

MEMORANDUM

June 27, 1977

OFFICE OF THE MAYOR

NEIL GOLDSCHMIDT MAYOR

1220 S. W FIFTH AVE. PORTLAND, OR. 97204 503 248 - 4120 TO:

Members of the Policy Council

FROM:

Alan Webber

RE:

Population Strategy

Attached you will find a rough draft of a paper which attempts to describe the derivation, purpose and contents of the Population Strategy. The objective is to develop a finished draft in the coming month. Please review this, comment upon it, and direct your responses to Dan Churchill.

Thank you.

AW:pjr Attachment

CONFIDENTIAL

DRAFT

portland, Oregon, is a city with a well-deserved reputation for livability unexcelled in the nation. A relatively young city, with a population of approximately 380,000, Portland enjoys a strikingly beautiful physical environment, a well-balanced local economy, individually strong residential neighborhoods, with a predominance of single-family homes, a more homogenous population than most urban centers, and a tradition of stable, secure, proud community direction.

Over the past decade the excellence of Portland has been demonstrated and recognized in a variety of ways:

- ° The United States Environmental Protection Agency, in an evaluation of the quality of life in America's cities, named Portland America's most livable major city, based on a comprehensive set of social, economic and environmental indicators;
- ° The Municipal Finance Officers Association awarded the city special recognition as a result of financial management improvements implemented over the past 4 years in city government;
- ° The Urban Mass Transit Administration awarded the City of Portland and Tri-Met, the Regional Transit Authority, special awards of merit in recognition of significant improvements in transit implemented in Portland;
- ° The city was awarded an AAA Bond Rating in recognition of its sound financial condition;
- o The city General Fund Property Tax Rate has declined steadily over the past 10 years and has reached a level lower than its 19 rate;

- The downtown core of the city continues to enjoy a major revival, with over \$200 million of public and private investment in the past 4 years;

These awards and honors have added to Portland's sense of itself as a city which not only enjoys an unparalleled quality of life, but which also is different from many other major American cities which are beset by a complex set of urban ills. In Portland there is a general sense of optimism about the future, a feeling that what has happened in the older, larger cities of the east will not happen here.

But, in fact, what has happened in the east is happening in Portland. The same federal policies that subsidized suburban bedroom communities in the eastern cities subsidized them here. Like the cities of the east Portland has not fared well in the competition with the suburbs. In fact, while the public awards and honors have added to Portland's reputation for livability, a more careful analysis of recent trends reveals a different picture. Portland's livability -- and future -- may well be in jeopardy:

- ° Over the past 20 years, the city's population as a percent of total SMA population has slumped from 53% in 1950 to 35% in 1975;
- ° Over the past 20 years, the percent of the city's population in the 35-44 age group has slumped from 15.1% in 1950 to 9.2% in 1970;

[°] In the same time period, the city's population in the 65

and over age group has climbed from 11.0% in 1950 to 14.8% in 1970;

- ° Between 1960 and 1970 the percent of jobs located in the city and held by city residents has declined from 67% to 55%;
- ° Between 1950 and 1970, the percent of owner occupied housing in the city has declined from 58.9% to 56.4%;
- ° Between 1950 and 1970, 1 person households, as a percent of total occupied units in the city, increased from 17% to 29%, while, over the same time period, 3 person households, as a percent of total occupied units, declined from 48% to 38%;
- ° Between 1970 and 1975, public school enrollment dropped from 84,670 to 66,420.

The impacts on these trends, which are typical of major American cities, are beginning to be felt in Portland. creasingly the city is becoming a community of extremes, populated by the young and the old, the lower income and unemployed, minorities and renters. While these trends may not be peculiar to Portland, what may be different here is the opportunity to arrest them before the damage becomes permanent and irreversible. There is a sense among the citizens and elected leaders of the city that Portland's heritage of livability is too valuable to be lost. There is a sense that a coherent, coordinated, purposeful strategy may be able to preserve and protect the city and keep it America's most livable city in the future. And there is the sense that if it can't happen in Portland -- if these trends cannot be abated -- that it may not be able to be done in any urban center in the country.

INTRODUCTORY GIVENS

Portland's effort to deal constructively and creatively with the troubling trends of the recent past recognizes a number of givens. These are a political, social, and economic life which cannot be dismissed and which will figure in the strategy that we develop. Some of the more salient of these considerations are the following:

Everthing Relates to Everything Else. This rule of the ecologist is true for urban systems as well. Taken in the context of our commitment to abate and reverse trends of urban decay and disinvestment, this given represents our recognition that any strategy which hopes to succeed must be keyed on the interrelationships which exist in the city. We know that, in the past, a number of interrelationships among program areas were established which played a major role in stripping the cities of America of their home-owning, employed families. For example, the post-war interstate highway program, coupled with the Veteran's Home Loan programs, coupled with federal sewer and water grants effectively established an interrelating national assault on the cities that subsidized the flight of families to the suburbs. Subsequent to their inception, these programs became a self-reinforcing feedback mechanism, such that the success of one program added to the success of the entire programatic thrust.

A strategy which seeks to counteract the product of these programs cannot hope to succeed by focusing narrowly on one program area to the exclusion of the interrelated areas. Rather, the

best and only hope of the strategy is to attempt to develop a countervailing set of interrelationships — transit incentives, urban services and amenities, energy advantages, school improvements, housing initiatives, and so on — which do for the city what the post—war programs did for the suburbs. In this way, we hope to establish a positive feedback loop which helps to market the city by building on small, but interrelated successes.

Government -- particularly local government -- faces real limits in its ability to affect change. No one disputes the fact that government, as an institution, has real limitations and constraints. These limitations are legal, political and financial in nature. In fact, the government of the City of Portland does not have the legal, political or financial resources or capability, unilaterally, to dictate, decide or affect the future of the city. There can and should be no illusions about this fundamental fact of political life. What it suggests, among other things, is that government must carefully select and taget its effort if it wishes to maximize its effectiveness; that the private sector and private sector decisions have much greater impact on the community's future than public sector actions; that it, therefore, behooves the public sector not only to coordinate its programs and policies with the private sector, but as well to utilize its policy-making function to provide a clear and unambiguous set of signals to the private sector so that private decisions may be made within a consistent, predictable, wellunderstood framework.

- groups and policies which make it possible for the poor and elderly in our society to lead lives of dignity, to share in the quality of life, and hopefully to better their station in the community. It would be very easy in developing a strategy which seeks to reinvigerate the city, to ignore the basic commitment and responsibility which government in this country has to the poor and less fortunate. In the case of the cities of America, these are the people who are always entered into the equation on the side labelled, "problem definition". These are the people with whom the city is overendowed. We must not lose sight of the fact that they also have a stake in the city and in its health and its future. A strategy for urban health must include them in the side of the equation labelled, "the solution", as well.
- 4) It all will take time. It has taken us the better part of the past thirty-five years as a nation to develop a set of programs and policies that produced massive urban problems. Strategies and solutions to those problems will not be affected overnight. Rather, the solutions, must, like the original causes, take hold incrementally and gradually.
- of some of the foregoing givens -- notably the recognition of the limitations of government and the time factor -- psychology is an important element in constructing a workable strategy, both as a cause and an effect. What this means is that the perceptions of a community about itself may be more important, in the short run, than the actual data about the community at that time. In this regard, the psychology of a city may function as a self-

fulfilling prophecy of that city's future. Thus, it is a given that an effective strategy must not only address program and substance, but psychology and self-perception, as well.

OBJECTIVES

If some of the data presented above in the introduction provides a picture of where Portland may be headed, our objectives are designed to indicate where we would choose to be headed. Our objectives represent our vision of the City of Portland for the future. Those objectives are as follows:

- population. This objective underlies all else. It supports and is supported by everything that precedes and everything that follows. What it says is that a fundamental measure of the city's quality of life is the ability of its citizenry totake care of themselves and each other; to exercise freedom of choice independently; to keep the peace and maintain order; to protect themselves and each other; to participate in the affairs of the community as willing volunteers; to be less dependent on government for services and support, and to be more self-sufficient and self-restrained.
- 2) Return and keep families in the city and children in the schools. This objective represents the principle aim of the city's strategy. We believe that it is the best opportunity to achieve the primary objective -- that of developing a more self-regulating population.
- 3) Increase community support for public education. The relationship between the city and the public school system is a symbiotic one: the city needs good public schools to keep and attract families to city neighborhoods; the schools need stable

city neighborhoods to have good public schools. It is evident that one of the benefits of a strategy aimed at returning and keeping families in the city is a reinforcing of support for public education. It is also the case that keeping and attracting employed, homeowning families with children in the city will provide improved educational opportunity for lower income children. But the fact remains that the constituency for public education must reach beyond the natural support group of parents with children in the public schools. Therefore, this objective recognizes the need to develop program approaches which will lead to a broader base of community support for public education.

- 4) Obtain better use of existing under-utilized city and schools infra-structure. This objective recognizes the need to reverse the policies of the past which contributed to "throw-away cities". Until recently, we have been willing to walk away from the existing investment which has been made in urban areas and duplicate those investments in new suburban locations. Today we can ill afford this wastefulness. Our strategy would seek to obtain a higher return on the existing urban investment in such capital facilities as parks, schools, streets and arterials, sewer and water facilities, and so on.
- 5) Reinforce city trends supportive of racial integration.
 This objective recognizes that racial integration is our best hope to achieve a society that is, in fact, equal in opportunity and capable of peaceful change over time. Today the minority population in the city of Portland is small; approximately 8%. We believe that the objective of racial integration is an important element in achieving our primary objective of a less dependent, more self-regulating city population.

- 6) Reduce crime. A city that has a population capable of self-regualtion will have a reduced incidence of crime. It has been the experience of the city of Portland in implementing a crime prevention strategy in city neighborhoods that the best method of preventing crime is to develop relationships between neighbors so that the community polices itself. This strategy is part and parcel of our initial recognition that government cannot do for the community what the community is unwilling to do for itself.
- 7) Conserve Energy. This objective recognizes both the critical necessity of an energy conservation program as part of a national energy policy and the natural advantage of the city as a more efficient use of energy. We believe that the development of a comprehensive, workable national energy policy is an immediate priority. Energy is the driving force behind the economic, social, and political direction of this country. The fact that energy is becoming less plentiful and more expensive requires a national effort that will allow us to make the transition from our current reliance on depletable resources -many of which are outside of our control -- to renewable resources. The cornerstone of this effort must be a diligent energy conservation program. Conservation represents the least expensive source of new energy. The recently completed Portland Energy Conservation Project, financed by a HUD Grant, found that a comprehensive set of energy conservation programs could result in a 34% savings between 1975 and 1995. Translated into dollars, that 34% savings would mean a savings of \$_____ to residents of the city of Portland over the next 20 years. This objective also recognizes

MAJOR ASSUMPTION

These objectives are supported by a major assumption: a balanced population — with a balance between employed and unemployed, homeowner and renter, families with children and young and elderly — is the most essential determinant of the long term health of the city. The composition of the city's population is decisive in determining the following:

- ° Capacity for self-help, neighbor-help, volunteerism
- Openand for tax supported services such as police, fire, education, etc.
- Willingness and capacity to pay for public service
- Local choice and diversity of expression and opportunity
- The magnitude and frequency of public maintenance costs
- The quality of public education
- ° Crime

It has been the experience in the older American cities of the east -- and is now beginning to be Portland's experience -- that the development of an imbalanced population -- where a disproportionately large number of people are unemployed, transient, single, young or elderly -- creates a self-reinforcing spiral of too great a demand for public support with too little private resources to pay; of too little self-regulation and too much governmental presence; of too little support for informal institutions and mechanisms that bind the community together. The overall result is a gradual but inevitable decline of the city.

Analysis of some key trends indicates that over the past 20 years, some of those same signs are beginning to appear in Portland:

- Between 1960 and 1970 median family income in the city rose by 19.0%; but for the Portland suburbs, it rose by 30.2%.
- One of the control of the city between 1960 and 1970 declined by 6.9% from 58% to 54%; in the suburbs, it declined by 5.6% from 72% to 68%.
- ° The percent of household with children under 18 in the city between 1960 and 1970 declined by 11.0%, from 36% to 31%; in the suburbs it declined by 7.5% from 53% to 49%.

Like the figures in this introduction, these figures are not intended to be definitive. However, they are indicative of a trend which, if allowed to continue unchecked, will lead, over time, to a city of Portland with a population seriously out of balance.

To deal with the problem, we hypothesized three alternative approaches: The do-nothing alternative, the social services strategy, and the population strategy. The alternatives were not intended to represent mutually exclusive approaches, but rather offered a conceptualizing tool for interrelating concerns and undertaking preliminary planning. The alternatives are as follows:

DO NOTHING STRATEGY

This strategy essentially argues that the city should do nothing extraordinary, make no special effort to alter developing

SOCIAL SERVICE STRATEGY

The Social Service Strategy recognizes that the population composition of the city is an important determinant of city health. Further, it acknowledges that the city requires a more self-regulating, less dependent population, a population more balanced in composition. This strategy would see the city spend its resources in efforts to help lower income city residents improve their status. essence, it is a strategy to balance the composition of the population by working with existing lower income city residents to create more middle income, stable, self-regulating city residents. Proponents of this strategy argue that the city's limited resources make it morally imperative that any strategy to affect a change in the population composition be designed to raise the income, educational quality, housing and neighborhood environmental quality of the lower income residents of the city. Further, the proponents of this strategy argue that the city could, through a coordinated effort involving economic development, manpower: programs, home rehabilitation loan programs, youth programs, and others, create the desired results over time.

POPULATION STRATEGY

The population strategy recognizes many of the same factors and developments considered in the previous two strategies. Its major point of departure is to focus major city energy on keeping and attracting to city neighborhoods employed, home-owning, families with children. This strategy identifies that group as the central element which the city has been losing to the suburbs over the past 20 years and commits the city to policies and programs which, at a minimum, would hope to interrupt those trends. By

targeting specifically on employed, home-owning, families with children, the strategy enables more specific marketing and intervention tools to be developed. Proponents of this strategy argue that it is the most comprehensive, that it offers benefits not only for the class of citizens whom it would seek to keep and attract, but to lower income citizens as well, by preventing the city from becoming a community of isolated, and fragmented interest In a direct way, the lower income families would benefit by the improvements in the school system that would result from an infusion of middle and upper middle income children. In implementation, the strategy would utilize a full range of city tools -zoning, housing development and conservation, economic development, transportation, recreation, crime prevention, and so on -- to keep and attract homeowning, employed families with children to city neighborhoods. The strategy would seek to forge a partnership between the city and school district in an effort to leverage additional response to their combined public actions and expenditures.

WHY WE FAVOR THE POPULATION STRATEGY

Of the three alternative strategies, the City of Portland has determined that the population strategy represents the approach which will best fit the introductory givens, objectives and major assumption outlined above. First, we do not feel that the Do Nothing Strategy is acceptable. While there is no certainty that the Population Strategy will succeed, our understanding of what is essential to the city's future requires that we make the effort. Second, while we agree with the element of the Do Nothing

population trends. It recognizes that some recent national and regional program developments and policy shifts will have a potentially positive impact on the city's population. recent developments would include: the recognition of an energy crisis and the development of federal, regional, state and local programs to conserve energy, particularly oil; state-wide land use planning which places a priority on preserving farm land by developing urban growth boundaries, thereby limiting suburban sprawl; the rapid increase in the cost of new housing, which makes the existing city housing stock more valuable and more desirable; a general sense that city living in neighborhoods is fashionable once more and has something to offer that cannot be obtained in suburban subdivisions. The proponents of this strategy argue that the city can have little control over the choice that individuals make of where to buy a home and raise their families; that to attempt to influence that choice would prove costly and, given the chances of success, would not prove cost effective; that the dollars spent in this effort would be better spent in the low income areas of the city.

Further, these proponents argue that the changing policies and programs cited above -- many of which are dramatically in opposition to the programs and policies of the 1950's and 1960's, which subsidized suburbanization -- will inevitably have somewhat of a beneficial effect on cities. Thus, this strategy concentrates on letting those policies and programs lead, eliminating city intervention in attempting to affect the composition of the population, and carrying on with more traditional city programs and policies.

Strategy that identifies the external forces at work in shaping the city -- and perhaps aiding the rejuvenation of the city -- we see no reason to be satisfied with these externals as stand-ins for city policy and programs. On the contrary, we would argue that the many new developments which would favor our objectives in the city make this the most opportune time to design a comprehensive strategy to take advantage of those developments. Finally, we would note that recent trends that have brought middle income homeowners back to the city have not, as yet, included an important component of our population strategy: school-aged children. We believe that this is a vital component of a successful strategy, both for city neighborhoods and schools.

Second, we believe that the social service strategy is too narrow in application, and, if history is an indicator, not likely to produce any measurable success. This is not to say that by STRATE 6? embracing the population we are endorsing a set of policies and programs designed to evict low income city residents from their homes and apartments and replace them with middle and upper income homeowners. In fact, in the past year the city has launched a new effort to work with lower income renters in selected city neighborhoods to help them purchase their homes through special loan programs. Thus, we would see a continued effort at integrating the city's housing, economic development and manpower programs to try to RAISE new middle income families in the city. The point to be made, however, is that even if such a program were to succeed as the city's strategy to tackle the disturbing trends discussed above, it would simply be inadequate. The schools would continue

to be populated to too great an extent by lower income children, whose educational performance would most benefit from having as their school companions children from higher income homes. By the same token, we would probably continue to see the same kind of disparity between median income levels in the city and suburbs, an indication of the lesser degree of choice available to city residents. Finally, we regard the social service strategy more as an assistance program than a comprehensive strategy. We believe that to accomplish the objectives outlined above, nothing short of an integrated, comprehensive, coordinated strategy utilizing all available public resources and leveraging private resources will produce the desired results.

Finally, we believe that the population strategy represents an innovative and creative challenge as to the direction of the community into the 1980's. The population strategy is the city of Portland's best effort to conceptualize the kind of community we would like to remain for the future, and to compete with the region in order to achieve our concept.

Our selection of the population strategy as the most efficacious approach to meeting our objectives for the city should allow us to define with some care both the target population which we hope to affect and the methods and tools which are available to us to implement the strategy. Based on our analysis of the trends at work in the city, we define the target population as:

- Employed
- o Homeowning
- Families with children

This definition is both generally useful and specifically derived. Its general utility comes from the fact that it provides a narrowing of the target. Simply seeking to implement a "population strategy" would be so undirected an undertaking as to be both undefineable and unmeasureable. By specifically targeting on a strategy designed to keep and attract employed, homeowning, families with children to city neighborhoods, we are able to begin to design a program aimed at that population sector.

The definition itself is derived from an analysis of the city neighborhoods matched against our objectives as cited above. We seek to keep and attract those who are employed because their employment is a vehicle that provides them with choice; they are more likely to be able to invest of themselves in the community, whether money, time or energy; they are less likely to require governmental programs in order to meet their needs, and more likely to be self-reliant and self-controlled.

We seek homeowners because they are more likely to maintain and improve their property and be interested in the property of their neighbors and neighborhood; because they are more likely to provide a sense of stability and security to city neighborhoods; because they are more likely to recognize the value of a good system of public education; because they are more likely to be less dependent upon government and be more self-regulating in their needs and behavior.

We seek families with children because they are more likely to provide support for public education and improve the quality of public education, both for themselves and for the city's lower income children; because they will make better, fuller use of the existing infra-structure of both the city and the schools, because they will provide a sense of stability and security to their neighborhood; because they are more likely to be involved in community activities and institutions which reduce the need for governmental intervention. For all of these reasons, our population strategy will target on policies and programs that will keep and attract to the city employed, homeowning, families with children.

The methodology to implement the population strategy is currently in design. Generally, it consists of three elements: data collection and analysis; marketing; and direct city intervention programs.

The data collection phase includes determining the character and competitiveness of the city's job base, housing stock, and school system (much of the data to be collected already has been developed and needs only to be collected); undertaking a survey to determine why families choose to move and how they select the homes to which they move (this survey has already been developed and funding is being sought using CETA program dollars); under-

taking interviews to determine how the city's neighborhoods are currently perceived by the real estate industry, lending institutions, the Chamber of Commerce, and major corporations which hire or transfer people to Portland from outside (this project is currently being designed and staff resources sought).

The results of the data collection and analysis will then be utilized in designing and implementing the policy and program side of the population strategy. In general terms, the implementation methods include the following efforts:

- 1) Policy development. Under the auspices of a policy council formed by the mayor, written policy statements for the city are being developed in five key areas: economic development, housing, energy, schools and human services. The policy statements are to be designed so as to be in the service of the population strategy.
- 2) Comprehensive Plan. Under mandate of the state land use planning law, the city of Portland is currently in the process of developing a city-wide Comprehensive Plan. Among the options being developed by the planning staff is one which would represent the implementation of the population strategy as translated into zoning considerations and capital investments.
- Administrator of the Office of Planning and Development, a management team is in the process of drafting a community development plan which would be in the service of the population strategy.

 The community development plan will propose both geographic targets and program approaches designed to help with the implementation of the population strategy.

- 4) Housing Plan. Under the direction of the Administrator of the Office of Planning and Development, a management team is in the process of drafting a city-wide housing plan. This plan will be linked directly to both the population strategy and the housing policy document, as well as relating to one of the options of the Comprehensive Plan. The housing plan will be composed of an analysis of the housing issues in the city and both existing and proposed programs designed to deal with those issues. It will also analyze the ways in which the city would use an urban development action grant from HUD.
- 5) Urban Development Action Grant. The city is in the process of developing a proposal for submittal to HUD to fund a Portland Housing Strategy with UDAG dollars. This proposal will represent one of the major tools to implement the population strategy, inasmuch as the supply of housing appears to be one of the major determinants of where employed, homeowning families with children choose to live. The UDAG proposal is an important tool in integrating a number of the city's resources in the service of the population strategy.
- 6) City/School District Commission. The City and School
 District are developing a proposal for submittal to the Mott
 Foundation for the creation of a joint City-School District Commission.
 The activities of the Commission would be funded in part by contributions from the City and School District; in addition, the Mott
 Foundation would contribute \$200,000 for each of four years. The
 Commission would have a city-wide mission of attempting to
 integrate the City and School District budgets and planning programs.
 But more importantly, in a single school district high school feeder
 area, the Commission would undertake an intensive report to

respond to neighborhood needs and desires, whether in the schools or in the neighborhood in general. An evaluation component would measure whether, at the end of the four year period, any progress had been made in improving the population balance in the target area.

- of a HUD Energy Conservation Implementation Program. As a result of a HUD Energy Conservation Planning Grant, the City of Portland has developed what may be the most comprehensive and useful set of energy conservation choices in the country. As a follow up to that study, the City is forming an Energy Policy Steering Committee and Energy Task Forces to determine the most advisable of the choices for implementation. At the same time, the City is seeking a follow-up grant from HUD to begin implementation of some of the program recommendations that can begin to yield energy savings immediately.
- Parks Capital Investment Program and Levy. The Portland Parks Bureau is currently in the process of developing a multi-year capital investment program which is designed to undertake major park and recreation improvements in support of the population strategy. As a part of this capital investment program, the Parks Bureau is preparing a special levy to be submitted to the voters for approval.
- tance of employment for City residents, the City is implementing the recommendations contained in its overall Economic Development Program as submitted to the U. S. E. D. A. Chief among these activities has been efforts in the inner southeast industrial area, where city staff has worked with businessmen in the area to deliver needed improvements. As a result of the success of

this project, the City is going to add a second area and will in the future continue in a methodical fashion to move from one industrial and job center to the next.

- is in the process of holding hearings for the adoption of the City's first Arterial Streets Plan, a comprehensive, city-wide classification system for city streets and highways. In addition to the plan and the usual sources of federal funding for street improvements, the City has available additional dollars as a result of the withdrawal of a segment of an interstate freeway. Those additional dollars will be invested on the east side of the city over a five year period, \$1 million per year. In addition, the City may soon request the withdrawal of a second interstate segment. This action would not only make possible the funding of additional street, highway and general transit improvement, but would provide the needed dollars for the City to move on the construction of a trolley bus system within the city limits.
- 11) Delinquency and Crime Prevention. The City is currently working with the School District on a special project within a high school attendance area to prevent juvenile delinquency by identifying and assisting children with learning disabilities.

 The City is also continuing its highly successful crime prevention program, which uses neighbor-to-neighbor communication as a means of reducing the incidence of robbery and burglary.
- 12) Marketing City Neighborhoods. The City is capable of marshalling a significant number of resources in support of city neighborhoods and the population strategy. However, the effort

will only meet with success if it is communicated to the segment of the population whom we are seeking to keep and attract. Consequently, a carefully developed marketing program must be undertaken. Such a program will not only "sell" city neighborhoods to prospective homeowners, realtors, lending institutions, corporations, but will also help build neighborhood pride in current city residents.

AW:pjr 6/27/77