



## Overview

### ARPA LOCAL FISCAL RECOVERY FUNDS

The American Rescue Plan Act was passed by Congress and signed by President Biden in early March 2021. Through both established and new funding streams, the Plan delivers direct relief to American families and businesses. It also provides \$350 billion directly to state, local, territorial, and tribal governments through a funding stream called State and Local Fiscal Recovery Funds (SLFRF). As a large city, Portland received an award of \$208 million of SLFRF (Multnomah County received \$157 million). The first half of the award was delivered in the spring of 2021, and the second half will be delivered in spring 2022. The City can use these funds to invest in water, sewer, or broadband infrastructure; replace lost revenue; provide premium pay to eligible workers; and respond to negative public health or economic impacts of the pandemic.

### ROUND 1 ALLOCATION PROCESS

The first half of the City's SLFRF award (\$104 million) was allocated in two budget actions: the FY 2021-22 Adopted Budget, through which Council allocated roughly \$40 million, and a separate [ARPA Ordinance](#) passed in July 2021 through which the remaining roughly \$64 million was allocated. The process for most of the allocation was managed through the Economic Relief and Stimulus Coordinating Council (ERSCC), which was convened by the Office of Management and Finance (OMF) and Prosper Portland and included representatives from each Council office and a number of City bureaus.

### Guiding Principles

Through two months of collaborative work, the ERSCC developed a set of agreed-upon principles and values that to guide allocation prioritization and decision-making. These principles are:

1. Ground process, priorities and outcomes in the city's Core Values of anti-racism, equity, in-language access, and transparency to ensure benefits for BIPOC communities and the most vulnerable Portlanders.
2. Prioritize investments on relief and stabilization activities that are informed by data and address houselessness and houselessness prevention, community health and safety, and COVID-19 economic challenges for individuals, businesses, and communities.
3. Act as effective stewards of financial and other resources by ensuring the city can provide critical services, aligning investments with other public and private investments, including regional collaboration, and positioning community for longer term recovery.

## **Proposal Development and Evaluation**

Over a two-month period, the ERSCC conducted a process to gather proposals from bureaus and Council offices for ARPA funding. All proposals were initially screened by participating staff for funding eligibility and alignment with Council priorities. Staff requested additional information on eligible proposals, which were then screened for equity and financial sustainability.

## **Funding Prioritization and Allocation Decision-Making**

The ERSCC provided Council with data on the economic recovery that was gathered by ECONorthwest, as well as input from community through a variety of existing forums to inform the prioritization process. The process also directed bureau directors to collaborate to identify overlap between proposals and prioritize amongst them. Finally, Council staff engaged in a prioritization and scaling exercise to bring a recommended allocation package for Council consideration for the roughly \$64 million in available Round 1 resources.

## **ROUND 2 ALLOCATION PROCESS**

For the allocation of Round 2 resources, several members of the Council expressed an interest in aligning the allocation process with one of our budget processes. On December 15, 2021, the Mayor released budget guidance indicating his intent to include ARPA funds in his FY 2022-23 Proposed Budget. There is \$104 million of the SLFRF award remaining to be allocated. Additionally, Council can choose to consider how to allocate potential underspending of the Round 1 ARPA awards. The City Budget Office (CBO) and OMF will review underspending of Round 1 funds for projects that requested additional funds in Round 2 and provide an update to Council.

## **Guiding Principles**

The Mayor's ARPA guidance included the same four Council Priority Areas that apply to General Fund budget requests: Community Safety, Economic Stabilization and Recovery, Houselessness crisis, and Livability. The guidance also indicated the proposals would be prioritized based on their ability to support a bureau's performance and customer service, that all proposals should advance the City's racial and disability equity goals, and that proposals that further climate and resiliency goals would also be prioritized. Finally, the guidance included a requirement that proposals have output and outcome performance measures, and that cost per service measures could make proposals more competitive.

## **Proposal Development and Evaluation**

Mayor's Guidance directed bureaus to enter Decision Packages with their Requested Budgets for any proposed ARPA spending - either additional funding for projects that already received ARPA, or new projects. In addition, CBO and OMF collaborated to collect more detailed information from proposers regarding project scopes, eligibility, equity considerations, financial sustainability, climate impacts, customer service impacts, and performance metrics.

Modelling the evaluation process on the Round 1 ERSCC process, reviewers from OMF, CBO, and the Office of Equity and Human Rights (Office of Equity) each reviewed the detailed proposals that were submitted and screened them for eligibility for ARPA resources, equity, and financial sustainability,

respectively. Round 2 proposals also received a climate impact review from the Bureau of Planning and Sustainability (BPS). **This report details the results of that screening process.** All reviewer scores were pre-viewed with proposers, with the invitation to discuss and respond to questions associated with the reviews. In many cases, the reviewers changed their scores based on responses from proposers. The screening results shown here are the final results, after consultation with proposers.

## Funding Prioritization and Allocation Decision-Making

A formal process for Council prioritization and decision-making for Round 2 resources has yet to be determined. Any new proposals should be screened by the end of March if there is a desire to evaluate the proposals for potential inclusion in the Mayor’s Proposed Budget in April. While there is no requirement that Council allocate all of these resources in this budget cycle, Council should note that final FY 2022-23 allocation decisions should be made no later than early May as the Council must approve the budget on May 11th.

# Round 2 Proposals

## SUMMARY OF REQUESTS

49 Round 2 proposals were submitted, totaling \$193.7 million in requested funds. Of that, \$94.5 million was requested as additional funding for currently funded ARPA projects, while \$99.1 million was requested for new projects.

Figure 1

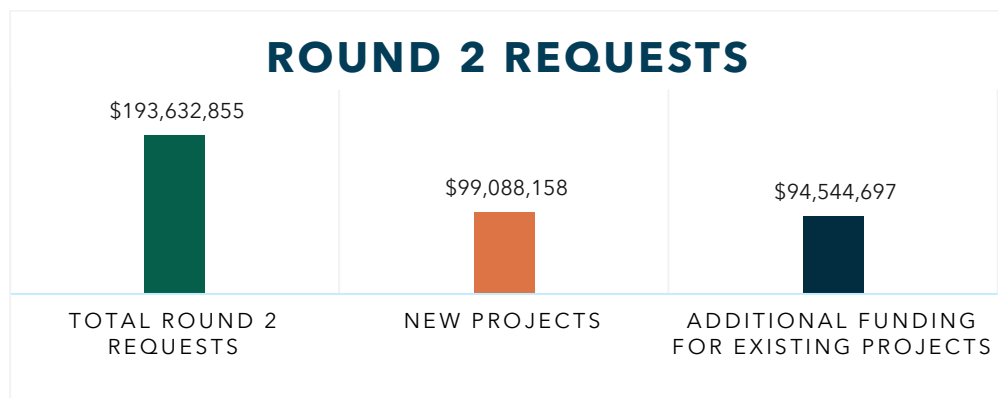


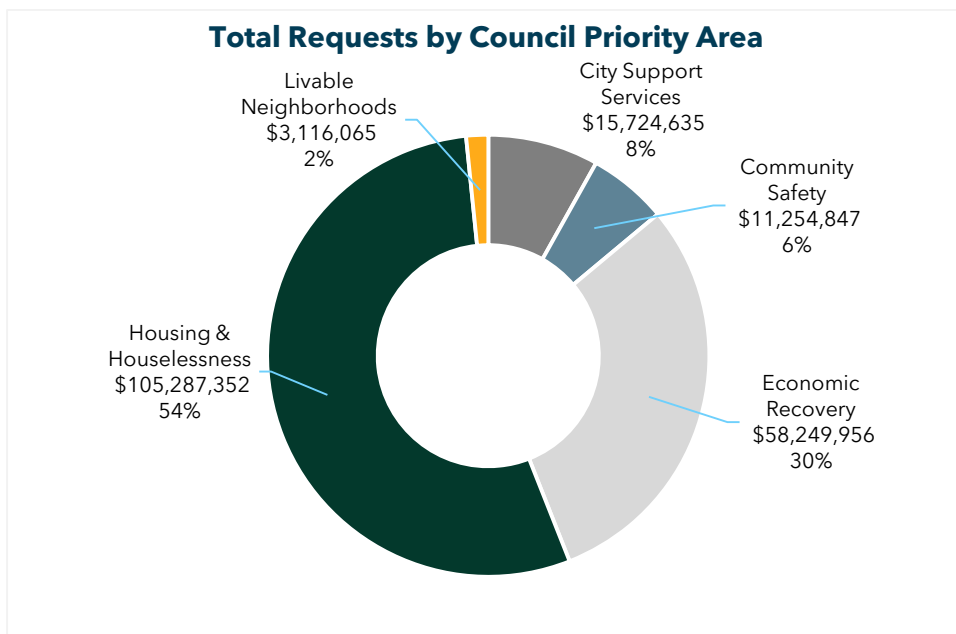
Table 1 below shows which of the Round 2 proposals currently receive ARPA funding, the amount of Round 1 funding they have, and the amount they requested for Round 2 funds.

Table 1

Round 2 Proposals for Existing ARPA-Funded Projects		
	Round 1 Funding Amount	Round 2 Amount Requested
BDS Budget Note \$8.3 Million	\$ 1,451,523	\$ 8,300,000
CAO CSD Violence Prevention	\$ 1,000,000	\$ 2,000,000
PBOT Support for Small Businesses	\$ 950,000	\$ 950,000
PBOT Vibrant and Inclusive Community Spaces	\$ 2,590,000	\$ 2,000,000
PBOT Healthy Business Program	\$ 2,209,000	\$ 5,125,000
PP&R Trash Can Improvement	\$ 425,000	\$ 205,000
PWB AFLOAT: Utility Debt Relief	\$ 3,100,000	\$ 13,200,000
Prosper Portland Workforce	\$ 4,000,000	\$ 4,599,000
Venture Portland	\$ 530,931	\$ 1,778,002
Streets to Stability	\$ 16,020,000	\$ 43,339,210
JOHS Motel Shelter Strategy	\$ 5,100,000	\$ 8,261,000
ARPA Program Delivery	\$ 1,914,994	\$ 4,787,485
<b>Total</b>	<b>\$ 39,291,448</b>	<b>\$ 94,544,697</b>

A majority of the Round 2 proposals fall under the housing and houselessness Council priority area, followed by 30 percent addressing economic recovery. The breakdown of requests by priority area is shown in Figure 2, below.

Figure 2



A handful of large dollar requests significantly impact overall funding requests. Fourteen of the 49 requests total to \$152 million in requests, comprising 78% of total dollars requested. There are six requests each for \$10 million or greater, and - if fully funded - those six requests alone could comprise nearly the entire second round allocation. Some of these requests are scalable, which will be necessary should Council wish to fund a greater number of proposals. There are numerous proposals for relatively smaller dollar values; fourteen proposals are for less than \$500,000 and when combined these requests total \$2.95 million.

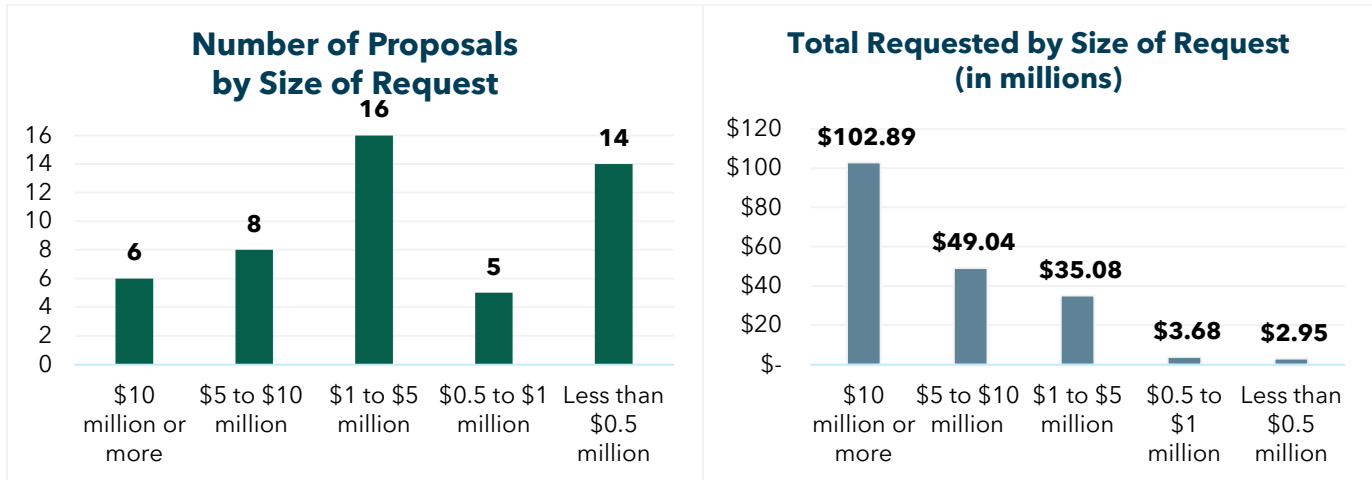


Figure 3

## SCREENING AND EVALUATION CONSIDERATIONS

### Screening Criteria

For each of the four review areas - eligibility, equity, financial sustainability, and climate - reviewers created a stop light system for screening proposals, with different criteria for each area. The screening criteria are listed below. The Appendix provides more information on particular projects that received a "Red ◆" or a "Yellow ⚠" in at least one category, and in some cases provides suggestions for mitigating the challenge emphasized by the color rating.

## Eligibility for ARPA Funding

Score		Explanation
Green (1)	✔	The project is eligible for ARPA funding. Note that the proposal form asked proposers to identify an eligible “Expenditure Category” under the US Treasury Guidance for ARPA. Many proposals did not provide that information in the form; in those cases, additional information was gathered from the proposer to assess eligibility.
Yellow (2)	!	The project is potentially eligible for ARPA. In many cases, projects were Yellow because they were eligible if changes - identified in the comments and in most cases minor - to the description, scope or population served were made. In some cases, more information would be needed to make a final determination and/or the project would have to make substantial efforts to be eligible.
Red (3)	◆	The project is not eligible for ARPA funds as proposed. Note that all projects will have to continue to work with the ARPA implementation team to ensure their final scopes and implementation plans are eligible.

## Equity

Score		Explanation
Green (1)	✔	Indicates the proposal, as described, substantively supports equity goals, centers equity, focuses on equitable outcomes, utilizes a targeted universalism approach, provides some form of relief for communities who have been most impacted by the pandemic, and meets community priorities and needs.
Yellow (2)	!	The proposal potentially supports equity goals. However, reviewers identified concerns or issues with the proposal, or the proposal does not as clearly describe how the project centers equity or benefits those most impacted. Yellow projects may be equitable - and therefore, green - if designed and implemented in an equitable way. Alternatively, they may not necessarily be equitable (neutral), or may result in negative unintended consequences or impacts - and therefore, red.
Red (3)	◆	The proposal does not advance equity goals, center equity, or necessarily benefits those most impacted, <b>OR</b> the proposal is scoped as neutral, and neither helps nor hinders equity.

## Financial Sustainability

Score		Explanation
<b>Green (1)</b>	✓	The project as proposed is clearly a one-time expense that will not develop expectations or need for continued resource; <b>OR</b> a successor funding source has been identified and committed; <b>OR</b> the proposer has a feasible plan and commitment to not requiring additional new resources beyond the proposed ARPA resources.
<b>Yellow (2)</b>	!	The proposal is for a one-time expense that could establish the expectation or need for ongoing resources, for which a funding source has not been secured.
<b>Red (3)</b>	◆	<p>The proposal is for a one-time expense that will very likely or certainly lead to the expectation or need for ongoing resources, for which a funding source has not been secured.</p> <p>The designation of a red flag for financial sustainability does not preclude Council from deciding to fund a proposal. However, in funding these proposals Council should explicitly commit to ongoing funding - which will likely require cuts or tradeoffs with other services - or explicitly establish the expectation that the program will sunset after ARPA funds expire. Agreeing to fund multiple red and yellow flagged proposals without explicitly planning for the expiration of ARPA resource will establish a sizable financial cliff that will create unrealistic community expectations of service and instability across priority services.</p>

## Climate

Score		Explanation
<b>Green (1)</b>	✓	The project stood out as an opportunity to move the needle on <a href="#">climate goals</a> compared to the other proposals.
<b>Yellow (2)</b>	!	The project supports the City's climate goals in some small way.
<b>Red (3)</b>	◆	The project negatively impacts progress on the City's climate goals.
Grey (4)	●	The project neither helps nor hinders climate goals.

## Other Information & Considerations

In addition to the screened criteria, reviewers encourage Council to consider the following proposal features when making allocation decisions:

### **Project Feasibility and Implementation Timeliness**

In addition to eligibility requirements, technical limitations of Rescue Plan funds can significantly impact project implementation. Those limitations were a major challenge for some Round 1 projects and took time to resolve. OMF does not anticipate the same degree of complexity in Round 2 because the US Treasury's Final Rule - published in January 2022 - clarified some of the limitations on ARPA-funded projects. Additionally, the Round 2 process was intended to generate well-scoped proposals and enable OMF to identify challenges earlier in implementation. However, some proposals are likely positioned to be more expeditiously implemented than others. If Council has concerns or questions about the feasibility of quickly implementing Round 2 proposals, OMF can conduct a feasibility screen to inform Council's deliberations.

### ***Allocation Timing***

Council might also want to consider the timeline with which they would like to make decisions around the remaining ARPA resources. All ARPA funds must be obligated by December 31, 2024 and expended by December 31, 2026. In addition, it takes time for new projects to be able to begin obligating funds. That said, it is possible to reserve funds to allocate later. Reserving some funds allows flexibility to address priorities or needs that arise after this budget process. However, it would require not funding proposals currently on the table and reduce the amount of time available to spend the funds. It is worth noting that some of the Round 2 proposals are requesting multiple years of funding to cover costs through the obligation deadline of 2024.

### ***Ongoing Funding Options***

Over the past eight months, Council has allocated over \$160 million in one-time ARPA and one-time General Fund resources. A number of these one-time allocations have funded programs that are ongoing in nature or will create an expectation among community members that there will be some level of ongoing funding. Indeed, a number of one-time requests funded in the past eight months are requesting additional General Fund or ARPA requests this budget cycle. The financial sustainability review of the Round 2 ARPA proposals is intended to highlight for Council where allocating additional one-time funding could add to this fiscal cliff. **Cursory CBO review reveals that the Round 2 proposals could generate an expectation or desire for over \$48 million in ongoing resources following the sunset of ARPA funds in 2024.** In addition, a number of proposals could lead to an expectation or desire for future funding, the amount of which has not been identified. CBO has provided additional information on these concerns, as well as options to mitigate risk, in the Appendix. As Council decides how to prioritize the ARPA resources, it is critical to consider the options for funding any ongoing priorities. During the Council Work Session on March 14<sup>th</sup>, CBO and OMF will present information on revenues returning to the General Fund as a result of expiring TIF districts.

### ***Customer Service Impacts and Performance Metrics***

In addition to information screened by reviewers, proposers provided information on how the proposals could improve the bureau's customer service and provided the proposed project performance metrics. This information was not part of the screening process and is not summarized in this report; however, the Attached PDF document contains the full proposals by bureau for Council to consult while prioritizing possible ARPA investments. The review team can provide additional proposal information and analysis as requested by the Council.



# EVALUATION FINDINGS

## Summary of Screening Results

The following table shows the screening results for each proposal, by bureau, along with the amount requested.

Proposal	Requested Amount	Eligibility	Equity	Financial Sustainability	Climate
<b>City Support Services</b>	<b>15,724,635</b>				
BHR Health Software	85,000	✓	✖	✖	●
BHR Mental Health Program Mgr	175,750	✓	⚠	✖	●
BPS Smart City Data Governance	280,000	✓	✓	⚠	⚠
BRFS Bonding and Technical Assistance Program	1,185,000	✓	✓	✖	●
BRFS Construction Contract Support	2,000,000	⚠	✖	⚠	●
BTS Business Intelligence and Data Visualization system build	1,061,400	✓	✓	✖	●
CAO Facilities Change Management	100,000	✓	✓	✓	⚠
CAO Hearings Office Revenue Loss	50,000	⚠	✓	⚠	●
CAO Ventilation Upgrades	1,000,000	✓	⚠	✓	⚠
City Vaccine Program	5,000,000	✓	✓	✓	●
Program Delivery	4,787,485	✓	✓	⚠	✓
<b>Community Safety</b>	<b>11,254,847</b>				
BOEC Decrease Call Wait Times via Coaching Premium	322,000	✖	✖	✖	●
CAO CSD AYCO Dream Center	500,000	⚠	✓	⚠	✓
CAO CSD Crisis Response Fund	1,000,000	✓	✓	⚠	⚠
CAO CSD Violence Prevention	2,000,000	✓	✓	✖	⚠
CAO CSD Wildland Fire Coordinator	308,041	⚠	⚠	⚠	⚠
OVP Gun Violence Prevention	5,369,806	✓	✓	✖	⚠
PP&R Community Safety Capacity	1,755,000	⚠	✓	✖	⚠
<b>Economic Recovery</b>	<b>58,249,956</b>				
BDS Budget Note \$8.3 Million	8,300,000	✓			
BES Brownfields	1,000,000	⚠	✓	✓	⚠
BES CEIC Cleanup Program	25,000	✓	✓	✓	✓
BES Green Workforce Opportunities Program	300,000	⚠	✓	✓	✓
BPS Food Cart Recovery and Growth	600,000	✓	✓	⚠	✓
BPS RIP Implementation: Anti-Predatory Homeownership Assistance Program	650,000	✓	✓	⚠	✓
BPS Solid Waste Fund Recovery	476,000	⚠	✓	✓	✓
BPS Unite Oregon Climate Resilience Hub	975,000	✓	✓	⚠	✓
OCT Digital Literacy Capacity Building for BIPOC Small Business Pilot	120,000	⚠	✓	✓	●
PBEM COAD Coordinator	151,954	✓	✓	✓	⚠
PBOT 82nd Ave Wealth Building	1,500,000	✓	✓	✓	⚠
PBOT Healthy Business Program	5,125,000	✓	✓	⚠	✓
PBOT Support for Small Businesses	950,000	⚠	✓	✖	●
PBOT Vibrant and Inclusive Community Spaces	2,000,000	✓	✓	✖	✓

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Proposal	Requested Amount	Eligibility	Equity	Financial Sustainability	Climate
<i>(continued from last page)</i>					
Prosper Commercial Activations	4,500,000	✓	✓	✓	⚠
Prosper East Portland Equitable Development	2,000,000	✓	✓	✓	⚠
Prosper Small Business Stabilization	10,000,000	✓	✓	✓	⚠
Prosper Venture Portland	1,778,002	✓	✓	⚠	⚠
Prosper Workforce	4,599,000	✓	✓	⚠	✓
PWB AFLOAT: Utility Debt Relief	13,200,000	✓	✓	✓	✓
<b>Housing &amp; Houselessness</b>	<b>105,287,352</b>				
JOHS Motel Shelter Strategy	8,261,000	✓	✓	✖	⊘
PHB 82nd Avenue Anti-displacement	5,350,000	⚠	✓	✓	✓
PHB BIPOC Homeownership	5,750,000	⚠	✓	✓	⚠
PHB Expanded Expungement Clinics	352,500	⚠			
PHB Land Banking for Affordable Housing	16,000,000	⚠	✓	⚠	✓
PHB Preservation of Currently Affordable Housing	10,350,000	✓	✓	✓	⚠
PPR Mt Scott Community Center Roof	10,000,000	⚠	✓	✓	✓
PSR Expansion 24/7 (3 of 3)	5,884,642	✓	✓	✖	⚠
Streets to Stability	43,339,210	✓	✓	⚠	⚠
<b>Livable Neighborhoods</b>	<b>3,116,065</b>				
PP&R Plant Trees in Priority Neighborhoods	2,911,065	⚠	✓	⚠	✓
PP&R Trash Can Improvement	205,000	✓	✓	✓	⊘
<b>Grand Total</b>	<b>193,632,855</b>				

## OTHER REQUESTS

### Community Proposals

In addition to the requests discussed in this report, there is interest in having a process through which community members propose needs or projects that could potentially be funded by ARPA. Council can choose to invite additional proposals to those that have been submitted, and they can be screened in a similar way to those in this report. To be included in the FY 2022-23 budget process, any additional proposals would have to be screened by the **end of March** for inclusion in the Mayor's Proposed Budget. Alternatively, Council can choose to identify an amount that would be available to allocate to community proposals after the conclusion of the FY 2022-23 budget process.

### Bureau of Development Services ARPA Funding Budget Note

During Round 1 of the ARPA allocation process, Council adopted a budget note titled "Sustaining Development Services Capacity to Promote Economic Recovery," which directed OMF, Bureau of Revenue and Financial Service (BRFS) to " earmark \$8.3 million in second tranche federal stimulus ARPA resources to prevent immediate layoffs, delay potential layoffs, and sustain current service levels within the Bureau of Development Services." Further, it stated that BRFS would "review the Bureau of Development Services' updated five-year financial forecast. If the forecast remains the same or worse than the five-year forecast presented during FY 2021-22 budget development, \$8.3 million in ARPA resources shall be allocated to backfill bureau revenue loss as eligible under Treasury guidance. If the Development Services forecast has improved from its current 2021 state and the bureau is not proposing layoffs during FY 2022-23 budget development, Council may choose to allocate up to \$8.3 million in ARPA resources in consideration of other priority needs for the federal resources."

Per the budget note, BDS was not required to provide additional information with their request for resources beyond their financial plan. BRFS has reviewed BDS' updated Financial Forecast and determined that it has improved from its 2021 state, and that the bureau is not proposing layoffs. As such, funding will not be automatically dispersed to the bureau, but the Council may still consider allocating resources to support BDS' services and request. The bureau is requesting additional staffing to maintain its service levels amid an expected increase in activity, which aligns with Council goals related to economic recovery.

In order to allow the Council to consider BDS' request for resources in tandem with other requests, the bureau has been asked to complete the Round 2 ARPA proposal form. As a new proposal, the bureau may decide to ask for a different level of resources than the originally earmarked \$8.3 million. Given the timing of BRFS' review, this new ARPA proposal was not available for inclusion in this report and will be forwarded to Council separately.

**General Fund Requests**

In addition to the ARPA requests included in this report, CBO notes that there are constrained one-time General Fund resources available for FY 2022-23, and the General Fund requests far exceeded the available resource. As a result, there are some General Fund Decision Packages that are strongly aligned with Council's priorities but are not being recommended for funding in FY 2022-23. Some of those proposals may be eligible for ARPA funding, should Council be open to considering them. At Council's request, reviewers could screen these or other requests.

Bureau	General Fund Decision Package	Amount & FTE
Bureau of Development Services	<b>Tenant Health &amp; Rental Housing Safety</b>	\$134,749 (1 FTE)

This decision package requests \$134,749 in one-time General Fund monies to support the addition of a 1.0 FTE Office Support Specialist II position within the BDS Neighborhood Inspections Program as well as engage a consultant to identify community priorities and support for changes to promote equity within program operations and relevant regulatory code. The Neighborhood Inspections program provides critical property compliance inspections, responding to a wide variety of housing and building conditions. The program focuses on public health and safety issues Citywide. The backbone and support for this work lies with the administrative team managing the legal notices, billing, case and permit set-ups, and most importantly customer service for all the residents and property owners across Portland. This package aligns with Council's shared priority area of 'livability' by providing additional support for teams focused on improving living conditions Citywide.

<b>Bureau</b>	<b>General Fund Decision Package</b>	<b>Amount &amp; FTE</b>
Bureau of Development Services	<b>Neighborhood Inspections Program Support</b>	\$1,200,000

This decision package requests \$1.2 million in one-time General Fund monies necessary to maintain service delivery and continuity of operations of the Neighborhood Inspections Program. Funding this request mitigates the projected FY 2022-23 reserve draw, brings the program to cost recovery, and allows the bureau to maintain staffing levels to serve the community through the multiple emergencies disproportionately impacting our most vulnerable community members. This package aligns with Council’s shared priorities of ‘livability’ and ‘shared economic recovery’ by providing funding necessary to maintain service delivery and continuity of operations for a program focused on improving living conditions Citywide.

<b>Bureau</b>	<b>General Fund Decision Package</b>	<b>Amount &amp; FTE</b>
<i>Prosper Portland</i>	<b>Neighborhood Prosperity Network and Old Town Chinatown-Maintain Current Service Levels</b>	\$435,000

The Neighborhood Prosperity Network (NPN) is a signature place-based community economic development program administered by Prosper Portland. The NPN network includes Cully Blvd Alliance, Division-Midway Alliance, Historic Parkrose, Jade District, Our 42nd Avenue District, Rosewood Initiative and St. Johns Center for Opportunity. This program supports social equity-focused community economic development and is led by members of the respective communities. Through grants, training, and support from Prosper Portland, each organization is responsible for planning and implementing initiatives and projects that deliver on community-defined economic priorities in the district. Due to the strength of the community relationships, districts have been successful in growing support over the past ten years, to implement various City priorities targeting disadvantaged populations.

With the formation of the six Neighborhood Prosperity Initiative (NPI) districts, the City of Portland and Multnomah County agreed to provide their portion of resources generated by tax increment shared revenue from these districts as operating grants to help support the districts. Each overlapping taxing jurisdiction including the City of Portland and Multnomah County received tax increment shared revenue from the six districts. As values grew in the six tax increment districts, a portion of tax increment revenues were increasingly “shared” and in turn provided as operating grants from the City and County back to the six NPI districts. However, as the six tax increment districts reach maximum indebtedness, these agreements expire. Shared revenue is no longer available for most of the districts starting in FY 2022-23. These funds have supported most of the district’s programming, while the Prosper Portland General Fund has provided foundational administration support. The average amount of funding per year for each district is about \$80,000. This add package is a one-year budget request to sustain current service levels to these priority communities. During the next fiscal year Prosper Portland staff will work with these micro-districts and their communities to assess their longer-term business plans.

In addition to the NPN request, this package would continue funding for the Old Town Community Association (OTCA) district manager position to assist in its mission of promoting equitable development, job creation, retail viability and livability in the Old Town / Chinatown neighborhood.

The district manager position was created six years ago as part of a grant awarded by Prosper Portland from the General Fund and matched by donations from Old Town businesses, nonprofits, property owners and community members. The district manager works with OTCA to build the capacity of its all-volunteer board and to promote the rapidly evolving, diverse neighborhood through marketing, promotions and events. The district manager's daily presence in the community allows for identification of opportunities to enhance the district. By consistently reaching out to both businesses and residents, the district manager helps the OTCA keep the promises of diversity and inclusion with its members and partners.

# Appendix

This Appendix includes additional information on the evaluations for projects that received a “red flag” for any of the four categories – Eligibility, Equity, Financial Sustainability, or Climate – and the explanation for that assessment. Additionally, projects that received a “yellow” for which the yellow could have a substantial impact on the scope of work or implementation of the project are included with an explanation.

## BUREAU OF EMERGENCY COMMUNICATIONS

### Decrease Call Wait Times via Coaching Premium

Review Area	Score	Explanation
<b>Eligibility</b>	◆	The relevant Expenditure Category (EC) can only cover payroll associated with staff time responding directly to COVID-19. Time spent on other work is not eligible. Bureau feedback to this comment was that none of the work would be COVID-19-related, and so the project isn’t eligible as proposed.
<b>Equity</b>	◆	This proposal does not address prioritizing communities most impacted and does not articulate a nexus between project deliverables or services and advancing equity or centering equity. The work of the program is framed as neutral with no description of targeted universalism or targeted approach.
<b>Financial Sustainability</b>	◆	This proposal includes increased premium pay for BOEC dispatchers who act as coaches. This increase would need to be bargained and raises a strong likelihood of expectations of an ongoing increase. The size of the fiscal cliff created by this request is relatively small, with current estimated annual cost \$322,000.

## BUREAU OF ENVIRONMENTAL SERVICES

### Green Workforce Opportunities Program

Review Area	Score	Explanation
<b>Eligibility</b>	⚠	Program cannot legally be limited to people of color without passing a strict scrutiny test. Project team will need to identify an eligible population.

## BUREAU OF HUMAN RESOURCES

### BHR Mental Health Program Manager

Review Area	Score	Explanation
Equity	⚠	This proposal is equitable only if in design and implementation, they ensure software meets accessibility needs and data collected with software is meaningful to impacted communities and includes demographics. Data infrastructure should support equitable decision-making and programming.
Financial Sustainability	❖	This proposal would fund the purchasing of an occupational health software system. There will be ongoing system operational and maintenance costs that have not been identified nor a funding source ascribed. The size of the fiscal cliff is unknown but based upon the cost of the software is likely a few hundred thousand dollars or less.

## BUREAU OF PLANNING & SUSTAINABILITY

### Unite Oregon Climate Resilience Hub

Review Area	Score	Explanation
Financial Sustainability	⚠	While this request is to support a discrete one-time capital need, it is not clear if or to what extent the City will be expected to financially support the operations the new Climate Resilience Hub. CBO believes this proposal may result in requests or expectations of ongoing support. This can be mitigated by getting clarity from Unite Oregon around intended Climate Hub operations and their expectations for City support therein. <b>The size of the fiscal cliff that could be created by this request is unknown.</b>

### Food Cart Recovery and Growth

Review Area	Score	Explanation
Financial Sustainability	⚠	This request is for a 2-year limited term position and materials and services to build capacity and leadership among food cart owners to create 'a sustained network of advocates.' The bureau maintains this is a one-time project but notes that "Unless council directs further investment in this priority business community, BPS will not be able to provide ongoing data collection/ updates/ program advancements." CBO believes this program may create a desire or expectation for ongoing service. This can be mitigated by clearly scoping 2-year program goals and explicitly committing only to the 2-year program. The fiscal cliff that would be created by this request is moderate at an estimated annual cost of \$300,000.

## Smart City Data Governance

Review Area	Score	Explanation
<b>Financial Sustainability</b>	⚠️	This request is for a 2-year limited term position to support data governance work. It is paired with a General Fund/Interagency Funded request from BTS for ongoing resources to support the data systems. CBO also believes it's possible that this coordinating position would be required to be funded beyond 2024. The size of the fiscal cliff created by this proposal is relatively small, at an estimated annual cost of \$140,000. (See the BTS description for the estimate related to the BTS request.)

## RIP Implementation: Anti-Predatory Homeownership Assistance Program

Review Area	Score	Explanation
<b>Financial Sustainability</b>	⚠️	This proposal would fund temporary staff to provide education and training to homeowners to mitigate the risk of predatory buyers displacing vulnerable homeowners. The bureau maintains that the need for this program is specific to the current crisis and will sunset after 2024, unless "Council decides to provide resource to this priority community." CBO believes this service may generate community service expectations that are ongoing in nature. This could be mitigated by clearly communicating the commitment to sunset the program with community and hired staff. The size of the fiscal cliff that would be created from this proposal is moderate at an estimated annual cost of \$325,000.

## BUREAU OF REVENUE & FINANCIAL SERVICES

### BRFS Bonding and Technical Assistance Program

Review Area	Score	Explanation
<b>Financial Sustainability</b>	❖	This proposal would fund a position to manage a new program, as well as a contract to provide technical assistance to businesses, and a revolving loan fund. This would be a new program addressing an ongoing need that would create expectations of some level of continued funding. The financial cliff that would be created by this request is moderate, with an estimated annual cost of at least \$485,000.

### BRFS Construction Contract Support

Review Area	Score	Explanation
<b>Equity</b>	❖	This proposal, as described, relies on the current processes to benefit the most impacted communities; these processes are insufficient in delivering results to BIPOC communities. Project does not seem to be scaling up any targeted strategies or demonstrates a focus on prioritizing those most impacted. Does not seem to



		"help or hinder equitable goals or outcomes." A clear connection between the project and marginalized communities is missing.
<b>Financial Sustainability</b>	⚠	This proposal functions as a revenue backfill for bureaus with construction contracts. CBO thinks it is possible that bureaus may expect or request an ongoing subsidization of this program. This risk can be mitigated by clearly communicating this is a one-time allocation and that bureaus will be expected to pay for this service in the future. <b>The fiscal cliff created by this proposal could be large, with the current request at \$2M.</b>

## BUREAU OF TECHNOLOGY SERVICES

### BTS Business Intelligence and Data Visualization system

Review Area	Score	Explanation
<b>Financial Sustainability</b>	◆	This ARPA proposal acknowledged the need for ongoing resources to support the new BI platform. BTS proposed to add \$412,800 to interagency agreements paid by the bureau. BTS also requested a one-time General Fund partial offset for those contributions. This request highlights the ongoing need for new resources to support this proposal. This risk can be mitigated by the planned commitment of bureaus to pick up the ongoing costs via interagency charges. The financial cliff created by this proposal is moderate at an estimate of around \$400,000 annually.

## CHIEF ADMINISTRATOR'S OFFICE

### CAO Hearings Office Revenue Loss

Review Area	Score	Explanation
<b>Financial Sustainability</b>	⚠	The proposal is to provide a one-time revenue replacement 'bridge' due to reduced tow appealing hearing requests. The request can be one-time, but CBO notes that this issue may arise in the future as the City considers fine and fee equity.

### CAO Ventilation Upgrades

Review Area	Score	Explanation
<b>Equity</b>	⚠	Proposal could be eligible but does not address how it would advance equity or use any targeted strategies in implementation. Proposal needs to address how populations most impacted, and needs, are considered in upgrade roll out, communications strategies, and role workforce will play in prioritization.

## COMMUNITY SAFETY DIVISION

### CAO CSD Crisis Response Fund

Review Area	Score	Explanation
<b>Financial Sustainability</b>	⚠️	This proposal would create a new fund for distributing community safety grants to grassroots organizations. CSD proposed to have the fund managed by a foundation, yet to be identified. This is likely an ongoing need, but if this is being managed by a foundation and it is clear that ARPA funds are only used as seed funding, this could be a one-time expense. <b>The fiscal cliff created by this request could be large, with the current request at \$1M.</b>

### CAO CSD Violence Prevention

Review Area	Score	Explanation
<b>Financial Sustainability</b>	❖	This proposal would fund implementation of pilot projects for preventing violence in high-risk communities. Given that this is a clear ongoing need in the community, and no ongoing source of funds has been identified, CBO finds it very likely that ongoing resources will be needed or desired to sustain this work. <b>The fiscal cliff created by this request is large, with a \$1M current annual cost.</b>

### CAO CSD Wildland Fire Coordinator

Review Area	Score	Explanation
<b>Eligibility</b>	⚠️	Additional information about current CDC guidelines is needed to make a determination about whether that basis is appropriate. This project is probably eligible, but will need to demonstrate that existing CDC guidance has led to a current "inability to clear encampments."
<b>Equity</b>	⚠️	Proposal does not address possible unintended, negative consequences of destabilizing houseless communities. The proposal or project team will need to integrate the continuum of services and care for people experiencing homelessness that while addressing issues of safety.
<b>Financial Sustainability</b>	⚠️	While the request has been scoped as a two-year position, CBO believes there may be a continued need for the position and/or the work of the position will generate additional requests for General Fund. However, CBO also notes the significant risk posed by the increased fires and drought conditions experienced in recent years, as highlighted in the Fire Bureau budget review, and notes that these risks persist and grow without resource allocation. The fiscal cliff that could be created by this position request is relatively small, at \$150,000 annually.

## CAO CSD AYCO Dream Center

Review Area	Score	Explanation
<b>Financial Sustainability</b>	⚠	While this request is to support a discrete one-time capital need, it is not clear if or to what extent the City will be expected to financially support the operations the new Dream Center. CBO believes this proposal may result in requests or expectations of ongoing support. This can be mitigated by getting clarity around intended Center operations and their expectations for City support therein. <b>The size of the fiscal cliff that could be created by this request is unknown.</b>

## OFFICE OF COMMUNITY TECHNOLOGY

### Digital Literacy Capacity Building for BIPOC Small Business Pilot

Review Area	Score	Explanation
<b>Eligibility</b>	⚠	Project cannot legally be limited to BIPOC owners without passing a strict scrutiny test. Project team will need to identify an eligible population.

## OFFICE OF VIOLENCE PREVENTION

### OVP Gun Violence Prevention

Review Area	Score	Explanation
<b>Financial Sustainability</b>	❖	This proposal would provide additional funds for existing one-time grant funding for OVP to grant to community-based organizations. This proposal provides ongoing programming for an ongoing need in the community, and no ongoing source of funds has been identified. <b>The size of the fiscal cliff created by this proposal is very large, with \$5.3M requested in annual funds.</b>

## PORTLAND BUREAU OF TRANSPORTATION

### Vibrant and Inclusive Community Spaces

Review Area	Score	Explanation
<b>Financial Sustainability</b>	❖	This is an existing ARPA-funded project that includes funding for capital costs and staffing. The bureau states that in addition to staffing needs, there are ongoing maintenance costs associated with the capital expenditures. The bureau is actively seeking a long-term funding source for this program, but none has been identified. <b>The size of the fiscal cliff created by this proposal is large, with an annual estimated cost of \$1M-\$2M.</b>

## PBOT Support for Small Businesses

Review Area	Score	Explanation
Financial Sustainability	◆	This proposal provides replacement for lost revenue. However, the bureau recognizes that additional revenue would be needed to continue the level of service, and ongoing changes would be required. <b>The size of the fiscal cliff created by this proposal is potentially large, as the request is for \$950,000.</b>

## PBOT Healthy Business Program

Review Area	Score	Explanation
Financial Sustainability	⚠	While this program has been proposed as time-bound and specifically addressing business challenges during the pandemic, the CBO believes it may generate community desire or expectation of ongoing City subsidization of the program. <b>The size of the fiscal cliff that could be created by this proposal is large, as the request equates to roughly \$2.6M annually.</b>

## PORTLAND FIRE AND RESCUE


### PSR Expansion 24/7

Review Area	Score	Explanation
Financial Sustainability	◆	In addition to one-time ARPA resources, PSR also requested allocation of available ongoing General Fund sitting in policy set aside for this purpose and requested ongoing Recreational Cannabis Funds to fund this expansion. This program addresses a clear ongoing need in the community and is explicitly intended to be ongoing. PSR is actively seeking ongoing funding sources to cover the un-funded portions of the proposed expansion, but these sources have not yet been committed. Should Council wish to proceed with the expansion now, the Council should be prepared to fund the ongoing costs in lieu of other City services should other funding sources not materialize. <b>The size of the current funding gap is estimated to be large, at \$2.9M beginning in FY 2024-25.</b>


## PORTLAND HOUSING BUREAU

### Land Banking for Affordable Housing


Review Area	Score	Explanation
Eligibility	⚠	Projects may have to qualify for HOME funds to be eligible.

<b>Financial Sustainability</b>		This proposal is clearly a one-time expense with the purchase of land. However, it is uncertain whether the City currently has sufficient resources to develop affordable housing on newly purchased land. This risk can be mitigated by the fact that the land is an asset that can also be divested if necessary. The bureau stated that financing 200-400 new units of affordable housing on the purchased land would require an estimated \$30-\$60M in gap subsidy. Sources of this subsidy could include future local/regional affordable housing bonds, Tax Increment Financing, or Federal sources such as HOME or CDBG.
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### PHB 82nd Avenue Anti-displacement

Review Area	Score	Explanation
<b>Eligibility</b>		The proposal framing and scope may need to be revised in order to be eligible.

### BIPOC Homeownership

Review Area	Score	Explanation
<b>Eligibility</b>		Project cannot legally be limited to people of color without passing a strict scrutiny test. Project team will need to identify an eligible population.

### Expanded Expungement Clinics

Review Area	Score	Explanation
<b>Eligibility</b>		The proposed use is not an enumerated eligible use and does not appear to be contemplated under the affordable housing or emergency housing assistance language of the Final Rule. However, if the proposal identifies an eligible disproportionately impacted population - which cannot legally be race-based - this activity would be eligible. Examples of populations presumed to be disproportionately impacted by the public health emergency or its negative economic impacts include low-income households and households in qualified census tracts. If a US Treasury-provided population is not used, proposers will need to be able to show data that the proposed population has been disproportionately impacted.

# PORTLAND PARKS & RECREATION

## PP&R Community Safety Capacity

Review Area	Score	Explanation
Eligibility	⚠️	This investment is likely eligible only if serving disproportionately impacted communities.
Financial Sustainability	❖	This program addresses an ongoing need in the community and the Bureau is actively seeking an ongoing funding source. The Parks Levy may be considered as a potential funding source. <b>The fiscal cliff created by this request is large, with 8 new requested positions and likely \$1M or more in ongoing costs.</b>

## PP&R Plant Trees in Priority Neighborhoods

Review Area	Score	Explanation
Eligibility	⚠️	Project is eligible if scoped to serve impacted or disproportionately impacted community members as defined in the Final Rule.
Financial Sustainability	⚠️	This request is for a one-time cost to purchase and plant trees and the bureau is prepared to cover maintenance costs of trees planted on or adjacent to City property. Per City Code, street tree maintenance is the responsibility of adjacent property owners and Parks will inform property owners upon planting these trees of their responsibility to be financially responsible for tree maintenance. CBO believes that, given the proposal is to plant trees in predominantly lower-income areas, this proposal may result in the desire or expectation for the City to cover certain street tree maintenance costs. <b>The size of fiscal cliff that could be created by this request is unknown but could be large if there are citywide implications.</b>

## Mt Scott Community Center Roof

Review Area	Score	Explanation
Eligibility	⚠️	Investments in parks serving disproportionately impacted communities are eligible, but this is not described as a park investment per se. The Final Rule suggests median income of the park service area as the proxy to determine this. This project is eligible only if serving an eligible population. Federally-funded capital projects are subject to additional rules, and capital projects funded with Rescue Plan may be required to provide additional justification. Funds will need to be encumbered by 12/31/2024 and spent by 12/31/2026.

# PROSPER PORTLAND

## Prosper Workforce

Review Area	Score	Explanation
Financial Sustainability	⚠️	While the proposal has been scoped <del>with a nexus</del> to addressing the challenges of COVID-19, CBO believes that the desire and demand for this type of support may extend beyond the time period of available ARPA resources. This could be mitigated by clearly establishing and communicating a plan to sunset programming by 2024. <b>The size of the fiscal cliff that could be created by this request is large, with an estimated annual cost of between \$2M-\$3M.</b>

## Venture Portland


Review Area	Score	Explanation
Financial Sustainability	⚠️	While the proposal has been scoped to address the challenges of COVID-19, CBO believes that the desire and demand for this type of support may extend beyond the time period of available ARPA resources. This could be mitigated by clearly establishing and communicating a plan to sunset programming by 2024. <b>The size of the fiscal cliff that could be created by this request is large, with an estimated annual cost of approximately \$900,000 based upon the current request.</b>

# SPECIAL APPROPRIATIONS


## Streets to Stability

Review Area	Score	Explanation
Financial Sustainability	⚠️	This proposal is for three distinct interventions, all of which address ongoing needs in the community. However, the program has clearly communicated an intent to only provide services through 2024. Even so, CBO believes it likely that there will be pressure and a desire to continue programming beyond 2024. Should Council continue with its commitment to this project, CBO recommends the program either actively develop and deploy clear messaging and plans to sunset program activities or secure a significant outside funding source to support ongoing operations. <b>The size of the fiscal cliff created by this proposal is extremely large with an annual estimated cost of over \$17M to support all three programs included in the proposal.</b>

## JOHS Motel Shelter Strategy

Review Area	Score	Explanation
Financial Sustainability		This proposal addresses an ongoing need in the community, without an ongoing funding source established. However, the JOHS has not yet responded to whether this particular program could continue, and if so, whether costs could be absorbed by other funding sources. <b>The size of the fiscal cliff created by this proposal is very large with between \$4-\$5M in annual costs (based upon requests).</b>

## Program Delivery

Review Area	Score	Explanation
Financial Sustainability		While the staffing proposal has been scoped to work on time bound ARPA needs, CBO believes that there may be a desire or request to continue funding a number of these positions following the expectation of ARPA; most notably personnel assigned to work on data equity, unified communications, government relations and smart cities work. This risk could be mitigated by the explicit direction by the Council for participating bureaus to sunset or absorb the cost of currently funded activities after funding sunsets in 2024. <b>The size of the financial cliff that could be created by this request is large, with over \$800,000 going towards annual staffing.</b>