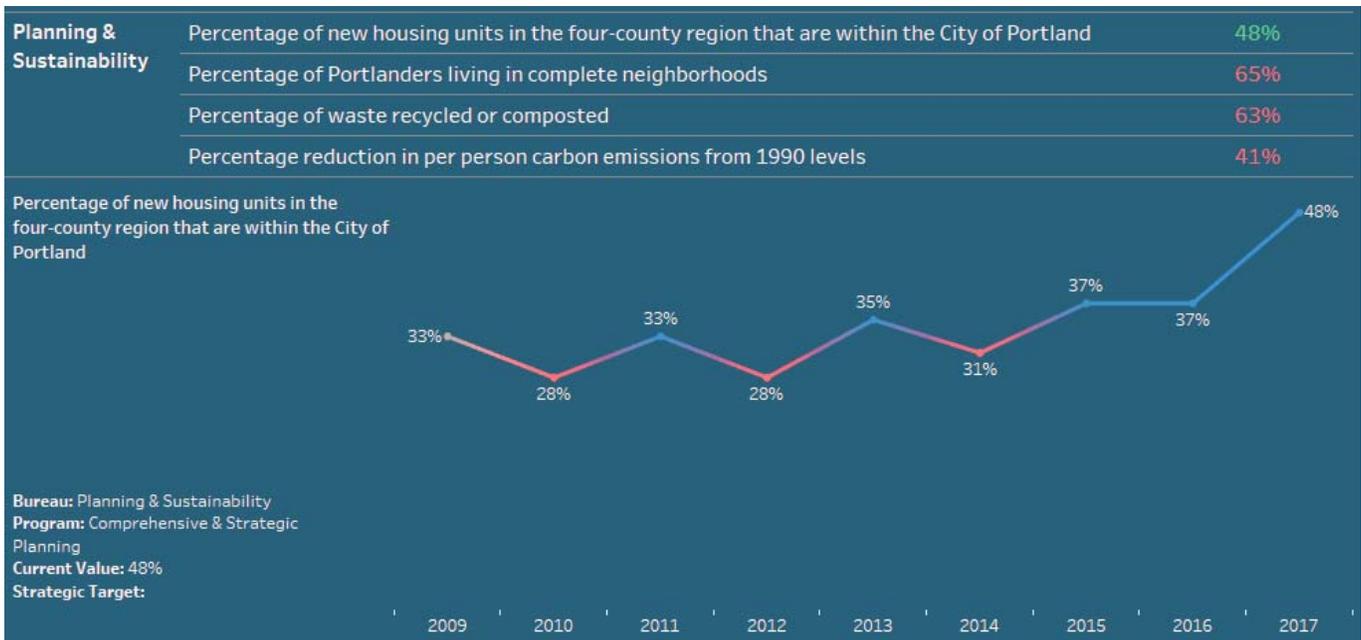


Bureau of Planning & Sustainability

Analysis by Jane Marie Ford

In FY 2016-17, the Bureau of Planning & Sustainability (BPS) shifted its focus to implementation of the 2035 Comprehensive Plan, the City’s roadmap to accommodate an estimated 260,000 new residents over the next two decades. This Plan is based on a vision where “Portland is a prosperous, healthy, equitable, and resilient city where everyone has access to opportunity and is engaged in shaping decisions that affect their lives.” The bureau’s programs and key performance measures reflect this vision, linking affordable housing development, transportation planning, and climate change mitigation with equity at the forefront of decision-making.

Bureau Performance



<https://www.portlandoregon.gov/cbo/article/655039>

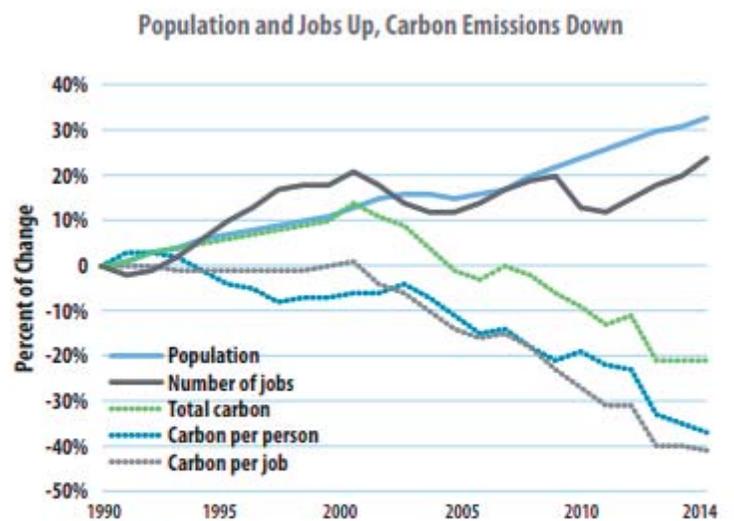
Performance Measures

There was a significant increase in the number of new housing units in the four-county region within the City of Portland, up to 48% compared with 37% in the prior year. This number is calculated using permitting data from the Bureau of Development Services, which shows a spike in activity connected with developers vesting permits before the new Inclusionary Housing policy went into effect in February 2017. Notably, 80% of these permits were in complete neighborhoods, up from 71% in the prior year. While these figures are indicative of positive overall housing development trends, careful

monitoring and analysis will be required to ensure that the City’s strategies around affordable housing development – including Inclusionary Housing, zoning code revisions to increase density, and linked transit and housing planning underway in Powell-Division and the Southwest Corridor - are accurately calibrated incentivize affordable housing to development in [high opportunity areas](#).

BPS is simultaneously working to promote energy efficiency in both residential and commercial buildings, which together constitute 42% of local carbon emissions. FY 2016-17 was the second year of phasing in the [Energy Performance Reporting Policy for Commercial Buildings](#), expanding mandatory performance tracking and reporting to include buildings 20,000 square feet and larger. The buildings subject to the policy now comprise approximately 80% of the conditioned commercial floor area in the city of Portland. Commercial buildings generate one-quarter of Portland’s total carbon emissions, and the bureau will use the data collected through this policy to target improvements. Energy performance data is now accessible online, and the bureau will be mapping this information later in the calendar year.

Overall, per person carbon emission has dropped 41% since 1990, counter to national trends and despite significant regional population growth. This number has remained steady for the last few fiscal years, following a general pattern illustrated in the graph above from the 2017 Climate Action Plan Progress Report: significant drops in carbon emissions are connected to new programs and policies, such as curbside composting introduced in 2011. More dramatic interventions will be required to meet the strategic target of reducing carbon emissions by 90% from 1990 levels by the year 2050, as well as the City’s new goal of meeting [100 percent of community-wide energy needs with renewable energy by 2050](#) (adopted in June 2017). A list of strategies and action items is detailed in the [2017 Climate Action Plan Progress Report](#).

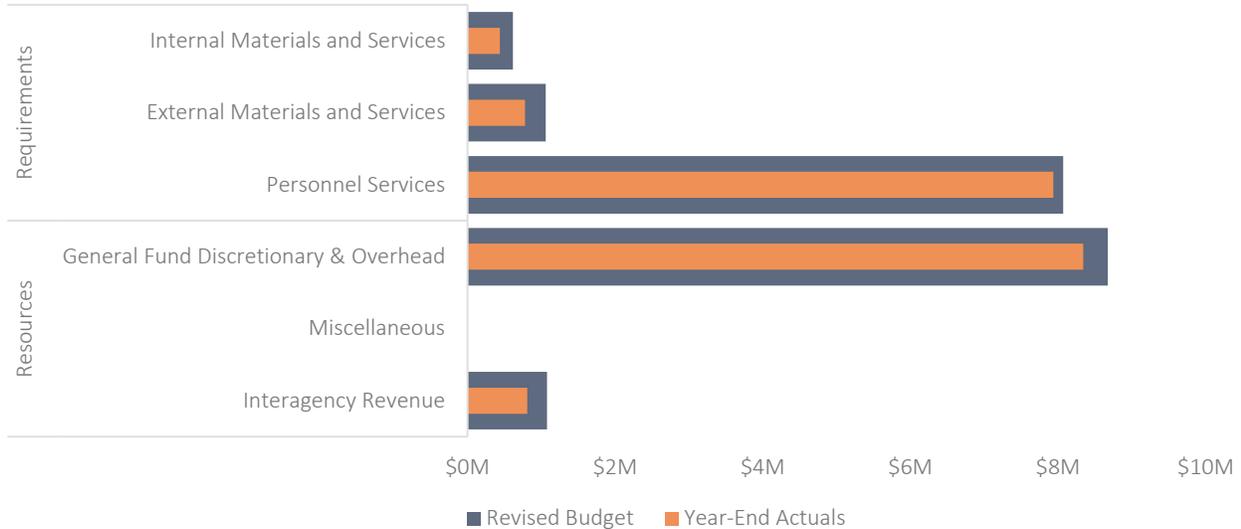


Change in Multnomah County carbon emissions as compared to growth in jobs and population (1990-2014). Source: Portland Bureau of Planning and Sustainability

Bureau Finances: Budget-to-Actuals and Key Issues

General Fund

BPS General Fund FY 2016-17 Reconciliation



The bureau spent 94% of its FY 2016-17 General Fund budget. Most of this underspending is related to contracts encumbered prior to the end of the fiscal year that were reconciled through carryover in the FY 2017-18 Fall Supplemental Budget. The bureau also received a significant mid-year bump in interagency revenue, increasing the amount of land use fee revenue transferred from the Bureau of Development Services (BDS) for code development from \$279,450 in the Adopted Budget to \$939,942. Land use fee support increased further in the FY 2017-18 Adopted Budget – climbing to \$1.25 million - for completion of two major code development projects.

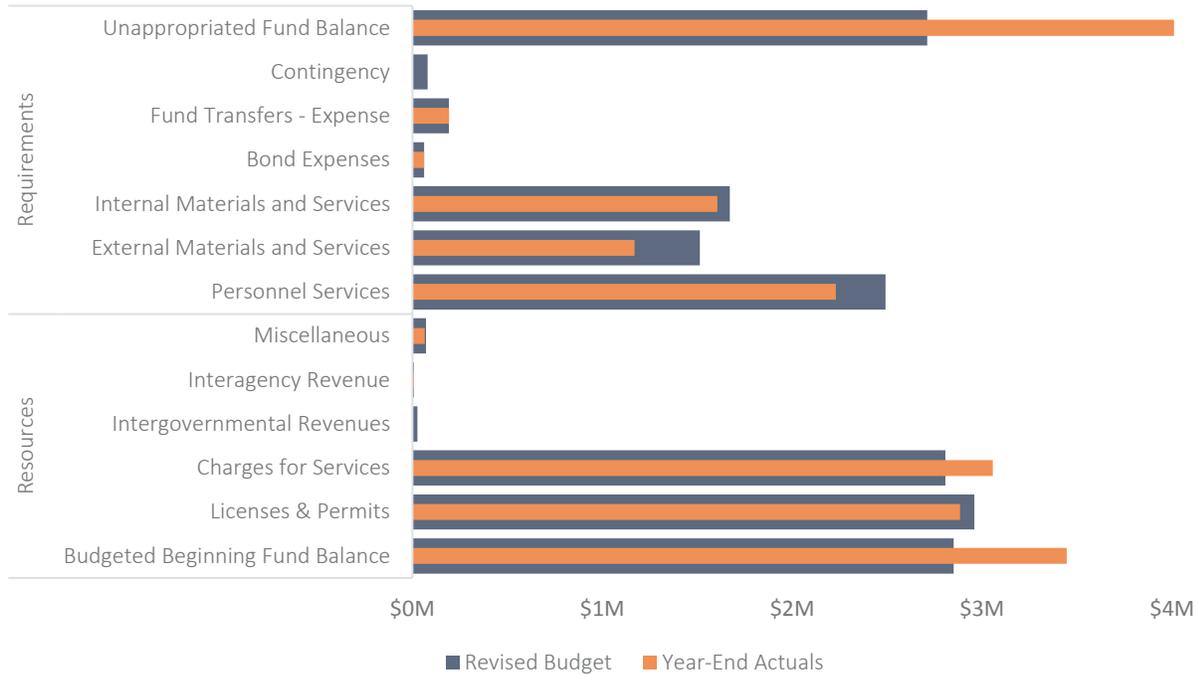
Given the bureau’s continued focus on code development and implementation over the next several years, BPS, BDS, and CBO have been directed through a budget note to develop an ongoing plan for allocating Land Use Fee revenue between the bureaus as appropriate and permissible by law. Financial and work plans will be submitted as part of the FY 2018-19 budget development process.

Grants Fund

The bureau manages a number of multi-year grants that are adjusted annually in the Fall Supplemental Budget to true-up prior year expenditures and current year expected spending. While BPS only spent 65% of anticipated grant expenditures in FY 2016-17, the bureau carried over \$820,858 into FY 2017-18 for continued project support. The bureau’s single largest grant – funding from Metro for waste reduction and business recycling – has remained stable at just under \$770,000 annually. The bureau has also seen an uptick in grant funding related to its work supporting land use, housing, and transportation planning; given the regional focus on these issues, it is possible that this will continue to be a source of revenue for the bureau over the next several years.

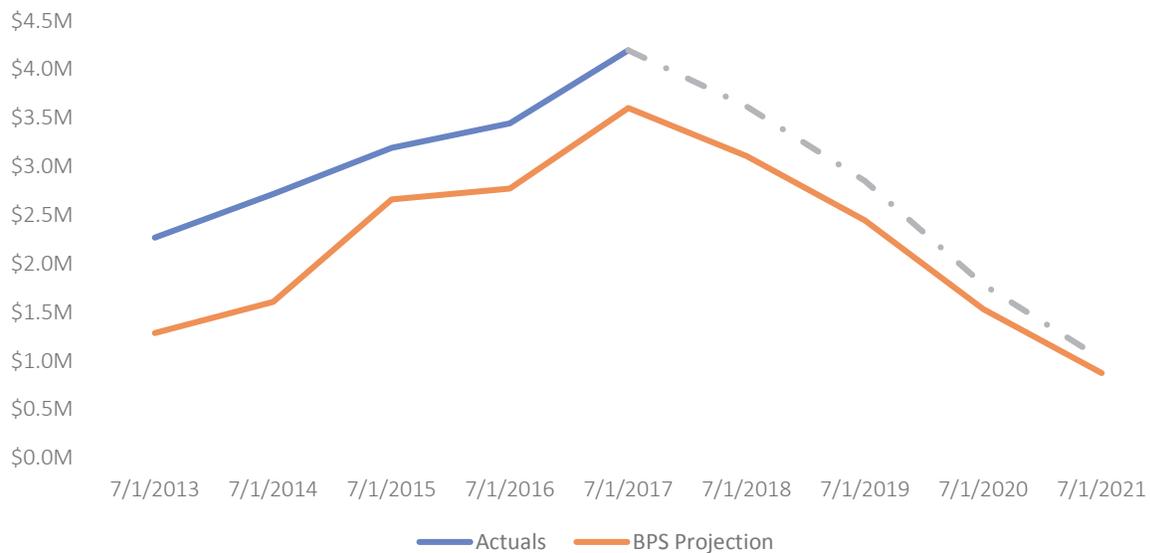
Solid Waste Management Fund

Solid Waste Management Fund FY 2016-17 Reconciliation



Solid Waste Management Fund revenues exceeded FY 2016-17 projections by approximately 8% due to higher collection of service fees (approximately \$250,000) and a significantly larger beginning fund balance (nearly \$600,000 above allocation). Bureau operating expenses were about 12% lower than anticipated in FY 2016-17 due to vacancy savings and the late timing of the initial rollout of the [public trash can program expansion](#). The bureau placed the first new trash receptacles in Portland’s Jade District in June 2017 as a pilot testing site, and will expand the program into all 31 city centers over a five-year period. BPS expects that ongoing collection costs associated with the expanded program will likely exceed revenues until a scheduled commercial tonnage fee increase takes effect in FY 2019-20.

The fund ended FY 2016-17 with a combined contingency and unappropriated fund balance total of \$4.2 million, nearly \$1.5 million above projections. The bureau submits a five-year fund forecast as part of its annual budget submission; over the past six budget cycles, these projections have 1) anticipated a lower fund balance to begin the fiscal year, and 2) projected that revenue would decline over the next five years. Actual fund balances have not only been higher than projected for the current year, but continued to increase year-over-year.



Fund balance projections have assumed that the bureau will meet waste reduction and recycling targets, which will lead to a decrease in revenue. However, these measures have remained relatively flat over the last few years. Additionally, recent revenue trends illustrate the correlation between [waste disposal and economic growth](#). An economic downturn will likely drive revenue down, including the bureau’s share of Metro waste reduction funds. [Policy changes in China](#) have also created unprecedented uncertainty in the recycling market. There is no anticipated short-term revenue impact, but there could be long-term ramifications for rates and fees.

It should be noted that the increase in Solid Waste Management Fund balance comes while the typical monthly bill for residents has remained steady at just over \$29.00 for the last several years. Simultaneously, overall resident satisfaction with both the cost and quality of garbage, recycling and compost services increased over that same time period²⁰.

²⁰ See the [2016 Community Survey](#), pg. 8.