

cycle. Some of these efforts included:

- Government Accountability, Transparency, and Results (GATR) sessions² focused on streamlining the development process for both market-rate and affordable housing;
- The Mayor’s “Fast Track Pilot” to advance high-priority economic development and public projects and to test process improvements; and
- The establishment of the Development Directors Group in December 2017 to facilitate increased collaboration, coordination, and leadership accountability for the performance of the development review process.

Given that development bureaus have attempted similar efforts over the last few years utilizing internal resources and staff (at times additionally supported by the City Budget Office and the Office of Management & Finance) with limited progress, the approach of bringing in an external party to guide the process and help participating bureaus achieve consensus on City development priorities offers a reasonable next step. The City Budget Office supports the approach of a creating such a strategic plan because cohesive alignment around City development has the potential to be hugely beneficial as the City navigates swings in the local construction cycle, completes sweeping technology improvements through the POPS implementation, and incorporates ongoing business process changes to better serve customers and residents.

However, given limited General Fund resources, CBO recommends that the bureaus prioritize this cost within their existing budgets. CBO notes that the seven bureaus directed to participate in this process have a combined FY 2019-20 External Materials and Services budget of \$423 million. Though not all of those funds would be eligible for this purpose, participating bureaus could likely identify funding for a consultant if each organization prioritized its share of the \$60,000 total cost.

Bureau Commissioners-in-Charge may determine it appropriate to share the estimated \$60,000 cost of developing the strategic plan equally, since all bureaus weigh in on critical City development decisions and have staff that contribute to the process. Such a split would result in each bureau contributing \$8,572. Finding this amount of funding within existing bureau budgets is not only fiscally prudent, given limited General Fund resources, but also offers a small test of whether development bureaus will approach this important effort with collaboration and commitment to the outcome.

CBO Recommendation: \$0 | 0.00 FTE

²Housing Development GATR materials can be accessed at <https://www.portlandoregon.gov/cbo/72474>

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of Bureau of Development Services' total budget.

	Adopted FY 2018-19	Request Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Revised (A+B+C)
Resources					
Budgeted Beginning Fund Balance	\$ 88,083,543	\$ 80,615,435	\$ -	\$ -	\$ 80,615,435
Licenses & Permits	45,771,580	35,848,891	-	-	35,848,891
Charges for Services	18,044,287	13,396,191	-	-	13,396,191
Interagency Revenue	962,362	1,181,896	-	-	1,181,896
Fund Transfers - Revenue	982,528	1,005,775	1,260,000	(1,260,000)	1,005,775
Miscellaneous	4,032,724	4,216,041	-	-	4,216,041
Total Resources	\$157,877,024	\$136,264,229	\$1,260,000	(\$1,260,000)	\$136,264,229
Requirements					
Personnel Services	\$ 54,086,235	\$ 56,280,718	\$ -	\$ -	\$ 56,280,718
External Materials and Services	5,859,741	8,963,044	60,000	(60,000)	8,963,044
Internal Materials and Services	11,109,215	10,344,469	-	-	10,344,469
Bond Expenses	1,360,492	1,443,126	-	-	1,443,126
Fund Transfers - Expense	2,407,161	2,436,553	-	-	2,436,553
Contingency	83,054,180	56,796,319	1,200,000	(1,200,000)	56,796,319
Total Requirements	\$157,877,024	\$136,264,229	\$1,260,000	(\$1,260,000)	\$136,264,229