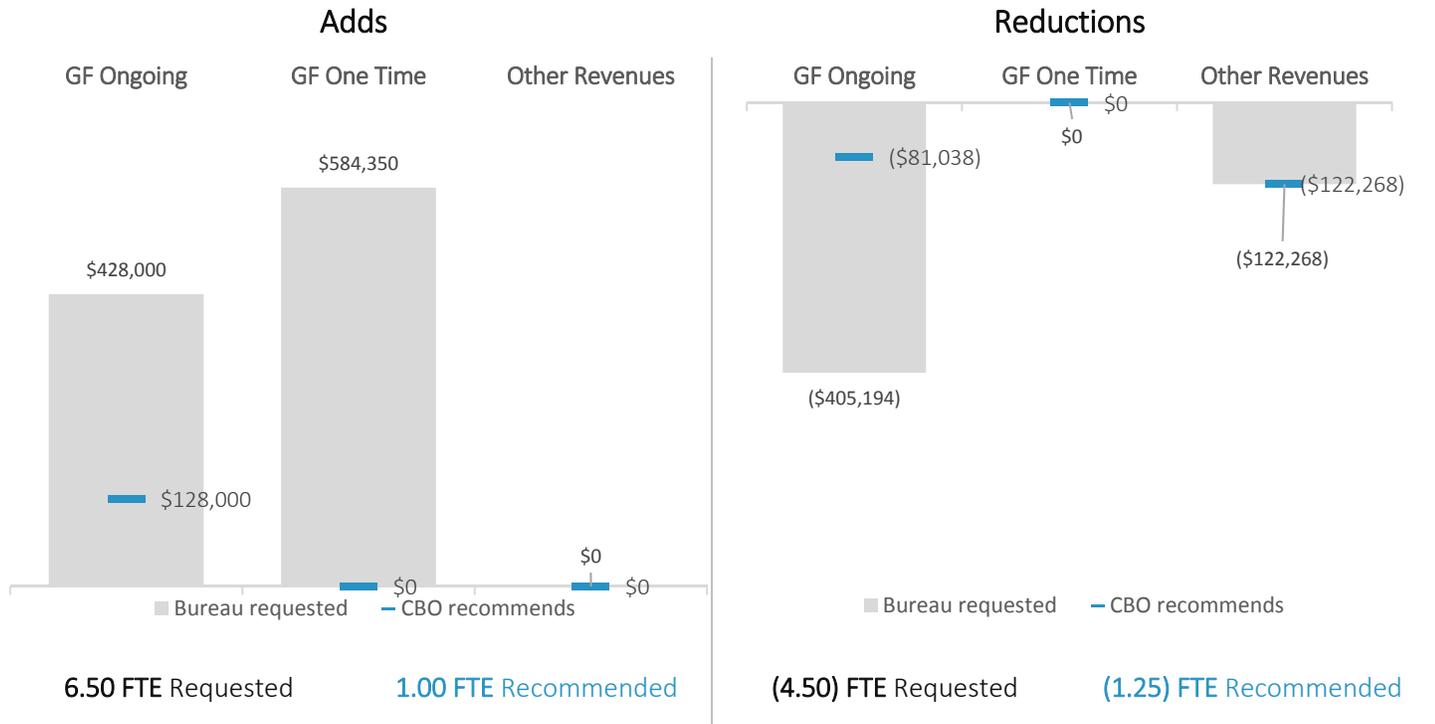


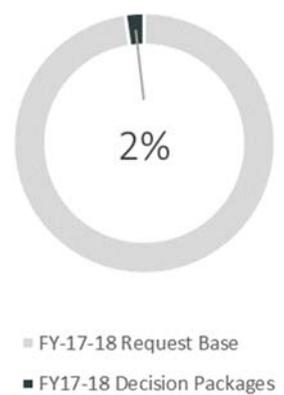
Analysis by: Jane Marie Ford

Bureau of Planning & Sustainability

Portland's 2035 Comprehensive Plan was adopted on June 15, 2016, outlining land use and public investments to accommodate the City's projected growth of an estimated 260,000 new residents over the next 20 years. The Bureau of Planning & Sustainability (BPS) will operate at the intersection of key City priorities and strategic goals as it transitions focus to implementation of Comprehensive Plan policies.



Decision Packages & Requested Budget



Key Issues

Linking land use, transportation, and housing

In FY 2017-18, BPS will continue to play an important role in coordinating land use, transportation, and housing development as it moves forward in implementing the [57 transportation policies](#) and [54 housing policies](#) included in the 2035 Comprehensive Plan, ensuring that all Portlanders are able to live in a [“Healthy Connected City.”](#) The bureau’s requested budget highlights this work as follows:

Demographic and housing analysis. BPS has allocated responsibility for demographic and housing analysis among a team of employees, including an associate planner, the lead economic and industrial planner, a real estate development planner, and a GIS technician; some work is contracted out to consultants and Portland State University (PSU) for specialized assistance. Altogether, the bureau tracks and analyzes citywide development trends and market-rate housing production, and assesses related displacement risk. This work provides Citywide value in using an [equity lens](#) to design and evaluate policies, programs, and investments related to the State of Housing Emergency. The bureau also provides this analysis in collaboration with the Portland Housing Bureau, the Portland Development Commission, Portland Bureau of Transportation, and Bureau of Development Services.

Code development and implementation. BPS has requested funding to complete the Residential Infill and Better Housing by Design projects, both of which will revise development and design standards to facilitate growth that meets Portland’s diverse housing needs. To date, these projects have been supported through a combination of grant funding, General Fund resources, and land use fee revenue via the Bureau of Development Services (BDS).

Community engagement. BPS is coordinating and convening ongoing community engagement work related to the Powell-Division Transit Corridor and Southwest Transit Corridor. The bureau is helping to ensure that these major public investments prioritize the transit access and affordable housing needs of low-income households and communities of color. The bureau has received grant funding from Metro for both projects to support development of equitable housing, defined as “diverse, quality, physically accessible, affordable housing choices with access to opportunities, services and amenities.”¹

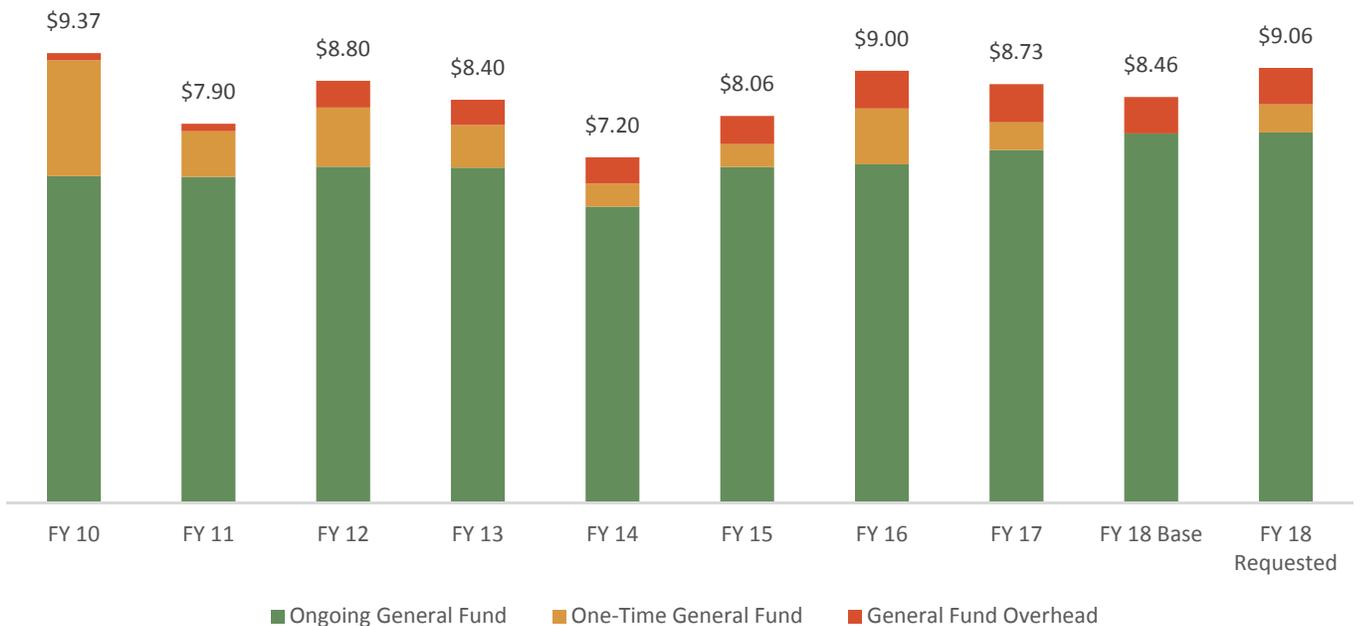
Base budget implications

CBO recommends that BPS and partner bureaus continue efforts to formalize and align Citywide efforts related to land use, transportation, and housing. CBO has recommended preserving funding for a Program Coordinator that would be allocated to this specific role, ensuring that the City’s long-term development objectives are reflected in plans, projects, and investments moving forward. To the extent that this coordinating function represents a shift in bureau focus,

¹ Metro, “Equitable housing planning and development grants: Helping eliminate barriers to equitable housing development in the Portland region.”

CBO recommends prioritizing these resources in BPS' base budget to ensure ongoing support. This is consistent with past budget recommendations that BPS prioritize core programs and priority projects within ongoing resources, reserving one-time General Fund resources – which have ranged from a low of \$477,264 to a high of \$2.4 million over the past seven years – for short, finite projects outside of the bureau's core mission and services. There may also be opportunities to leverage Citywide resources to fund work in BPS, such as utilizing land use fee revenue from BDS to support code development and revision work as legally permissible and or funding transportation-related work via PBOT.

BPS General Fund support has slowly climbed up from pre-recession levels, shifting away from one-time funding to increased ongoing resources



As the City bolsters its resilience against a likely economic downturn in the next few years, Council will need to balance dedicating resources to forward-focused planning work while also meeting current program needs. BPS' planning and code development work requires managing multi-year project commitments while also being responsive to emerging needs. BPS accommodates shifting priorities through use of a matrix staffing model, reallocating FTE and funding in order to be nimble and entrepreneurial; from a City budget perspective, this model can make it challenging to track the actual time and resources dedicated to a specific project. As such, CBO recommends that BPS use the operating project functionality in the City's accounting and budgeting systems. This approach would increase transparency of the City's funding and staff committed to a multi-year project over time and would enhance Council's ability to evaluate the tradeoffs associated with asking BPS to take on new responsibilities.

Smart Cities

The bureau has requested ongoing resources to support Portland's "Smart City" initiatives, which leverage the increasing volume of urban data to inform decision-making and improve service delivery. The Citywide collaboration to develop the Ubiquitous Mobility for Portland proposal for the U.S. Department of Transportation Smart City Challenge grant produced a network of specialists across bureaus. This includes projects underway in PBOT, BPS, the Bureau of Technology Services, CBO, and the Office of Community Technology to connect data generated by digital technologies to improve City services, optimize public resources, bolster resiliency, and develop new avenues for community engagement.

BPS has proposed creating a formalized governance structure to align Smart Cities priorities across the City, leveraging resources and promoting system-wide approaches and solutions. This structure is envisioned to include several workgroups and committees, guided by leadership from the Mayor's Office, focusing on data and analytics, sensors and Internet of Things (IOT) applications, vehicles and shared mobility, energy, and community engagement². CBO recommends that this governance structure focus on the following:

Identify and prioritize City goals and projects. While the coordinating function is proposed to be centralized and funded in BPS, individual projects would be carried out by bureaus across the City. Ongoing resources for these projects will need to be identified within each bureau's existing resources, supported by grant resources, or funded through one-time investments with the intention that ongoing operations will be supported through existing resources or innovation cost-savings. The one-time and ongoing commitments created by these projects should be considered as part of the budget process so that Council can weigh these efforts alongside other City priorities.

Evaluate and integrate equity into auxiliary projects. BPS has demonstrated a commitment to prioritizing equity in its planning, outreach, and services. This expertise will help to ensure that Smart Cities investments are directed to addressing existing inequity, and that equity considerations are at the foundation of projects moving forward. Assessing equity impacts requires access to timely, reliable, disaggregated program-level data.

Support systems and policies facilitating the collection of and access to data. BPS is currently leading development of the City's updated open data policy as part of Portland's engagement with What Works Cities.³ Part of the bureau's intended coordinating role is to lead a workgroup managing an open data and data analytics program in the City, including development of a data governance plan and guidelines for data inventory across all bureaus. Special consideration may

² This initiative would, among other projects, build upon BPS' work using online platforms like Map App to broaden public participation at a lower cost to the City. As previously discussed by CBO, BPS planners dedicate between 20 and 40% of their time on public engagement, which was equivalent to a total of 9.84 FTE in FY 2016-17.

³ As adopted by City Council in Resolution 37236

be given to meeting the needs of smaller bureaus with limited existing data tracking and analytical capacity in order to promote consistent collection of robust data Citywide.

BPS also requested funding for Smart Cities in the FY 2016-17 budget, which CBO did not recommend due to limited General Fund resources, concerns about bureau capacity due to existing projects related to core services, and the lack of detail available at that time. Over the last year, the vision, structure, and purpose of this function has been significantly refined to demonstrate the need to invest in ongoing Smart Cities support.

Decision Package Analysis & Recommendations

End of Metro Funds, PN 01, \$(122,268), (1.00 FTE)

This decision package reduces projected FY 2017-18 grant revenue for two projects funded through the Metro 2015 Community Planning and Development Grants cycle. The bureau has included this as a decision package in order to highlight the potential impact of the General Fund reductions identified below.

Building Healthy Connected Communities Along the Powell-Division Corridor. This project is a collaborative effort between Portland, Gresham, Metro, and TriMet to promote a holistic development strategy alongside the Division Transit Project. BPS received a total of \$539,000 to fund activities through FY 2017-18, and committed matching funds of \$172,850 in the form of salary, benefits, and payroll taxes. This project has now transitioned into the design and construction phase; PBOT is leading the City's role in this process, but BPS will continue to lead community engagement efforts, placemaking and access plans, and anti-displacement and community stability efforts with the Portland Development Commission and Portland Housing Bureau. BPS intends to utilize ongoing General Fund resources to continue supporting this project; however, ongoing General Fund reductions may impact the bureau's ability to finish the project.

Better Housing by Design project. This project revises development and design standards in Portland's multidwelling zones outside of the Central City, with a focus on East Portland. BPS expects that the grant personnel budget for this project will be spent down by the end of the fiscal year, though the bureau may carry over some consultant funding into FY 2017-18. The bureau had intended to utilize ongoing General Fund resources to complete the project, but has included these funds as part of its five percent reduction packages (see below, PN_03). As such, the bureau has also submitted a request for one-time resources in PN_05 to complete the project.

Based on actual expenditures to date, there may be grant revenue carryover into FY 2017-18. At this time, CBO recommends the reduction based on bureau projected spending.

CBO Recommendation: (\$122,268), (1.00 FTE)

General Fund Ongoing Cuts, PN 02, PN 03, PN 04, (\$405,194), (3.50 FTE)

The cuts BPS has identified to meet the required five percent General Fund reductions would impact three major functions, described in further detail below. CBO has recommended a 1% reduction of ongoing funds, which totals \$81,038. CBO has not recommended further ongoing cuts in order to prevent the bureau from returning to a dependency on serial one-time funding requests.

Climate Action Plan (Solar Initiative): This reduction would eliminate 0.50 FTE in the Sustainability Program intended to work on restarting the City's solar program. This includes taking part in the Resilient Power Work Group (RPWG) to "support public sector efforts to improve the resilience of Portland's neighborhoods and critical facilities with solar plus battery storage (s+s) [in order to] enhance the community's capacity to respond to disasters and climate impacts."⁴ This regional partnership includes the Portland Bureau of Emergency Management, Multnomah County, Oregon Department of Energy, Energy Trust of Oregon, Pacific Power, and Portland General Electric; the work aligns with the priorities identified in the 2016 Mitigation Action Plan and with City priorities around emergency preparedness.

Land use, development, transportation, and transit planning coordination: This position was cut on a one-time basis in FY 2016-17 in order to fund other one-time bureau priorities. The intent for this role is to ensure that the City's long-term development and equity objectives are integrated in regional transportation and housing plans, as discussed above under Key Issues.

Demographic and housing analysis: The bureau has submitted decision packages reducing funding across several positions and external contracts related to demographic and housing analysis, a service which BPS provides to other bureaus as well as meeting BPS needs. The bureau has historically had a Management Analyst position dedicated to this function, which was also submitted as a cut last year; CBO recommended against this reduction based on the importance of this work related to City priorities around housing, service delivery, livability, and equity. As discussed under the Key Issues section, this work is currently distributed between several internal positions and external support. This decision package includes reducing contract funding and 0.25 FTE from the demographic and housing analysis function. CBO has recommended this one percent reduction due to limited ongoing General Fund resources, but also recommends that the bureau continue to prioritize this work within its base budget due to the alignment with the State of Housing Emergency.

CBO Recommendation: (\$81,038), (0.25 FTE)

Housing, PN 05, \$756,350, 4.50 FTE

This decision package includes three separate components:

⁴ Resilient Power Work Group Charter (Portland, OR), provided by the Bureau of Planning & Sustainability

Complete Residential Infill Project (one-time: \$387,000, 2.25 FTE). BPS was allocated \$332,212 in FY 2015-16 to develop recommendations and zoning code changes to facilitate infill development within single-family dwelling neighborhoods. The bureau's recommendations were accepted by Council as "general conceptual parameters for subsequent zoning code and zoning map amendments" in December 2016.⁵ At this time, the bureau estimated additional funding needs of approximately \$100,000 for public outreach in FY 2016-17 and \$200,000 to continue supporting two full-time planners funded through one-time resources from the Bureau of Development Services.

The bureau has seven FTE dedicated to code development, including five positions funded through land use fee revenues from the Bureau of Development Services (BDS). The two positions funded through ongoing General Fund resources respond to time-sensitive, priority projects, as well as provide core code editing and development services to other bureau planning projects; larger projects, like the Residential Infill project, require additional staff. Due to limited one-time General Fund resources, CBO recommends that BPS prioritize completing this project with core staff; alternatively, to the extent that land use fee revenue is available and appropriate for this project, remaining project costs could be funded through additional one-time support from BDS.

Complete the Better Housing by Design Project (one-time: \$197,000, 1.25 FTE). This project was discussed in more detail above under PN_01 and PN_03. By not taking the PN_03 reduction package, BPS may be able to complete this project without additional General Fund resources; if needed, land use fee revenue may also be an appropriate funding source.

SW Corridor Equitable Housing strategy (ongoing: \$172,000, 1.00 FTE). Metro, TriMet, and regional partners are several years into the process of planning for light rail development along the southwest regional corridor. BPS was recently awarded \$100,000 from Metro as part of the first round of Equitable Housing and Development Grants to develop an equitable housing strategy in partnership with the City of Tigard. The goal is to ensure that low-income households share in the positive benefits of the expected development of new transit and housing between Portland, Tigard, and Tualatin.

BPS hopes to build on this work through ongoing personnel and contract support until the rail line opens in the mid-2020s. In addition to the land use, development, transportation, and transit planning coordinator position discussed above, the bureau has also requested funding for an ongoing Program Coordinator, as well as support for Portland Development Commission staff time and a contract with the University of Oregon for technical assistance. BPS has stated that this work will be a top bureau priority over the next decade; as such, given limited ongoing resources, CBO recommends prioritizing this work within the bureau's base budget as discussed under the Key Issues section.

⁵ Resolution 37252

CBO Recommendation: \$0, 0.00 FTE

Smart Cities, PN 06, \$256,000, 2.00 FTE

This request includes two positions. A management analyst would formalize a Citywide structure to support Smart Cities efforts, coordinating both internal projects and external collaborations with public, nonprofit, and private entities. While the funding environment is uncertain at this time, there may continue to be grant resources available to support individual Smart Cities projects. This position would increase the City's capacity to seek and manage these funding opportunities. CBO recommends funding this position, which will help to align Smart Cities priorities across the City and promote efficiencies through enterprise solutions.

BPS has also requested funding for a second management analyst to continue work on the low-cost urban air quality measurements project. This was proposed as a one-time effort to be completed by September 2017,⁶ supported by \$100,000 in grant funding awarded in FY 2016-17. Given limited ongoing resources, CBO recommends that the governance committee consider this project along with other proposed investments in order to prioritize funding.

CBO Recommendation: \$128,000, 1.00 FTE

⁶ [News Release](#) from the Bureau of Planning & Sustainability, 9/26/2016

Bureau Budget Summary – Request and Recommendations

Below is a summary of the Bureau of Planning & Sustainability’s operating budget, which includes the Community Solar Fund and Solid Waste Management Fund.

| | Adopted FY 2016-17 | Request Base (A) | Bureau Decision Packages (B) | CBO Recommended Adjustments (C) | Total Recommended Revised (A+B+C) |
|---------------------------------|-------------------------------|---------------------------------|---|--|--|
| Resources | | | | | |
| Budgeted Beginning Fund Balance | \$ 2,773,911 | \$ 3,652,316 | \$ - | \$ - | \$ 3,652,316 |
| Licenses & Permits | 2,957,729 | 2,995,133 | - | - | 2,995,133 |
| Charges for Services | 2,806,284 | 3,002,909 | - | - | 3,002,909 |
| Intergovernmental Revenues | 1,791,732 | 1,385,059 | (122,268) | - | 1,262,791 |
| Interagency Revenue | 870,940 | 741,500 | - | - | 741,500 |
| Miscellaneous Sources | 83,313 | 92,423 | - | - | 92,423 |
| General Fund Discretionary | 7,754,521 | 7,697,555 | 607,156 | (560,194) | 7,744,517 |
| General Fund Overhead | 794,790 | 759,035 | - | - | 759,035 |
| Total Resources | \$19,833,220 | \$20,325,930 | \$484,888 | \$ (560,194) | \$20,250,624 |
| Requirements | | | | | |
| Personnel Services | \$ 11,434,177 | \$ 11,728,757 | \$ 322,183 | \$ (370,194) | \$ 11,680,746 |
| External Materials and Services | 2,897,566 | 2,449,770 | 152,705 | (180,000) | 2,422,475 |
| Internal Materials and Services | 2,456,944 | 2,348,224 | 10,000 | (10,000) | 2,348,224 |
| Debt Service | 62,016 | 67,638 | - | - | 67,638 |
| Fund Transfers - Expense | 192,699 | 177,563 | - | - | 177,563 |
| Contingency | 80,361 | 68,293 | - | - | 68,293 |
| Unappropriated Fund Balance | 2,709,457 | 3,485,685 | - | - | 3,485,685 |
| Total Requirements | \$19,833,220 | \$20,325,930 | \$484,888 | \$ (560,194) | \$20,250,624 |

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_05 - Housing | 01 | 4.50 | 172,000 | 584,350 | 0 | 756,350 | 0.00 | 0 | 0 | 0 | 0 |
| PN_06 - Smart Cities | 02 | 2.00 | 256,000 | 0 | 0 | 256,000 | 1.00 | 128,000 | 0 | 0 | 128,000 |
| <i>Total Adds</i> | | 6.50 | 428,000 | 584,350 | 0 | 1,012,350 | 1.00 | 128,000 | 0 | 0 | 128,000 |
| <u>Reductions</u> | | | | | | | | | | | |
| PN_01 - End of Metro Funds | 01 | (1.00) | 0 | 0 | (122,268) | (122,268) | (1.00) | 0 | 0 | (122,268) | (122,268) |
| PN_02 - GFOG 1% cuts | 02 | (0.25) | (81,038) | 0 | 0 | (81,038) | (0.25) | (81,038) | 0 | 0 | (81,038) |
| PN_03 - GFOG 2% cuts | 03 | (1.60) | (162,078) | 0 | 0 | (162,078) | (0.00) | 0 | 0 | 0 | 0 |
| PN_04 - GFOG 2% cuts | 04 | (1.65) | (162,078) | 0 | 0 | (162,078) | (0.00) | 0 | 0 | 0 | 0 |
| <i>Total Reductions</i> | | (4.50) | (405,194) | 0 | (122,268) | (527,462) | (1.25) | (81,038) | 0 | (122,268) | (203,306) |
| Total Bureau of Planning & Sustainability | | 2.00 | 22,806 | 584,350 | (122,268) | 484,888 | (0.25) | 46,962 | 0 | (122,268) | (75,306) |