

Prior Year Performance Report

Fiscal Year 2018-19



City
Budget
Office

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Preface

This marks the fourth annual Prior Year Performance Report produced by the City Budget Office (referred to throughout this report as CBO). This year's report continues last year's transition from a detailed bureau-by-bureau analysis to a report organized around the information most relevant to citywide performance and budgetary priorities.

Data for this report come primarily from prior year performance measure data reported by City bureaus to CBO as part of the Fall Budget Monitoring Process, which concluded in mid-October, 2019. Performance measures reported as part of this process are italicized throughout the report. Sources are cited for any data from other sources.

We welcome your feedback on the FY 2018-19 Prior Year Performance Report by contacting Shannon Carney at Shannon.Carney@portlandoregon.gov.

Table of Contents

| | |
|---|-----------|
| Executive Summary | 1 |
| FY 2018-19 Total Revised Budget by Service Area | 9 |
| FY 2018-19 Revised Budget by General Fund Discretionary and Non-General Fund | 10 |
| Achieving Equitable Outcomes for All Portlanders | 11 |
| Citywide Equity Frameworks and Data Collection | 12 |
| Supporting Compliance with Federal Regulations | 14 |
| Social Equity in Contracting and Workforce Diversification..... | 14 |
| Responding to Homelessness | 18 |
| Connecting Investments to Outcomes | 18 |
| Connecting People to Services & Housing..... | 21 |
| Programs Addressing Livability Concerns..... | 21 |
| Building Shared Growth for a Changed Portland | 25 |
| Addressing Housing Affordability | 26 |
| Measuring Portland’s Complete Neighborhoods, Centers, and Corridors | 30 |
| Improving Community Safety | 34 |
| Crime Rates | 34 |
| Gun Violence Reduction Team | 36 |
| PPB Call Volume and Response Times..... | 37 |
| Public Perceptions of Crime and Safety..... | 38 |
| BOEC Call Volume Trends and Performance Analysis | 41 |
| PF&R Incident Volume Trends and Performance Analysis..... | 42 |
| Crime Prevention Program Becomes the Community Safety Program | 44 |
| Maintaining the City’s Critical Infrastructure | 48 |
| City’s Fleet and Building Facilities: Improving Delivery to Meet Operational Needs | 49 |
| Parks Infrastructure Program: Balancing System Growth with Resource Scarcity | 50 |
| Water’s Significant Capital Investments and Addressing of Affordability Concerns | 52 |
| Transportation: Project Delivery and Assessment Management Update | 55 |
| Citywide Asset Management Strategies..... | 56 |
| Working Toward a Sustainable and Resilient Future | 59 |
| Continued Stagnation in Carbon Reduction and Sustainability Metrics | 59 |

| | |
|---|-----------|
| Portland Preparedness & Resiliency..... | 62 |
| Promoting a Transparent, Effective, Engaged Government | 65 |
| Community Member Touchpoints with Government..... | 65 |
| Procurement Division: Process Improvements and Expansion..... | 70 |

Executive Summary

Introduction

In Fiscal Year (FY) 2018-19, the City of Portland appropriated \$4.83 billion for services to keep the City running and to address pressing concerns of Portlanders, including \$547.3 million from the City's more flexible General Fund. This report focuses on investment and performance in key City priority areas and areas of community concern, as demonstrated by recent City budget investments and long-range plans including the Portland Plan—the City's strategic plan for creating a prosperous, educated, healthy, and equitable community.

In this report, the City Budget Office (CBO) seeks to illuminate connections between the City's investment and service-level results as well as big-picture outcomes for Portlanders. This report is one element of the City's efforts to use data to assess the effectiveness of our work and make continual improvements to serve those who live, work, and play in Portland. This Executive Summary offers key findings and recommendations from CBO's analysis of the City's performance in FY 2018-19. More detailed analysis, information, and recommendations for each key issue area is provided in each theme's full section, which you can access by clicking on each section title below.

Key Findings and Recommendations

Achieving Equitable Outcomes for All Portlanders

Advancement of equity for historically marginalized groups is one of the City of Portland's top priorities; the City seeks to advance equity both through direct services and broader-reaching policy creation and implementation. The urgency and importance of this work is apparent through many avenues; one example is the City's 2019 Portland Insights Survey, where Black residents scored the lack of racial equity as the third most important challenge facing the city, citing this issue more than any other racial group. Portland has operationalized equity work not only through the Office of Equity and Human Rights (OEHR), but also through the approximately 28 FTE serving as equity managers and in other equity-focused roles across City bureaus.

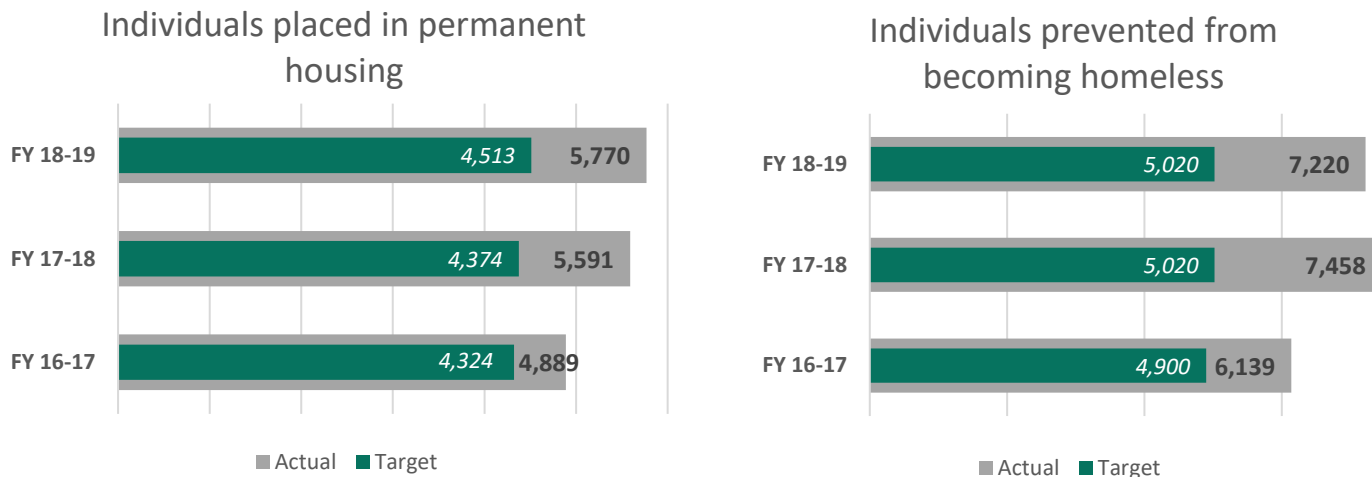
In FY 2018-19, OEHR introduced a new performance framework to help City staff use a more data-driven, outcomes-based approach to advancing racial equity. The bureau plans to use the Results-Based Accountability framework to develop shared equity goals and track the impact of bureau racial equity plans in the coming year. Connecting this new framework to the City's existing performance management system and establishing Citywide measures that can be disaggregated by race and ethnicity—as were the results of the Portland Insights Survey—will be key to enabling bureaus to sustain the practice.

One area where the City has significant leverage to advance prosperity amongst Portland's communities of color is through its contracting and procurement practices. In FY 2018-19, Procurement Services continued developing the Community Opportunities and

Enhancements Program (COEP) and subsequent resolutions to standardize and expand the City's efforts in this arena. Establishing the funding source of the COEP program through a 1% set-aside of hard construction costs has proved to be challenging, and no formal action has been taken by Council regarding COEP since the initial resolution was passed in November 2017. To the degree that the COEP structure and funding model, as originally envisioned, is not feasible for implementation on a reasonable timeline or without putting undue administrative burden on the City, other options to further equitable contracting practices and workforce diversification should be considered.

Responding to Homelessness

The Joint Office of Homeless Services and other City-supported homeless response programs continued to serve record numbers of individuals and families in FY 2018-19, exceeding performance targets by significant margins. Although original system expansion goals have been achieved, Portland continues to be confronted by unmet need for housing and supportive services. Last year, 5,410 people accessed homeless services for the first time, and a total of 37,000 people were provided with prevention, housing, and placement services through a total budget of \$71.5 million (including a record \$32.5 million in City General Fund resources). The sustained inflow into homelessness and ongoing need for services highlights the importance of continuing to reassess underlying assumptions and the outcomes of the local approach to homeless services.



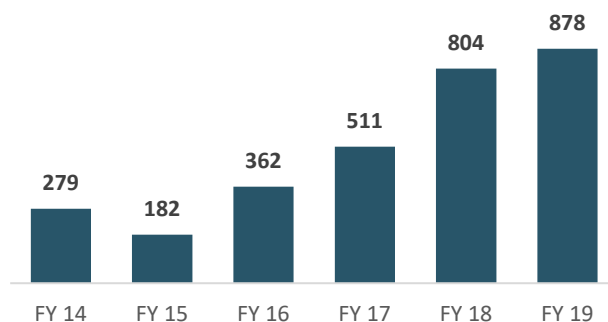
This includes sustaining efforts to align the work of traditional service providers with public health and safety entities. Last year, the City received 35,000 reports of active campsites throughout Portland. Addressing the potential health and safety issues that impact both campers and neighbors is incredibly challenging. The new Navigation Team launched in early 2019 provides focused outreach and holistic support to the highly vulnerable Portlanders living in public spaces. The team works with the City's Homelessness & Urban Camping Impact Reduction program (HUCIRP) and other public agencies to address areas where high-impact camping is frequent.

Building Shared Growth for a Changed Portland

Portland's population has grown significantly in the last decade, reaching an estimated 653,115 in 2018. This expansion has been accompanied by significant economic growth, but these gains have not been shared equally by all Portlanders. Experts predict slower economic growth in the near future; as the City continues to adapt to a larger population and faces changing economic conditions, the City is simultaneously seeking to address existing racial and economic disparities through its work around housing affordability and neighborhood development.

Housing affordability –The City continues to invest in affordable housing development, with new affordable housing units coming online at record levels—878 new units in FY 2018-19. However, estimates show that Portland needs to produce an average of 1,800 affordable housing units each year through 2035 to meet anticipated growth.¹ The largest gap exists for households earning below 30% of the Area Median Income; the Mayor and Housing Bureau recently

Housing units opened that are newly affordable



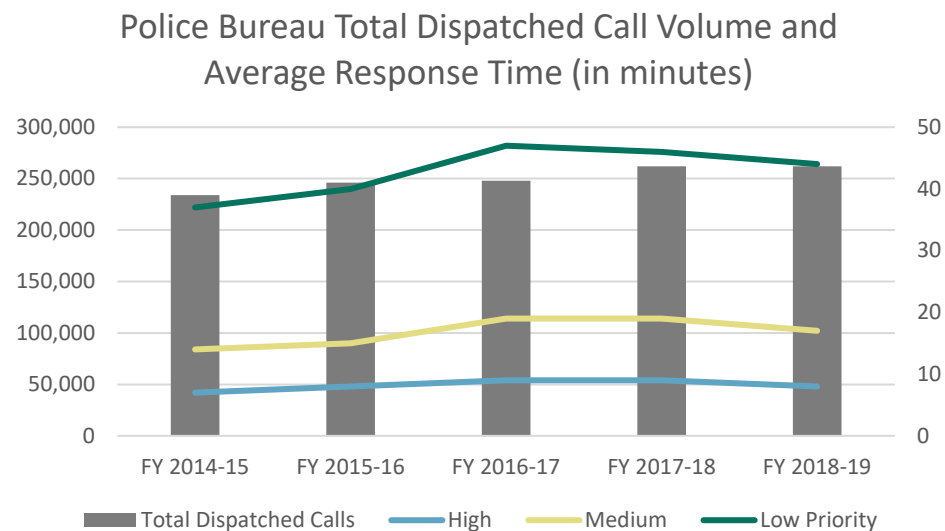
announced nine new projects that put the City on track to meet or exceed the goals of Portland's affordable housing bond. As the City continues to invest in housing affordability, CBO recommends continued assessment of the impact of regulations, such as Inclusionary Housing and rental policies, on development and the rental market; exploring locally-based tools like vouchers to buy down housing costs for more households; and continuing to support and assess programs that keep individuals and families in safe and stable housing.

Complete neighborhoods – Housing exists in the context of neighborhoods, which provide amenities, access to job opportunities, and other necessary elements of daily life. The Bureau of Planning and Sustainability (BPS) tracks Portlanders' access to these necessities through the *percentage of Portlanders living in complete neighborhoods*, which increased by four percentage points in FY 2018-19 to 67%. Progress toward this goal may be achieved by either expanding investments in neighborhood amenities or by increasing access to and development within already 'complete' neighborhoods. BPS met its FY 2018-19 target for the *percentage of new housing units that are in Centers and Corridors* at 89%, indicating progress toward the latter strategy. As the bureau continues to refine its approach to tracking its efforts in this area, CBO recommends more frequent updates to the complete neighborhoods geography, more frequent reporting on this metric, and use of a suite of measures to more fully capture the complexity of neighborhood change.

¹ City of Portland FY 2015-16 Prior Year Performance Report, City Budget Office, p. 62.
<https://www.portlandoregon.gov/cbo/article/650874>

Improving Community Safety

A scan of Portland's public safety bureaus reveals several shared themes. The first is that demand for services from the City's public safety bureaus—Portland Police Bureau, Portland Fire and Rescue, and the Bureau of Emergency Communications (BOEC) 911 Dispatch—increased in FY 2018-19, as it has for the past several years. Public safety bureaus recently have begun using more innovative approaches to manage this demand, including the embedded Police sergeant pilot and changes to call answering and response protocols at BOEC and the Fire Bureau. The Police Bureau, Fire, and BOEC all reduced their emergency response and call answering times last year; notably, this was accomplished within the bureaus' existing budgets and with greater call volume. Community safety outcomes last year also included a six-percentage-point drop in the reported property crime rate, which may have been in part due to focused missions in Police precincts aimed at reducing and preventing crimes like motor vehicle theft and burglary.



A second common theme among public safety bureaus is the evidence that the nature of City emergency response services is changing, with more demand for homeless-related and disorder-type calls. A preliminary analysis by BOEC suggests that 911 calls with a nexus to homelessness have been increasing over the last several years, and the majority of calls to 911 that have a nexus to homelessness generate a Police Bureau response. This evolving analysis could be a tool for the City to evaluate the impact of calls related to homelessness on public safety bureaus.

As the City looks to new approaches like Portland Street Response to address these emerging challenges, Council should also consider the effectiveness of existing public safety programs, including the Office of Community and Civic Life's Community Safety program (renamed from the longstanding Crime Prevention program in FY 2018-19).

Maintaining the City's Critical Infrastructure

Many City bureaus, including the Portland Bureau of Transportation (PBOT), Portland Parks and Recreation (Parks), Portland Water Bureau (PWB), Bureau of Environmental Services (BES), and the Office of Management and Finance (OMF) manage critical infrastructure that keeps the city running. Estimated infrastructure condition and funding gaps across bureaus indicate significant challenges facing the City in this area. In FY 2018-19, the City's *annual repair, rehabilitation, and replacement (R/R/R) funding gap*, which has been increasing over the past several years, stood at \$427.8 million². The latest available data show that approximately 69% of the City's assets were *in fair or better condition* at the end of calendar year 2018, down from a high of 76% in 2013.

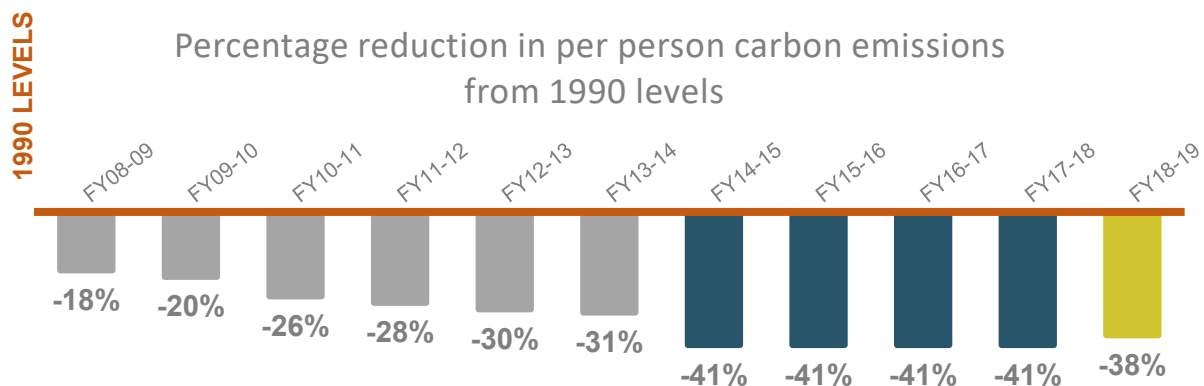
Different bureaus experience distinct challenges in achieving infrastructure maintenance and asset management goals. In some cases, insufficient resources are the primary factor impeding progress toward major maintenance goals. Parks, for instance, faces a \$450.0 million maintenance backlog and its ongoing capital maintenance funding level is significantly below industry best practices. PBOT faces an R/R/R gap of \$295.3 million per year over the next ten years to maintain current service levels. In other cases, the most immediate challenges are operational or informational in nature. The Division of Asset Management within OMF, which manages the City's fleet and building facility assets, notes the need for more robust software and condition assessments to successfully manage the City's assets. The Water Bureau faces a growing portfolio of complex capital projects, the costs of which impact affordability of Portlanders' utility bills. For PBOT, additional Federal compliance requirements paired with an influx of new resources created challenges to capital project throughput, leading to notable bureau process improvements in capital project management.

The City has made significant reinvestments in our asset base in recent years. While more capital and operational investment is certainly needed to put our assets on a sustainable path, increased Citywide alignment around asset management practices and performance will also help bend the cost curve. CBO recommends that bureaus continue working together to develop a Citywide asset management conceptual framework; that the City institutionalize a Business Case Evaluation approach for common funding sources such as Capital Set-Aside and Build Portland; and that asset-managing bureaus adopt a short list of standard performance measures, including asset condition, capital throughput, and project cost accuracy, to increase alignment between asset management practices over time.

² The R/R/R gap accounts for existing infrastructure only and does not include infrastructure improvements required by mandate (policy/regulation expectations) or capacity additions (growth). The most recent data from the Citywide Asset Managers Group documents a mandate gap of \$32 million and a capacity gap of \$117.1 million, for a total of \$576.9 million.

Working Toward a Sustainable and Resilient Future

Portland has long been a leader in environmental sustainability, furthered last year by the City's participation in the American Cities Climate Challenge and C40's New Clean Air Cities Declaration. Despite this, over the past several years the City has seen stagnation of progress toward its goals in the areas of carbon reduction, active transportation, and waste reduction. Citywide, per-person carbon emissions increased from 41% below 1990 levels in FY 2017-18 to 38% below in FY 2018-19, the first increase since tracking began.



The percentage of commuters commuting by walking, bicycling, and transit declined from 24.6% in 2017 to 23% in 2018, short of the City's goal of 70% by 2030. Additionally, the percentage of waste recycled or composted Citywide held steady at 54% in FY 2018-19, compared to a high of 79% in FY 2013-14. In response to these concerning trends, the City is increasing investment through efforts such as the Portland Clean Energy Community Benefits Fund (PCEF) and is in the process of making other policy and planning changes to accelerate progress toward sustainability goals. CBO recommends that bureaus including the Bureau of Planning and Sustainability and the Portland Bureau of Transportation quickly identify performance measures and evaluation strategies for these new efforts.

In terms of preparedness for and resiliency to large-scale emergencies like natural disasters, the Portland Bureau of Emergency Management (PBEM) has in recent years focused largely on community-facing programs, while internal City preparedness efforts have not kept pace. The number of PBEM plans that are up to date according to their published standards has declined in each of the past five fiscal years, reaching 58% of plans in FY 2018-19. CBO recommends that PBEM work to identify the right balance between its Planning and Mitigation and Community Programs sections and consider adding Citywide performance measures around resiliency to better communicate the City's overall preparedness level.

Promoting a Transparent, Effective, Engaged Government

In FY 2018-19, many bureaus demonstrated improved results in customer-facing services using the principles of process improvement and performance management. Notably, the City reduced turnaround times for fulfilling the City's 32,317 public records requests last year. The Police Bureau, which responds to about 75% of all requests to the City, reduced

the backlog for public records requests from 16 weeks in 2015 to three to four weeks by the end of FY 2018-19.

In another important touchpoint with the Portland community, the Bureau of Development Services (BDS) shortened turnaround times for commercial development permits, a process coordinated across seven bureaus. Though some of these efficiency gains should be attributed to reduced development activity in FY 2018-19, improvements also may have arisen from progress on the Portland Online Permitting System (POPS) implementation and more active performance management. BDS is building on these efforts by conducting a cross-bureau strategic planning process for development plan review in FY 2019-20.

Finally, Procurement Services—a City function that helps administer about \$500 million in contracts each year—made several major changes in FY 2018-19 to streamline the City’s procurement processes, including defining service targets and tracking cycle-times for customer bureaus across a range of procurement types. These successes demonstrate the value of using data to improve performance.

Moving from performance measurement to performance management

The successful process improvements of internal service bureaus provide a good example of the evolution from performance *measurement*, in which data is tracked and reported to meet requirements, to performance *management*, in which that data is used to inform management decisions. Throughout this report, CBO offers recommendations around ways bureaus can improve their performance data and incorporate it more seamlessly into decision-making.

The City added an important new dataset to its toolkit for assessing its priorities and services with the 2019 Portland Insights Survey. This survey, managed by CBO and building on the long-running Auditor’s Survey, asked Portlanders about their priorities and perceived gaps across City services in areas of civic participation, housing and economic development, safety, infrastructure, and nature and parks. For the first time, this survey data is available disaggregated by respondents’ demographic characteristics, allowing for a more nuanced understanding of how different communities perceive, utilize, and prioritize City services. Significant findings from the survey are used throughout this report to supplement CBO’s analysis of the City’s performance, and several bureaus are already thinking about how to incorporate community perception data into their performance measures if the survey becomes a longer-term initiative providing year-over-year comparative data.

Continuing to improve results across the City

While Portland has made notable strides in performance, addressing the complex challenges affecting multiple service areas requires a greater level of support for improving results. In many cities, this support takes the form of team of staff that works on Citywide

data governance and open data, performance management and analytics, behavioral insights and human-centered design, low-cost evaluation, and process improvement.

Such an office often houses a team with specialized skills in analytics, behavioral insights, and human-centered design that are out of reach for all but the largest bureaus. These staff can also more effectively support projects that require coordination across multiple bureaus, often working on projects that offer direct benefits to the community. For example, Seattle's Performance and Innovation team recently used behavioral insights and low-cost evaluation to change the City's parking enforcement letters, reducing the likelihood that tickets lead to default and debt collection, a problem that has especially impacted low-income residents and residents of color.³

Centralized teams are a cost-effective way to support training and culture change for municipal staff, including process improvement programs. Portland has put some effort toward building its own process improvement program over the last several years, beginning with a pilot program started by CBO in FY 2016-17. The pilot was based on the model of Denver's *Peak Academy*, which has trained over 8,600 employees since the program started in 2011 and saves the City of Denver \$4-5 million each year through large and small innovations. While no dedicated centralized funding for this work exists, multiple bureaus continue to pursue individual and collective process improvement efforts. A multi-bureau, informal 'team' of City staff process improvement enthusiasts continues to meet and share tips and training on process improvement.

For more than forty years, the City of Portland has diligently collected and reported on performance data. Because of this foundation, the City has an opportunity to improve its results by going beyond measuring performance to applying the tools of performance management at a Citywide level. Transitioning to a system of performance management will require the City to set goals and monitor progress to address the community's priorities. Additionally, in order to improve results within existing resources, bureaus and collaborative efforts must receive support to overcome operational challenges. This report highlights programs across the City that are achieving better results for the community by using data analytics, innovation, and performance management. However, there are areas that lag behind, and challenges that will require greater collaboration across City services to address community priorities. Lifting all bureaus to this next stage is critical to enabling the City to meet the demands of a growing and changing Portland.

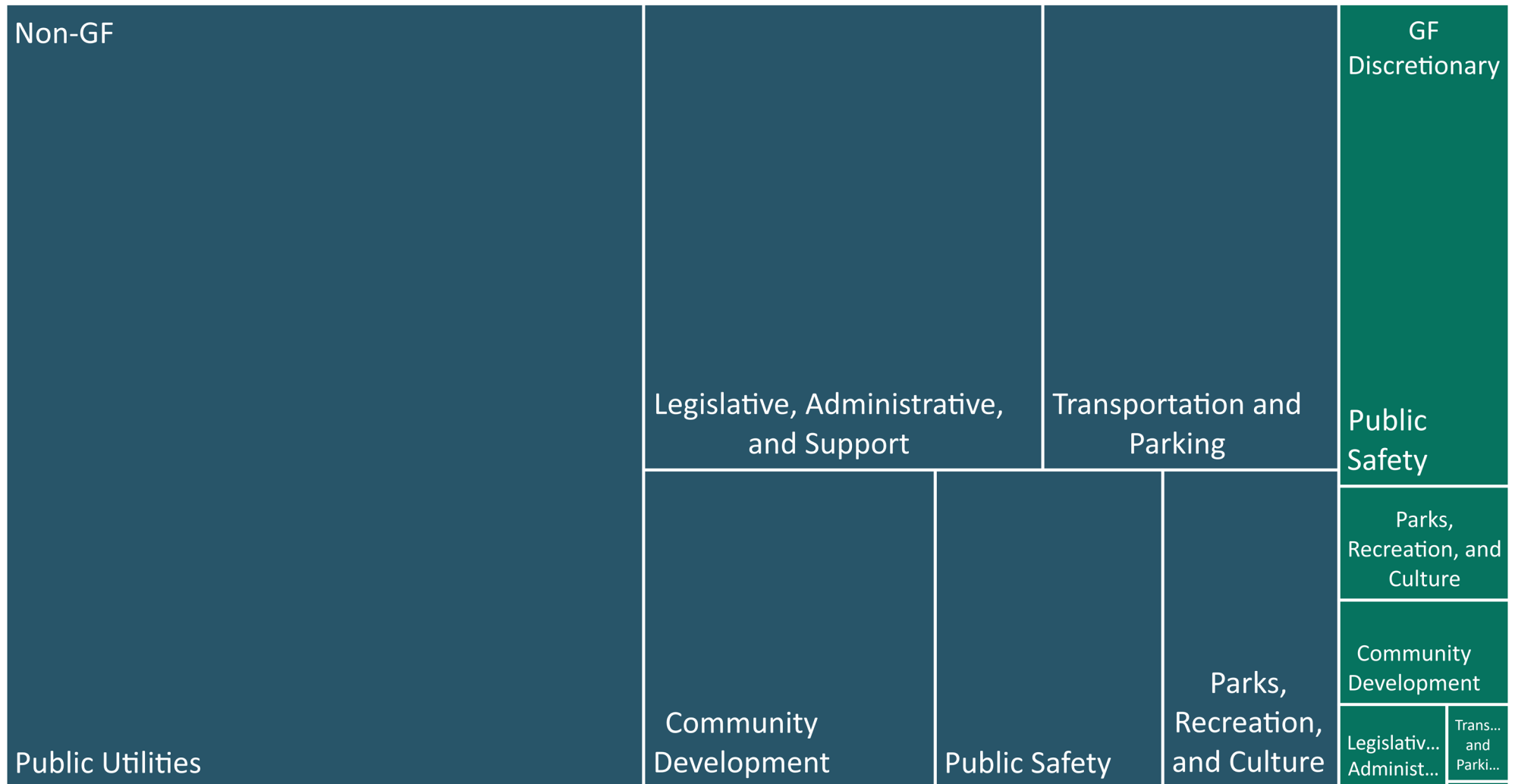
³ Todd, Richard. "Using behavioral science to improve court ticket outcomes." *Innovation and Performance Blog*, City of Seattle, 12 March, 2019, <https://innovation-performance.seattle.gov>

FY 2018-19 Total Revised Budget by Service Area



FY 2018-19 Revised Budget by General Fund Discretionary and Non-General Fund

■ GF Discretionary ■ Non-GF



Achieving Equitable Outcomes for All Portlanders

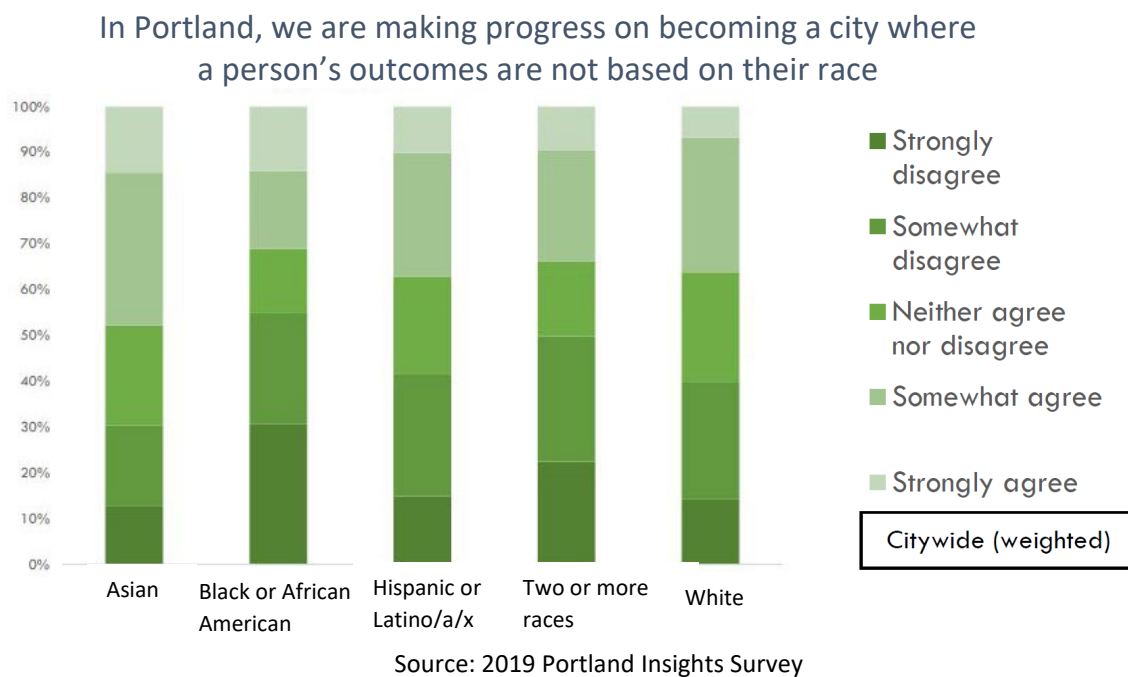
Advancement of equity for historically oppressed groups is one of the City of Portland's top priorities. In 2011, the Office of Equity and Human Rights (OEHR or "the Office of Equity") was created to guide equity work Citywide with a specific centering of race and disability equity; in FY 2018-19 the Office of Equity had a Revised Budget of approximately \$2.0 million and 12 FTE. Some of the bureau's key achievements have included the Council's adoption of the Citywide Racial Equity Goals and Strategies, mandating and training the majority of City employees in the Equity 101 course, the creation of the Budget Equity Tool in partnership with the City Budget Office (CBO), and the development of bureau racial equity plans. Over the last few years, individual bureaus have created new positions and reallocated staff time to help operationalize this work, with a current total of approximately 28 FTE serving as equity managers and in other equity-focused roles across City bureaus.

Many bureaus individually track budget performance measures to assess equity in service outreach, access, contracts awarded, workforce diversity, and funding allocations. However, there are very few Citywide centrally-tracked equity performance measures, which limits the City's ability to track holistic progress toward shared goals, identify opportunities and barriers, and hold individual bureaus accountable for results. OEHR tracks and reports Citywide demographic data in an [online dashboard](#);⁴ this could be a model for tracking other metrics like contracts awarded to Minority, Women, and Emerging Small Businesses.

Results from the 2019 Portland Insights Survey provide a snapshot of community members' perceptions on key equity issues for people who live, work, and play in the city of Portland. When asked to respond to the statement, "In Portland, we are making progress on becoming a city where a person's outcomes are not based on their race," approximately 40% of respondents agreed and 40% disagreed. On a separate question, Black residents scored the lack of racial equity as the third most important challenge facing the city, citing this issue more than any other racial group.

In reviewing overall responses for different demographic groups, survey respondents with disabilities tended to be less positive about the future of Portland, less satisfied with Portland as a city to live in, and less satisfied with the safety of their daily commutes compared to citywide respondents.

⁴ <https://www.portlandoregon.gov/oehr/article/595121>



The City of Portland recognizes the role it plays in advancing equity both through direct services and interactions with the community as well as broader-reaching policy creation and implementation. For the last few years, all bureaus have been asked to reflect on this through the Budget Equity Tool referenced above, which seeks to provide a holistic assessment of how equity is prioritized and addressed within bureau budgets. Some key themes that have emerged from these responses include:

- The importance of establishing Citywide data standards, collection, and reporting;
- The need for additional centralized policies, guidance, and accountability for complying with federal regulations related to equity; and
- The opportunities to advance equity in contracting.

Citywide Equity Frameworks and Data Collection

The Budget Equity Tool and supporting budget documents ask bureaus to explain how they use quantitative and qualitative data to assess how budget allocations benefit and/or burden different communities.⁵ These materials seek to identify a) who will benefit from access and services, b) how the bureau will measure these benefits, and c) how equity is embedded in the bureau's decision-making process.

OEHR recently introduced a new tool to help the City better assess these questions. Results-Based Accountability (RBA) is a community centered tool that begins with impact and works

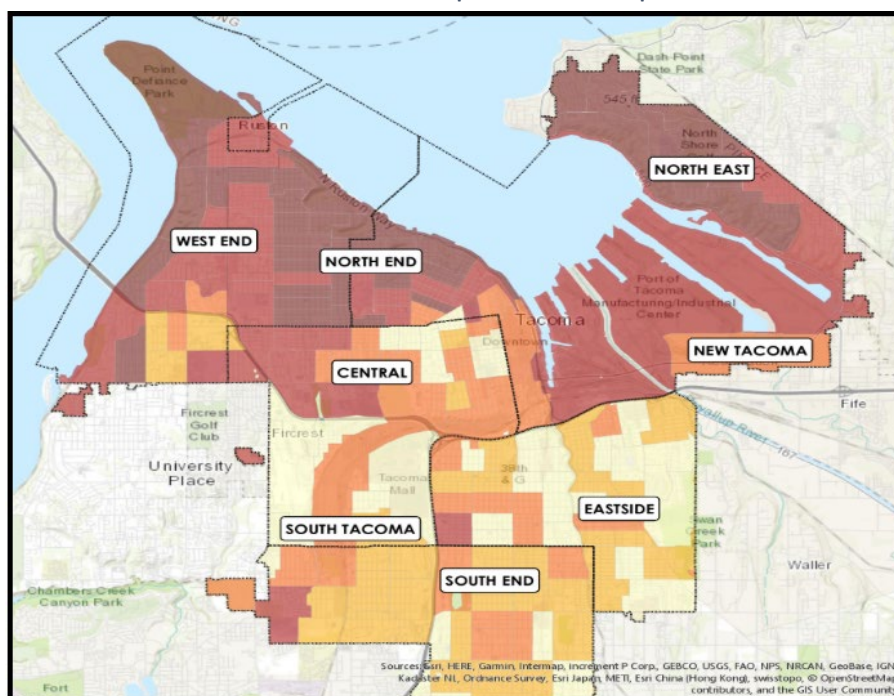
⁵ For FY 2020-21 Budget Development, the tool is being updated to request information specifically about how Requested Budgets benefit or negatively impact Indigenous people, Black people, immigrants and refugees, people of color, and people with disabilities.

backward to identify solutions that will address the root causes of an issue. In FY 2018-19, OEHR facilitated the City's first RBA cohort, which trained City staff and leaders in using this data-driven, performance-focused approach to building racial equity in their work. OEHR is using the RBA framework to develop a suite of Citywide shared equity goals and will use RBA to track the impact of bureau racial equity plans in the coming fiscal year. Many of the City's existing equity-related performance measures can be incorporated into this effort, centering equity more holistically across the City's performance management systems.

Several additional opportunities to revisit the City's approach to collecting and reporting on equity data are coming in the current year, including a review and update to the Measures of Success in the Portland Plan from the Bureau of Planning and Sustainability and CBO, and a planned pilot of an end-to-end technology solution for equity metrics by the Data Governance Planning and Analysis Team.

These efforts at increased collection of disaggregated data and centralized data-sharing could enable Portland to establish an [Equity Index](#) similar to the City of Tacoma's, pictured below. Tacoma tracks 20 measures from a variety of local, regional, and national sources disaggregated to the census block level. These measures roll up to Tacoma's 2025 Strategic Plan goals of accessibility, economy, education, and livability. The map is intended to help inform where targeted City investments will help address disparities and improve access to opportunity for residents. This index also highlights disability status and accessibility for a more intersectional understanding of equity.

The City of Tacoma's Equity Index helps target City investments to help address disparities



Source: City of Tacoma Office of Equity and Human Rights

Supporting Compliance with Federal Regulations

OEHR provides guidance and training, sets policies, and has been charged with ensuring Citywide compliance with the Civil Rights Title VI and the Americans with Disabilities (ADA) Title II Acts. In FY 2018-19, just over 2.0 total FTE (split across multiple positions in OEHR) were dedicated to this work, providing a total of 215 combined consultations that range from brief technical assistance to longer-term projects and policy developments. The bureau had also recently added a new position focused on process documentation and improvements, and policy consultation and development, including work related to the City's new website and 311 program. The implementation of both of these changes will provide new opportunities to track, analyze, and report on data on requests for accommodations. Historically it has been challenging to provide this level of information with a lack of centralized systems, bandwidth limitations for current staff for Citywide compliance, and the limited expertise embedded within individual bureaus. Steps to improve data governance practices will support other ongoing efforts, such as development of a Citywide demographics standard that all bureaus will use when disaggregating data by race; this standard is expected to roll out in early 2020.

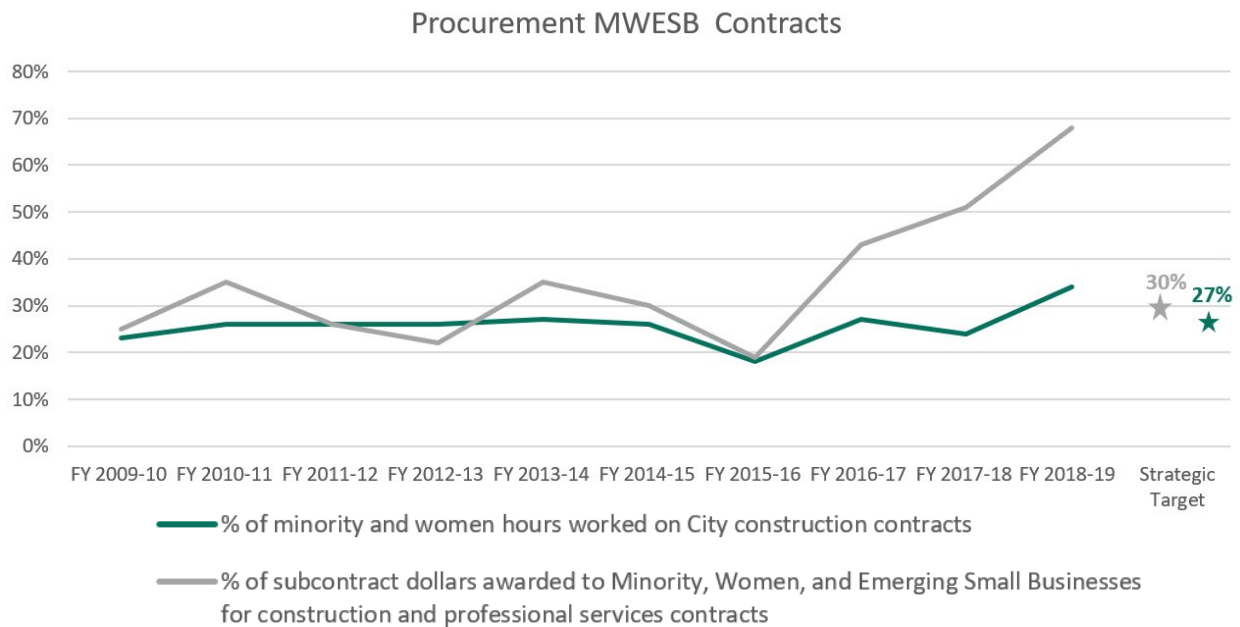
Implementation of these requirements is complex, and although OEHR has developed materials and provides technical assistance, more training resources and support are required so that bureaus understand their obligations, are able to provide adequate accommodations, and prioritize this work within operations, planning, and budgeting. Some specific actions may include:

- Utilizing the new City website and 311 system to provide better centralized information about accommodations and translated materials; for the latter in particular, it has been challenging to identify “essential documents” on a bureau-by-bureau basis.
- Identifying and prioritizing Citywide needs related to federal requirements. OEHR and CBO are working on changes to how the Budget Equity Tool is completed that will facilitate easier analysis and reporting across bureaus, including looking at specific questions related to implementation of the [Racial Equity Plans](#) and [ADA Title II Transition Plan](#), accommodations, hiring and retention, and more.
- Reaffirming the role and authority of OEHR and other partners in establishing Citywide policies. This work requires the support of both leadership and bureau staff to be successful.

Social Equity in Contracting and Workforce Diversification

The City of Portland has several programs aimed at improving equity and inclusion in the City's contracting and procurement processes.. These include the Minority Evaluator Program, the Workforce Training and Hiring Program, and the Prime Contractor Development Program, among others. In FY 2018-19, the Office of Management and Finance (OMF) reported improved performance on some of the measures aligned with

these efforts, such as a 17-percentage-point increase in the *percentage of all subcontract dollars awarded to Minority, Women, and Emerging Small Businesses (MWESB) subconsultants for construction and professional services contracts*, and a 10-percentage-point increase in the *percentage of minority and women hours worked on City construction contracts* (see graph below). However, the *number of prime contracts awarded to MWESBs* decreased from 242 to 168, significantly below the FY 2018-19 target goal of 277. Procurement Services is analyzing the reasons for this decrease and at this time results are inconclusive.



Procurement’s customer bureaus often identify discrepancies between their internal tracking of MWESB participation in contracting and the data provided by Procurement Services. Given the high level of interest from the public and Council on this issue, CBO recommends that Procurement Services work closely with customer bureaus to reconcile reporting issues around social equity in contracting.

Community Opportunities and Enhancements Program (COEP)

In FY 2018-19, Procurement Services continued developing the Community Opportunities and Enhancements Program (COEP), created in 2017 by Council via approval of Resolution 37331, which directed OMF and the Office of Equity to develop COEP and bring a funding plan to Council for approval. The City subsequently passed Resolutions 37329 and 37330, making significant alterations to the City’s approach to contracting for public improvements, including the construction, rehabilitation, and replacement of City infrastructure. These resolutions were intended to standardize and expand the City’s efforts to increase participation of disadvantaged, minority, women, emerging small business, and service-disabled veteran business enterprises (D/M/W/ESB/SDVBE) or firms certified by the Office for Business Inclusion and Diversity (COBID).

As part of COEP development, Resolution 37331 stated that 1% of hard construction costs for several pilot large public improvement projects be set aside to support low-income, disadvantaged, minority and women workers in the construction trades and the development and growth of COBID firms. Pilot projects included the Portland Building, Yamhill Garage, and Washington Park Reservoir. It also directed OMF and OEHR to work with infrastructure bureaus and CBO to establish mechanisms for collecting 1% from *all* City public improvement construction contracts moving forward. At the time of the resolution, estimates of the resources for this program were between \$1-2 million per year.

However, several areas of uncertainty have resulted in severe delays of the implementation of this 1% charge. Bond counsel and the Debt Manager have determined that project-specific tax-exempt financing is not an allowable funding source for the COEP, meaning that the 1% charge cannot be paid directly from debt proceeds. Infrastructure bureaus have some tools at their disposal to address this issue, including funding a 1% charge from cash resources. There is remaining uncertainty about whether the 1% charge would be applied to General Fund projects that are funded with limited tax-exempt bond financing or voter-approved GO bonds. If these projects are included, this will result in unanticipated General Fund impacts, as a General Fund subsidy would be required equal to the 1% of project costs.⁶ Alternatively, these projects could be exempt from the 1% funding requirement, which would result in less total resources available for COEP programming. There are also administrative challenges associated with comingling ratepayer funding and General Fund resources for the program as ratepayer resources must have clear accounting and documentation as to the 'reasonable applicability' to ratepayer benefit.

In the FY 2018-19 Spring Supplemental Budgeting Process, Procurement Services received one-time bridge funding resources to support a COEP program manager position and resources to support the Prime Contractor Development Program (PCDP). It was expected that this position would eventually be funded by the 1% contribution from projects. However, at this time, no formal action has been taken by Council regarding COEP since the initial resolution was passed in November 2017. Procurement Services states that COEP resolutions and ordinances are expected to be presented to Council in January 2020. However, this action is contingent on the City's ability to address the outstanding questions discussed above. Procurement Services acknowledges that there is a risk that the effort will not move forward if these issues cannot be resolved. If this occurs, or it takes longer than anticipated for the 1% contribution from projects to materialize, there is a risk that the COEP manager and some PCDP program costs would be unfunded in FY 2020-21, absent additional General Fund support.

⁶ At the time of the original resolution, the program was not expected to result in new direct costs to the General Fund.

The City's failure to disburse COEP funds in a timely manner was noted in both the 2016 Portland Building Audit and the June 2019 Follow-up Audit conducted by the City Auditor's Office, as this project is one of the COEP pilot projects.^{7,8} Continued delays in disbursement of funds for the pilot CBAs is frustrating to community members and stakeholders, and has the potential to reduce the public's trust in government. To the degree that the COEP structure and funding model, as originally envisioned, is not feasible for implementation on a reasonable timeline or without putting undue administrative burden on the City, other funding mechanisms or programmatic options to further equitable contacting practices should be considered.

⁷For the full Portland Building Audit, please see the City Auditor's website:

<https://www.portlandoregon.gov/auditservices/article/621904>

⁸ For the full Portland Building Follow Up Audit, please see the City Auditor's website:

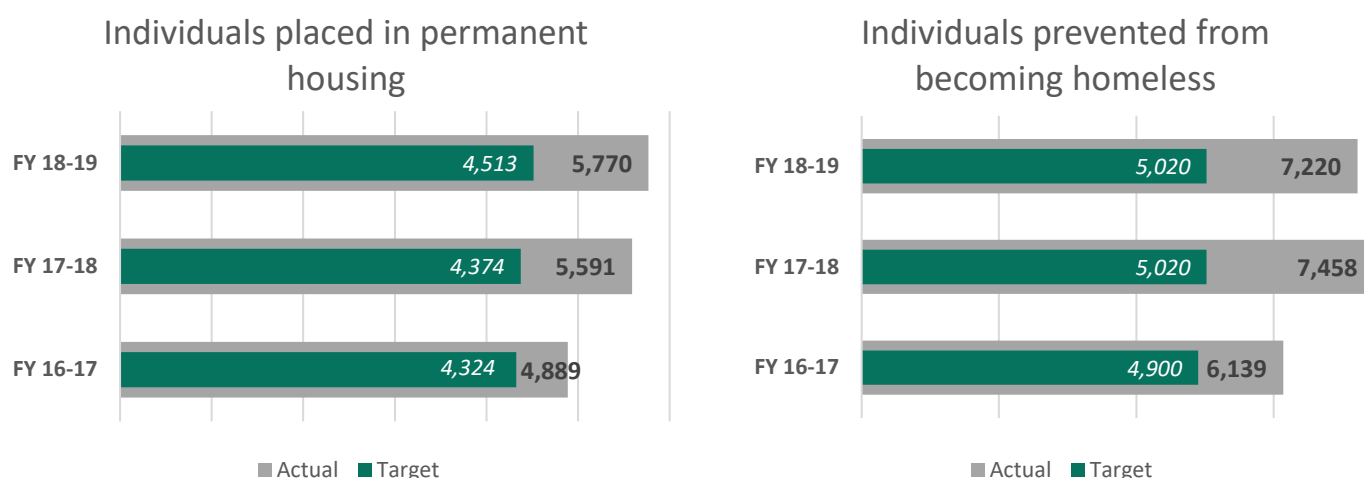
<https://www.portlandoregon.gov/auditservices/article/733528#auditresults3>

Responding to Homelessness

In recent years, the City of Portland has made significant investments in services to prevent and end homelessness as well as in programs that address livability concerns related to people experiencing homelessness in public spaces. This section examines what available data can tell us about the outcomes of these investments in FY 2018-19.

Connecting Investments to Outcomes

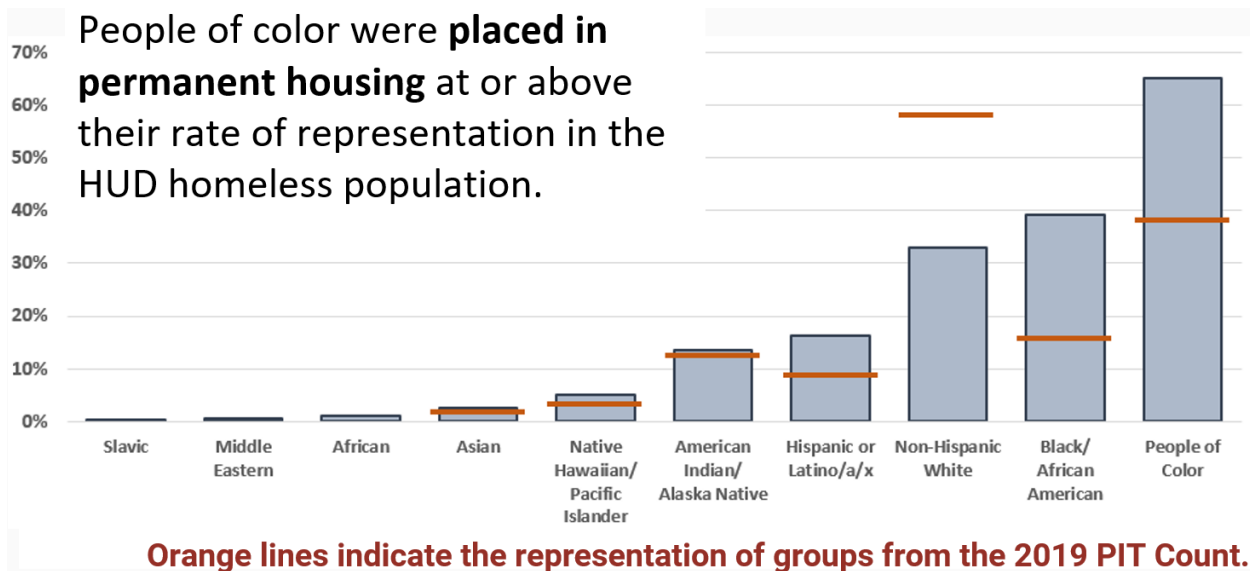
In FY 2018-19, the Joint Office of Homeless Services (Joint Office or JOHS) and its contracted providers served 37,000 people with prevention, housing, placement, and shelter services with a budget of \$71.5 million, including a record \$32.5 million in City General Fund resources. This was an overall increase in the number of people served from the prior year, and housing placement and prevention numbers exceeded FY 2018-19 targets by 28% and 44% respectively.



When reviewing service levels by race and ethnicity, placement and shelter rates were generally higher for communities of color compared to their rate of homelessness as defined in the Point-in-Time Count.⁹ This is consistent with the Joint Office's efforts to reduce racial disparities in homelessness. However, additional focus must be devoted to two groups that were identified as the most overrepresented in the Point-in-Time Count: those who identified as American Indian/Alaska Native and/or Native Hawaiian/Pacific Islander (see chart below).¹⁰

⁹ Source: Joint Office of Homeless Services Joint Session presentation, 11/12/2019.

¹⁰ 2019 Point-in-Time Count of Homelessness in Portland/Gresham/Multnomah County, Oregon. Available online at <https://multco.us/file/82568/download>. See page 17, Figure 3.



Source: Joint Office of Homeless Services

The most recent Point-in-Time Count (PIT) took place in January 2019.¹¹ The PIT is a federally-required count of the people in a community who are experiencing homelessness and are located outside, in emergency shelters, or in transitional housing. This biannual snapshot is an imperfect measure of homelessness, and its limitations are well-documented.¹² It is, however, the proxy that was used to define unmet housing need in the original modeling done to support [A Home for Everyone: United Community Plan to End Homelessness](#).¹³ By increasing housing placements, prevention efforts, and improving retention rates, the model predicted—if external factors remained consistent—that expanded service levels would significantly decrease the number of people experiencing homelessness at a point in time (dropping from 3,801 in 2015 to approximately 2,000 by 2019). However, the 2019 PIT was 4,015, which is a slight decline from the last count two years prior. The 2019 count also includes a 37.1% increase in chronic homelessness and a 22% increase in unsheltered homelessness.

And yet, original system expansion goals have been met, and in many cases exceeded. Officials note that this significant expansion of service levels has helped to prevent a further rise in homelessness alongside year-over-year rent increases that ramped up shortly after the baseline year in the model. Lack of affordable housing options, coupled with insufficient appropriate support services for people with disabilities, continues to push thousands of highly vulnerable people into homelessness each year. This sustained inflow and unmet

¹¹ 2019 Point-in-Time Count of Homelessness in Portland/Gresham/Multnomah County, Oregon. Available online at <https://multco.us/file/82568/download>.

¹² Each Point-in-Time Count report outlines these limitations, including changes in methodology and other factors that may skew the snapshot of homelessness versus a longitudinal perspective. For 2019, it is important to note that the count used more volunteers and more intentional outreach than prior years, which could have contributed to higher count numbers and higher representation from specific communities.

¹³ See the report at <http://ahomeforeveryone.net/the-plan>

need, demonstrated not only by the PIT but also by waitlists for permanent housing and the 5,410 people who accessed services for the first time in FY 2018-19,¹⁴ suggests a need to continue to reassess some underlying assumptions in the local approach to and scale of homeless services—specifically in relation to the following areas:

Defining unmet housing need

There is no single, reliable, comprehensive measure for determining the number of people in need of services and/or housing. The original expanded service goals and funding plan was based on the PIT, which highlights those who are unsheltered or living in a shelter or transitional housing. It does not include thousands more who are doubled-up with family or friends for economic reasons, who are in jails, prisons, or hospitals during the Count, or are otherwise at risk of experiencing homelessness.¹⁵ Based on system-wide performance measures, far more individuals are accessing services than meet the strict HUD definition of homelessness. However, the annual budget process has focused on preserving current budget and service levels rather than identifying a new long-term plan and accompanying funding requirements. The Mayor’s budget guidance for FY 2020-21 includes two directives aimed at increasing the stability of homeless services in Portland and the region by decreasing dependence on General Fund resources (particularly one-time funding) while also defining and supporting desired system outcomes.

Duration of service

Most of the additional new housing placements included in the original targets were limited-term rent assistance “rapid rehousing” and one-time, short-term assistance targeting households experiencing homelessness primarily because of lack of income. However, data and stories from providers suggest that many households are requiring more assistance for longer periods of time with accompanying wraparound services such as: legal aid, behavioral health, workforce development, and other flexible support in order to stay safely and stably housed.

Improving retention

The original modeling for A Home for Everyone assumed a 15% rate of people returning to homelessness; reports indicate that between 26% and 29% of people who exited homeless services as recently as 2017 returned to the system within two years. Reducing this rate requires improving our understanding of the complex factors that lead households to lose or stay in stable housing. Assessing the impacts

¹⁴ This measure is the number of people who accessed homeless services but who had not accessed homeless services in the previous two years. This includes those who accessed shelter, transitional housing, or permanent housing, but not prevention services.

¹⁵ More information, including a 2019 Point-in-Time Doubled Up Report, is available at <https://multco.us/file/82568/download>.

of service length, amount, composition, provider, and/or client demographics on a household's likelihood to return to homelessness is needed.

Coordinating services across sectors

Over the last few years, significant progress has been made to align efforts of traditional service providers with public health and safety entities. This was not a central focus of the original A Home for Everyone plan but is critical to address the needs of the growing population of people who are living outside and/or experiencing chronic homelessness. The City and County are implementing new approaches to help better serve individuals experiencing chronic homelessness and behavioral health crises by providing alternatives that connect people to services rather than the criminal justice system.

Connecting People to Services & Housing

In addition to significantly expanding homelessness prevention and housing placement and retention services, the joint City and County commitments have doubled year-round public shelter capacity, reaching a total of 1,702 shelter beds in 2019.¹⁶ As part of this expansion, JOHS has also transformed shelter offerings so that they work for more people, including providing 24-hour access, beds for couples, and places for pets, hygiene, and storage. The new Navigation Center opened in August 2019, a public-private partnership offering an on-site medical clinic, showers and laundry machines, as well as case management focused on employment, housing, and treatment services. People with disabilities, people leaving hospitals, and people who are 55 and older have top priority for referrals.

The new Navigation Team launched in early 2019 also has priority access to the center. The Navigation Team takes a services-first approach to high-impact campsites, working over an extended period of time to connect campers to shelter, services, housing, and health supports before a camp is posted for cleaning and removal. The team works with the City of Portland's Homelessness and Urban Camping Impact Reduction Program (HUCIRP) and other public agencies to address areas where high-impact camping is frequent. Early program data highlights the many ways in which the team helps to address people's needs, including screening for supportive housing, connecting to shelter, assisting with receiving IDs or birth certificates, signing up for the Oregon Health Plan, and referrals for housing.¹⁷

Programs Addressing Livability Concerns

In addition to services to prevent and address homelessness, the City funds programs aimed at managing the impacts of unhoused people living in public spaces, which may include

¹⁶ Source: 2019 Housing Inventory Count.

¹⁷ City of Portland "Response to Homelessness." Issue 6, Summer 2019. Available at <https://www.portlandoregon.gov/toolkit/article/739594>.

camping or living in vehicles. In addition to addressing public health and safety concerns across the city, these programs create important openings for City staff or contractors to meet people and connect them to services.

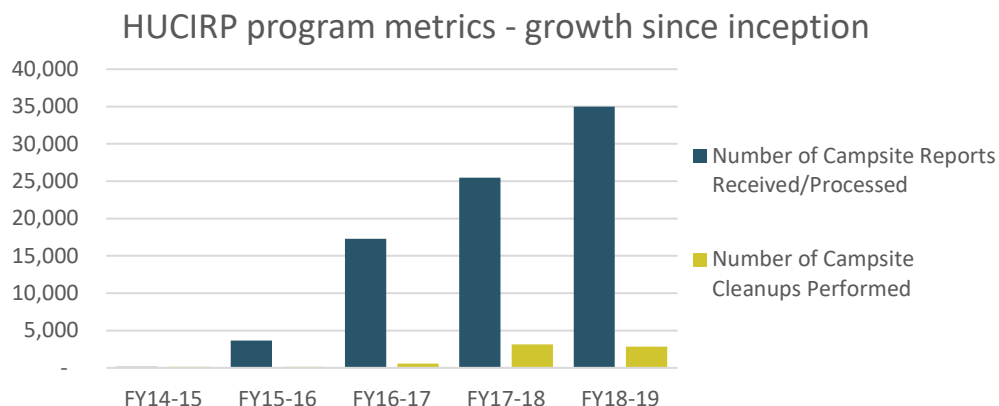
The Homelessness and Urban Camping Impact Reduction Program

HUCIRP is responsible for coordinating the City's response to unsanctioned urban camping. The program began in 2015 in response to concerns about the impact of people living in tents and other makeshift shelters on City property. Since 2015, HUCIRP has expanded significantly in terms of scope of responsibility and volume of services required. The program began as contracted support for clean-ups initiated by property-owning bureaus and has evolved into a more coordinated and public-facing response to concerns about trash and livability issues. HUCIRP manages three teams of contractors responsible for:

- Performing regular light-duty trash pickup across low-impact campsites
- Evaluating campsite conditions
- Performing extensive clean-ups in locations where conditions have substantially deteriorated. In the event of extensive clean-ups, HUCIRP must store and manage the personal property of campers in accordance with the Anderson agreement.¹⁸

Requests for these primary services are received in response to complaints generated through the One-Point-of-Contact system. In addition to campsite clean-up management, the HUCIRP team regularly coordinates with the Joint Office of Homeless Services and non-profit service providers, develops harm reduction strategies, and engages in community education efforts. HUCIRP recently took over management of campsite clean-ups on Oregon Department of Transportation property.

HUCIRP has experienced explosive growth over the past five years, with corresponding increases in the program budget, which increased from \$1.2 million in FY 2015-16 to \$6.7 million in FY 2019-20. The number of reports hit 35,000 last year, with over 2,800 campsite clean-ups performed (see graph below). Often reports generated in the One-Point-of-Contact system are duplicates, and not all reported campsites meet the risk assessment threshold that would warrant an extensive clean-up that would displace campers.

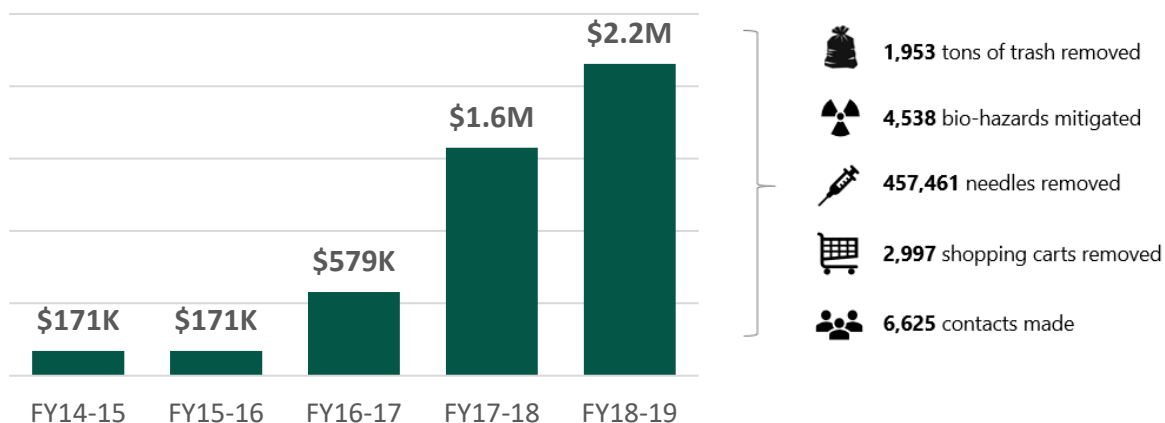


¹⁸ <https://www.portlandoregon.gov/toolkit/article/563496>

As noted in a [March 2019 audit of the program](#), HUCIRP has experienced growing pains. The program has evolved over time, but without robust technology or systems in place to support programmatic growth or to provide data analytics for workload management. HUCIRP has been working with the Bureau of Technology Services to implement upgrades to its system that will automate many previously manual activities and improve data tracking and reliability. The first phase of this effort is already live—the contracted workers who perform regular light-duty trash pick-up and campsite condition assessments have a mobile app that provides geographic incident information in the field. As part of this initial effort, HUCIRP is beta-testing the use of an electronic quality control protocol to ensure field assessments align. Phase two of this technology effort is under development, and will establish an integrated data system for major clean-up work orders.

Improved communication, both with campers and with the public, was also a focus of the audit. At present there is no direct feedback loop to members of the public who submit campsite reports to the Single-Point-of-Contact system. HUCIRP has plans to develop a public-facing version of the mobile map that contracted workers use. Once live, this tool will give the public access to more regularly updated information; however, it does not resolve the fact that many reports will not trigger clean-ups based on the City’s risk assessment matrix. Regarding communication with campers, HUCIRP has made marginal improvements (i.e. leaving business cards, ensuring that posting signs are waterproof). The audit also noted issues with HUCIRP’s facility for property storage after clean-ups. A new warehouse was obtained that is larger, better organized, and in a more centralized location, and property pick-ups by campers have increased as a result. However, improved storage and communication about campsite clean-ups is not likely to change the fact that they are disruptive to campers. While HUCIRP staff and contractors engage with the homeless community with respect and dignity, extensive campsite clean-ups are intrusive by nature.

Total Direct Campsite Cleanup Costs*



*Does not include all program staff or administrative/overhead costs of the program

The total number of campsite clean-ups appeared to stabilize in FY 2018-19, around 2,800 total compared to 3,100 in FY 2017-18. The program underspent its General Fund allocation

by \$375,000 in FY 2018-19; challenges related to scaling and coordinating contracted services likely contributed to this underspending, rather than a decline in demand for services. It seems unlikely that demand for HUCIRP services will decline in the near future, absent some wholesale change in the region's service provision to homeless residents.




Derelict RV Program

As discussed in the [FY 2017-18 Prior Year Performance Report](#), the Portland Bureau of Transportation (PBOT) expanded the Abandoned Autos program to include addressing an increasing number of derelict recreational vehicles (RVs). CBO recommended the bureau work with Council to formalize the program, identify an ongoing funding source, and to set performance measures to track whether or not the program helps to reduce right-of-way obstructions and improve community livability.

In FY 2018-19 the bureau continued the program and identified a plan to formalize it as part of FY 2019-20 budget development. In the current fiscal year, PBOT received approval to add six new Vehicle Inspection Team Officers and one Coordinator to officially staff this program and allocated \$1.5 million in General Transportation

| | RV Complaints Received | RVs Dismantled | RVs Returned to Owner |
|--|------------------------|----------------|-----------------------|
| FY 16/17 | 2,691 | 41 | <i>unknown</i> |
| FY 17/18 | 4,144 | 373 | 52 |
| FY 18/19 | 2,900 | 265 | 29 |
| YTD FY 19/20* | 125 | 45 | 3 |
| * Accounts for only three months in FY 2019-20 | | | |

Revenue and \$180,000 in tow fees to this program. The bureau also created new performance measures around *the number of derelict RVs reported, towed, and dismantled* to track the success and workload impact of the program. For two of these measures the bureau has been internally tracking outcomes for the past three years (see table above).

| | |
|---|--|
|  | 150 tons of garbage per month, including weight of RV |
|  | 500 gallons of human waste per month, 6,000 gallons per year |
|  | 15,000-20,000 sharps per year |

The bureau has changed its contract structure for RV processing. Previously the bureau held multiple contracts to process garbage, human waste, and sharps/needles before dismantling an RV. In FY 2018-19 PBOT contracted with a single vendor to provide all of these services. This likely has saved the bureau time and resources.¹⁹

PBOT highlights that the program has reduced the number of derelict RVs occupying the right of way. From FY 2017-18 to FY 2018-19 complaints for RVs have decreased by 30%. Vehicle Inspection Team officers provide education and information to

RV users including their legal rights related to RV use, where to properly keep RVs, and various support services to help individuals return to healthier housing.

¹⁹ At this time savings is not calculated, and may be difficult to tease out as savings would need to be tracked on a per-vehicle basis.

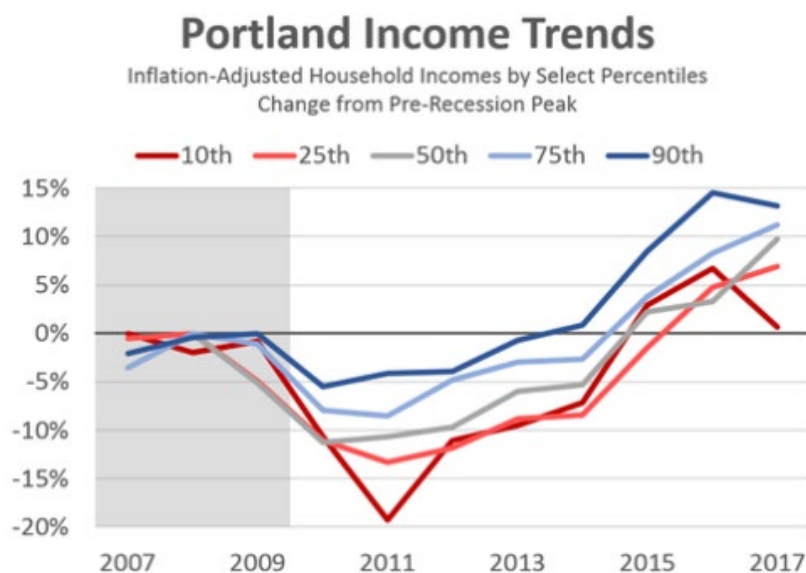
Building Shared Growth for a Changed Portland

Introduction

Portland today is not the same city it was at the beginning of this decade. According to the U.S. Census, the city's population grew by nearly 12% between 2010 and 2018, a growth rate that was 3.4 percentage points higher than the average growth rate for the 100 U.S. cities with the largest populations in 2010.²⁰ Portland's economy has grown significantly as well over this same time span. The Oregon Office of Economic Analysis found that the Portland metro area's income growth from 2007 to 2018 ranks fourth fastest among the 100 largest metro areas in the country.²¹ This is further evidenced in that Portland has had positive year-over-year growth in employment since 2010.

This growth creates new opportunities for the Portland community, but also poses significant challenges for City government as it seeks to ensure that infrastructure and City services expand to meet the needs of a larger city. The City is responding to these challenges across the service areas covered in all topics of this report, with specific focus on the processes by which it manages development, which affects both the availability and affordability of housing and the ways that housing fits into cohesive neighborhoods.

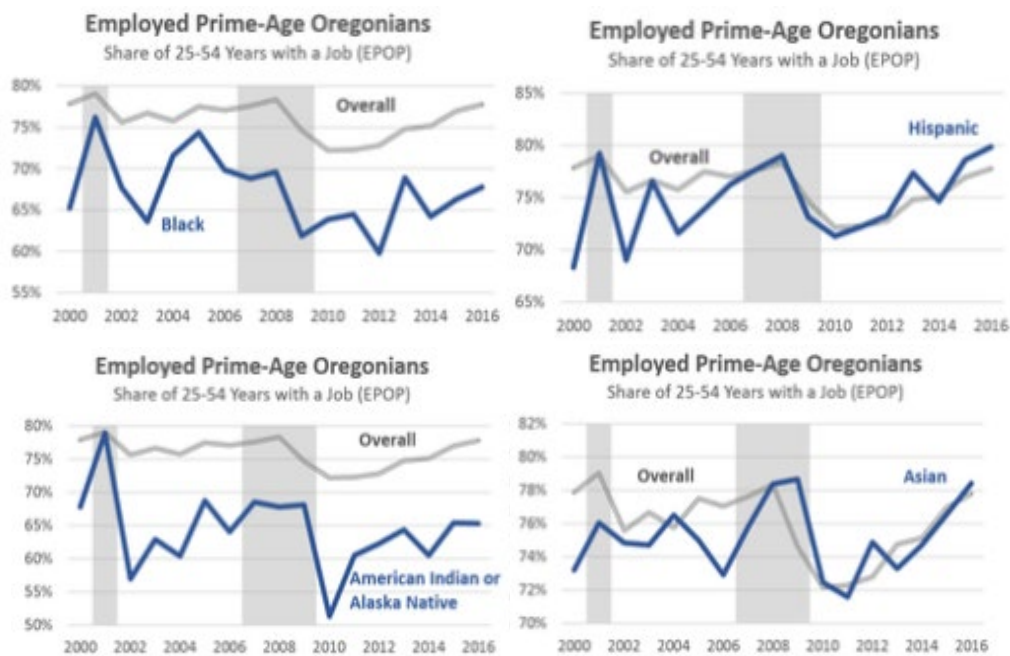
Portland's recent economic growth has not been shared equitably by everyone. Across the metro area, African American and indigenous communities as well as people earning lower incomes have benefitted less than other groups (see charts below). Conversations about housing development and neighborhood access to amenities and opportunities should continue to keep these underlying inequities front and center.



Source: Oregon Office of Economic Analysis

²⁰ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF#>

²¹ Josh Lehner, "Urban Oregon Household Income, 2018 Update" (2019). *Oregon Office of Economic Analysis*. <https://oregoneconomicanalysis.com/>



Source: Oregon Office of Economic Analysis

Many observers, including the Office of Economic Analysis and economists at Portland State University, agree that Portland's economic growth is beginning to slow²² indicating that change is on the horizon for Portland. Though a recession is not officially predicted for the immediate future, economic trends will be different over the next several years than they have been over the past decade. Based on demographic changes alone we should expect slower growth in the near term as baby boomers continue to retire at higher incomes and are replaced in the workforce by younger generations earning less income.

As we continue to adapt to our changing economy, one challenge will be working to close existing disparities rather than allowing slowing economic growth to exacerbate them. The remainder of this section explores some ways the City is responding to this imperative.

Addressing Housing Affordability

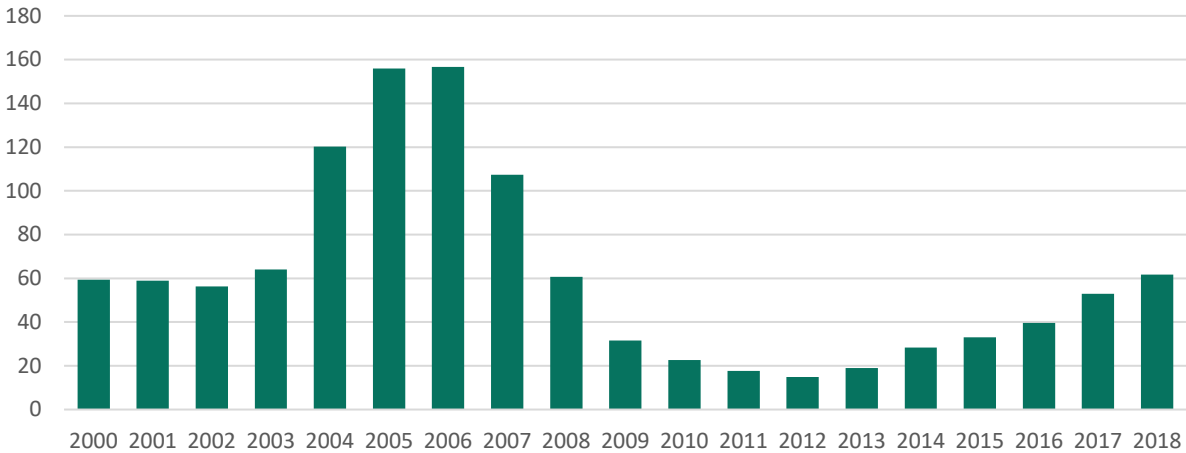
As succinctly noted in a recent publication of The Economist, "Wherever homelessness appears out of control in America...high housing costs almost surely lurk."²³ Portland, like cities up and down the West Coast, has experienced recent historic increases in housing costs driven by demand outpacing supply and the rate of new development. Portland's annual building permit numbers have just started to reach the level needed to accommodate new residents, but not enough to make up for several years of stalled development during the recession.²⁴

²² Portland State University, Northwest Economic Research Center and Potiowsky, Thomas, "Portland MSA Economic & Population Outlook April 2018" (2018). *Northwest Economic Research Center Publications and Reports*. 31. https://pdxscholar.library.pdx.edu/nerc_pub/31

²³ "Homelessness is declining in America – Urban myths." The Economist. October 17, 2019 (Print edition).

²⁴ Data from <https://socds.huduser.gov/permits/index.html>.

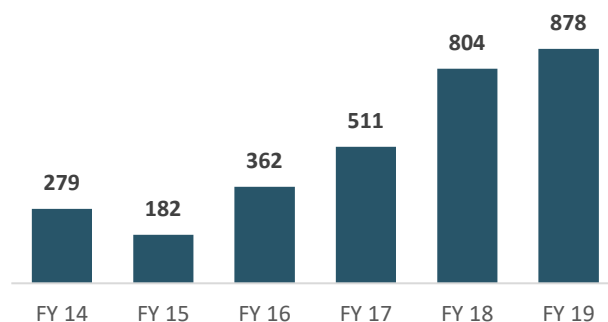
Multnomah County Housing Units Permitted per 100 New Residents (Five Year Average)



Source: U.S. Department of Housing and Urban Development Building Permit database,
<https://www.huduser.gov/portal/tmaps/BuildingPermits/BP.html>

Regulated affordable housing continues to come online at record levels, thanks to a significant influx of new resources over the last few years, including increased Tax Increment Financing dollars, the Construction Excise Tax, Inclusionary Housing fee-in-lieu revenue, two forms of short-term rental revenue, and the Portland affordable housing bond. Last year, voters also adopted two important changes that will fund even more units: 1) an additional regional housing bond, sponsored by Metro, and 2) a constitutional change allowing local jurisdictions to gap finance affordable housing units to be developed by third parties, thereby leveraging additional public and private resources.

Housing units opened that are newly affordable



However, the City cannot meet the demand for affordable housing on its own. Previous analysis has estimated that Portland needs to produce an average of over 1,800 affordable

housing units each year through 2035 to meet anticipated growth,²⁵ compared to 878 units opened in FY 2018-19. Closing this gap may include some of the following strategies:

- **Continuing to assess the impact of regulations, such as Inclusionary Housing and rental policies, on both new development and the rental market.** The regulatory environment plays a role in incentivizing development, as increasing supply at all income levels helps to relieve pressure on housing costs.²⁶ With the recently expanded rental registry, the City may also be able to better assess the impact of policies like mandatory relocation on rental housing stock.
- **Explore locally-based tools like vouchers to buy down housing costs for more households.** The literature points to housing vouchers as a cost-effective tool for stabilizing low-income households and preventing homelessness; however, waitlists for federally-funded Housing Choice Vouchers across the nation are long, and an estimated three out of four eligible households are not receiving assistance.²⁷ [Denver, CO](#) is in the midst of a two-year local housing voucher pilot funded through a public-private partnership to support families earning between 40-80% of the area median income (AMI).²⁸ This pilot, along with the smaller-scale long-term housing vouchers currently funded through the local Joint Office of Homeless Services, could help inform the feasibility of a similar approach in Portland.
- **Continue to support and assess programs that keep individuals and families in safe and stable housing.** This includes existing Portland Housing Bureau services like the low-income home repair program, which in FY 2018-19 found that 94% of participants remained in their homes one year after receiving services (a higher figure than in the past few fiscal years). The bureau has also added programming for rental services, such as legal aid and education. Reviewing the outcomes of these scaled-up services and pilot programs may provide insights about the most efficient, effective, and equitable strategies for helping renters stay in housing.

The largest affordable housing deficit exists for those earning 0-30% of area median income (AMI). The Mayor and Housing Bureau recently announced nine new projects anticipated to put the City on track to meet, and in some cases exceed, the goals of Portland's affordable housing bond. This includes goals for providing 600 units affordable to households at 30% AMI and 313 units of permanent supportive housing. These units mark progress toward a shared City and County goal of adding 2,000 new supportive housing units by 2028, of

²⁵ *City of Portland FY 2015-16 Prior Year Performance Report*, City Budget Office, p. 62.

<https://www.portlandoregon.gov/cbo/article/650874>

²⁶ See EcoNorthwest, March 2019. Homelessness in Oregon: A Review of Trends, Causes, and Policy Options.

Prepared for: the Oregon Community Foundation. Available online at

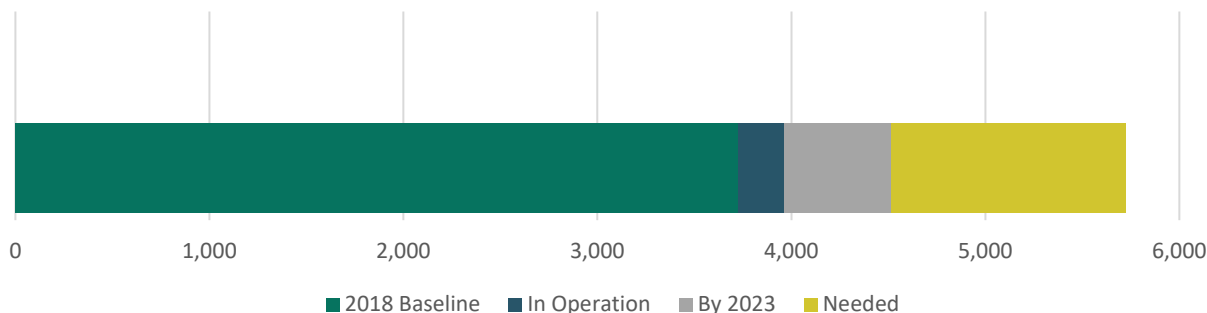
<https://oregoncf.org/Templates/media/files/reports/OregonHomelessness.pdf>. See also The Economist article linked above.

²⁷ Center on Budget and Policy Priorities. Housing Vouchers Work: Huge Demand, Insufficient Funding for Housing Vouchers Means Long Waits. April 19, 2017. Available at <https://tinyurl.com/y3dtkbpg>.

²⁸ See <https://livedenver.org/>.

which 792 are currently in operation or expected to be online by 2023. Another 300 supportive housing units are anticipated to be funded with the capital resources of the Metro affordable housing bond, contingent upon additional services funding being identified to support the units.

Meeting targets would increase Portland's total supportive housing unit count by approximately 46% over the 2018 baseline



Securing sufficient service, operating, and rent subsidy dollars to pair with new units is a critical challenge to achieving supportive housing goals. The cost of these ongoing services was most recently estimated at \$43-\$47 million per year when all 2,000 new units are in operation.²⁹ The total funding gap remains unknown but is likely significant. In addition to local efforts, there is a broader regional conversation about how to coordinate, govern, and fund the supportive housing need, estimated to be at least 3,121 units.³⁰ A multi-county approach recognizes the shared regional need and impact, and has the potential to better leverage existing resources or secure new funding sources. However, despite development of a tri-county supportive housing strategy, there is currently no clear leader to move forward with coordinating implementation across counties and no long-term funding plan.

There are some promising discussions about the development of a Regional Supportive Housing Impact Fund, proposed as a flexible resource pool funded by healthcare providers, community benefit dollars, philanthropic entities, and the business community.³¹ This recognizes the potential savings and benefit that could be experienced by other sectors through increasing supportive housing resources, which reduce a chronically homeless individual's likelihood of utilizing emergency services, jails, and hospitals.

²⁹ Scaling Smart Resources, Doing What Works: A System-Level Path to Producing 2,000 Units of Supportive Housing in Portland and Multnomah County. Presented to a joint session of the Multnomah County board of commissioners and Portland City Council on September 11, 2018. Available at <https://tinyurl.com/vmqegct>.

³⁰ Tri-County Equitable Housing Strategy to Expand Supportive Housing for People Experiencing Chronic Homelessness. Prepared for Clackamas, Multnomah & Washington Counties by CSH & Context for Action. February 2019. Available at <https://tinyurl.com/wy49cvt>.

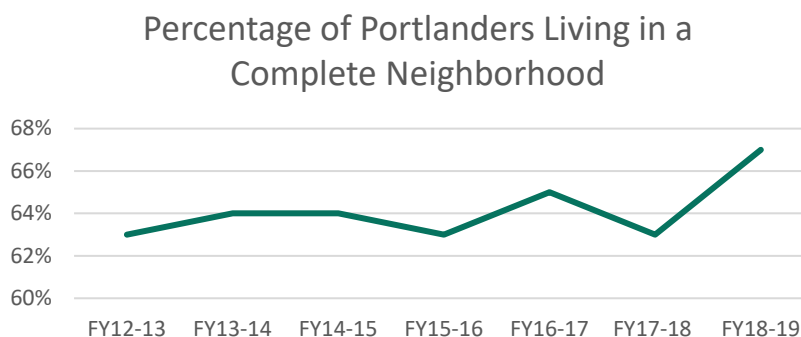
³¹ Regional Supportive Housing Impact Fund Strategic Framework. Tri-County Region (Portland Area). April 2019. Available at <http://www.psjhealth.org/-/media/files/providence-st-joseph-health/housing-is-health/regional-supportive-housing-impact-fund--oregon415final.pdf?la=en>.

Measuring Portland's Complete Neighborhoods, Centers, and Corridors

New housing developments exist within neighborhoods that shape people's access to amenities, job opportunities, and the supportive networks that make up a community. The Bureau of Planning and Sustainability (BPS) oversees a number of programs that seek to enhance and grow "complete neighborhoods" where residents can easily access the necessities of daily life.

Complete Neighborhood Growth

BPS met its FY 2018-19 targets for one of its key performance metrics, the *percentage of Portlanders living in complete neighborhoods* (67%), which is up four percentage points from FY 2017-18 (see graph below). Complete neighborhoods are defined in the [Portland Plan](#) as neighborhoods that meet certain thresholds on at least five of the following indicators: bicycle access and connectivity, food access, transit access, recreation access, elementary school access, sidewalk density, and commercial services.³² The measure of complete neighborhoods is linked to economic prosperity because it examines whether Portlanders have "safe and convenient access to the goods and services needed in daily life" in their neighborhood. Growth of this measure is driven by two factors: 1) construction of new housing units in areas of the City with the amenities described above, and 2) City investment in infrastructure like sidewalks, parks, and transit. Additional drivers such as access to grocery stores and commercial services are influenced by City policies, but with a less direct link.

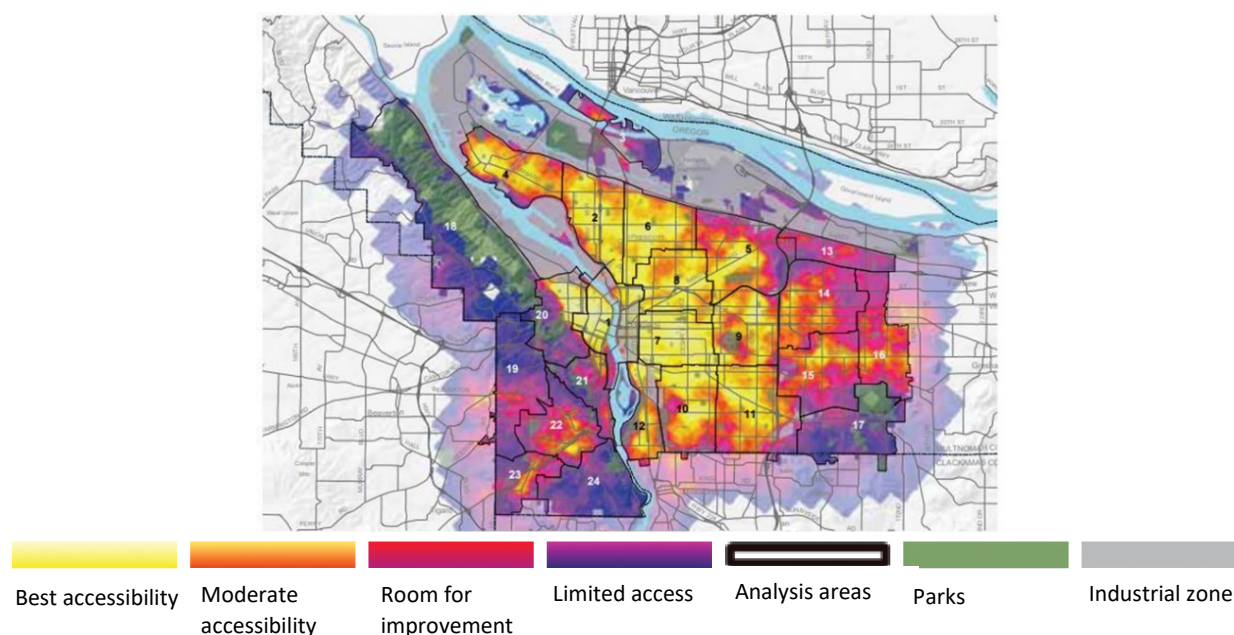


As Portland and the surrounding areas have added housing units (5,648 in Portland in calendar year 2018), this measure has remained relatively constant but is trending upward, suggesting that units are being added in neighborhoods already considered "complete," which tend to be the close-in and walkable neighborhoods.³³ This targeted development is one strategy for increasing the number of Portlanders in complete neighborhoods; BPS tracked this strategy through a new performance measure created in FY 2018-19, *the percentage of new housing units that are in Centers and Corridors*, for which the bureau met its target at 89% of new housing units.

³²<https://www.portlandonline.com/portlandplan/index.cfm?c=56527>

³³<https://socds.huduser.gov/permits/index.html?>

Because the complete neighborhoods measure is a percentage of total Portlanders living in complete neighborhoods, the measure changes not only in response to population growth in complete neighborhoods, but also in response to infrastructure investments, such as investments in sidewalks, parks, and transit. Though the measure is trending up over the last year, accelerated and sustained progress will be needed to reach the strategic target of 80% of Portlanders living in complete neighborhoods by 2035. This likely requires making improvements in neighborhoods not already considered complete. According to BPS analysis from 2015, many of these neighborhoods are in East and Southwest Portland.³⁴



Source: The Portland Plan, page 128

<http://www.portlandonline.com/portlandplan/index.cfm?c=58776>

In FY 2018-19, BPS supported several efforts to either expand housing in complete neighborhoods or create more complete neighborhoods in East and Southwest Portland. These include:

Mixed Use Zones Project Zoning Code

City Council adopted the Mixed Use Zones Project zoning code and map amendments as part of the [Portland 2035 Comprehensive Plan Early Implementation Package](#) in December 2016, and it went into effect in FY 2017-18. The code changes align with the City's Inclusionary Housing Policy, enacted in 2017, and focus development in key centers and corridors.

82nd Avenue Study: Understanding Barriers to Development

In a joint planning partnership, the Portland Bureau of Transportation (PBOT) and BPS examined barriers to new development in the 82nd Avenue corridor and

³⁴ <https://www.portlandoregon.gov/bps/article/531170>

identified solutions to improve pedestrian safety as part of [PBOT's 82nd Avenue Plan](#) and BPS' [82nd Avenue Study: Understanding Barriers to Development](#). As part of the project, BPS provided technical assistance to businesses in the corridor. This aspect of the project, funded by a Metro Community Planning and Development Grant, was completed in FY 2018-19.

[Southwest Corridor Equitable Housing Strategy](#)

City Council passed the Southwest Corridor Equitable Housing Strategy in October 2018 (Resolution 37389). The Housing Strategy aims to ensure that affordable housing needs are met along the anticipated Southwest Corridor Light Rail Project. BPS received \$50,000 in General Fund resources to support creation of a Southwest Equity Coalition in the FY 2018-19 Fall Supplemental Budget. Project partners for the coalition include Metro, TriMet, the City of Tigard and Meyer Memorial Trust. The coalition is meant to champion the implementation of the equitable housing strategy and Metro's Southwest Equitable Development Strategy. Work has already begun among project partners to implement the strategy, including BPS area planning in the West Portland Town Center and South Portland.

[Recommendations for Ensuring Clear and Transparent Reporting on Key Planning Measures](#)

The Complete Neighborhoods measure is a key measure not only for BPS, but for monitoring progress on Citywide priorities. The measurement of complete neighborhoods is especially pertinent as Portland continues to grow and works to address displacement and gentrification risks, such as through the recently funded Anti-Displacement Action Plan. This new plan is funded on a one-time basis in the FY 2019-20 Adopted Budget and the FY 2019-20 Fall Supplemental Budget. To ensure that the City is best using this data to manage these key priorities, CBO offers several recommendations to improve performance reporting:

[Frequent Updates to Complete Neighborhoods Geography](#)

BPS notes that the Complete Neighborhood geography used in this performance measure has not been updated in several years, so it does not account for more recent changes in commercial services or infrastructure investments that could alter a neighborhood's "completion" status. CBO recommends updating the methodology of this measure for FY 2020-21 budget development and continuing to update it regularly in the future.

[Resume Frequent Reporting](#)

In FY 2014-15, the Complete Neighborhoods measure was identified as one of three Citywide priority areas. At that time, BPS monitored and reported progress to Council on a quarterly basis in order to help guide budget investments. Since neighborhood livability remains a Citywide priority, CBO recommends that BPS resume quarterly collection and reporting of this measure in conjunction with related measures tracked by PBOT, Prosper Portland, and Portland Parks and

Recreation. The complete neighborhoods measure would be appropriate to track in future updates of the Portland Plan.

Neighborhood Change Indices Included in Bureau's Performance Measure Reporting

In its 2019 report, [*Guide to Measuring Neighborhood Change to Understand and Prevent Displacement*](#), the National Neighborhood Indicators Partnership (NNIP) suggests the development of indices of multiple performance measures to more accurately capture demographic change in neighborhoods.³⁵ In FY 2018-19, BPS added a performance measure of *the level of community diversity retained or achieved as neighborhoods change or grow*. This is measured by the percentage of people who identify as people of color in the census tracts that are predominantly "complete communities," compared with citywide demographics. Pairing this new measure with other measures related to neighborhood change, such as median home prices and percentage of rent-burdened households, could provide a more holistic way of measuring neighborhood change. A suite of neighborhood change measures could be one element of a broader equity index as discussed in the "Achieving Equitable Outcomes for All Portlanders" section of this report.

³⁵ See report at

https://www.urban.org/sites/default/files/publication/100135/guide_to_measuring_neighborhood_change_to_understand_and_prevent_displacement.pdf

Improving Community Safety

Introduction

The City seeks to provide safety and emergency response to all members of the Portland community through City-managed services in Portland Fire and Rescue (PF&R), Portland Police Bureau (PPB), Bureau of Emergency Communications (BOEC) 911 dispatch, Portland Bureau of Emergency Management (PBEM), and through collaboration with local partners. Provision of emergency response service is affected by numerous variables, but annual metrics for total call and incident volume, response times, reported crime rates, and perception of safety provide a high-level look at the City's safety and emergency response services.

A scan of Portland's public safety bureaus reveals several shared themes. The first is that Police, Fire, and BOEC are using innovation to address continued expansion in demand for emergency services within existing resources. Call workload has increased consistently over the last five years. However, efforts described below, including the embedded Police sergeant pilot and changes to call answering and response protocols at BOEC and the Fire Bureau, enabled public safety bureaus to manage this growth in FY 2018-19.

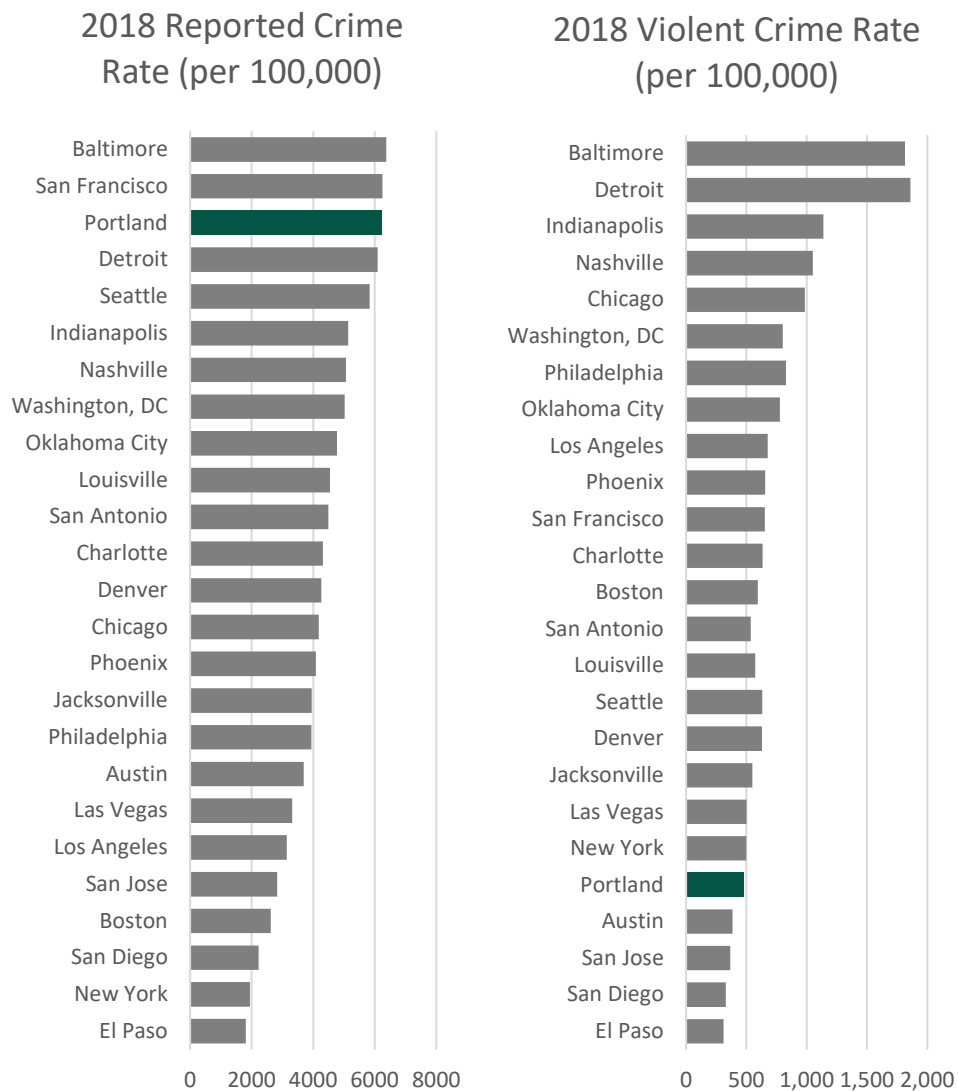
While some amount of incident expansion is to be expected for a city with increasing population, there is evidence that the demand for emergency response is changing in nature, reflective of social issues in our community—a second shared challenge for public safety bureaus. These changes are corroborated by the low perception of safety in the Central City from the 2019 Portland Insights Survey. This shift in incident type presents a potentially greater challenge to the City's public safety functions as the City struggles to adapt its existing services to address these issues.

Crime Rates

At the national level, reported crime rates have declined substantially since the early 1990s. Local trends in Portland largely mirrored national trends over this same time period; data from a report by the Brennan Center³⁶ shows that the overall crime rates in Portland today are low compared to the past three decades. However, Portland is one of few cities to show an uptick in reported crimes in recent years. More recent data from the Brennan Center compares Portland to other cities on reported crime rates.³⁷ Portland's total reported crime rate is relatively high compared to other cities included in the publication, but among those same comparator cities Portland's violent crime rate is low.

³⁶ The Brennan Center report (and updated report) can be found here: <https://www.brennancenter.org/our-work/research-reports/crime-2017-final-analysis>

³⁷ See more recent data here: <https://www.brennancenter.org/our-work/research-reports/crime-2018-final-analysis>

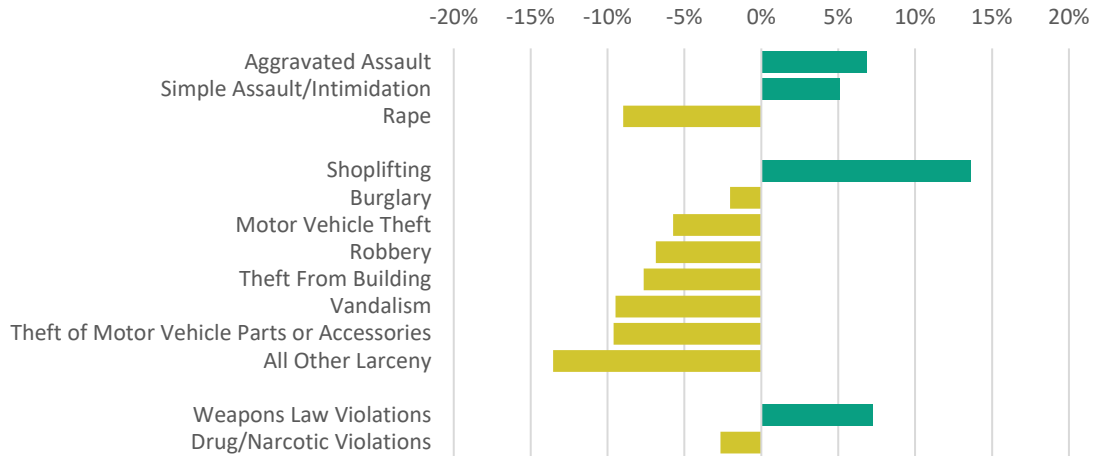


Source: Brennan Center Crime in 2018 report

Property crimes comprise most reported crimes in Portland. The reported property crime rate³⁸ dropped by almost six percentage points in FY 2018-19, reversing a multi-year trend. It is difficult to attribute the reduction directly to any one factor, but focused missions in Police precincts may have contributed to the reduction, especially those aimed at reducing and preventing crimes like motor vehicle theft and burglary. Narcotic violations have declined in recent years, while weapons law violations have increased, rising by about 9% over the prior year for 626 total weapons law violations reported in FY 2018-19. The person crime rate, of which over 90% are assault offenses, has increased over the past few years as well. The chart below shows changes over the prior year for common offense types.

³⁸ This property crime statistic from PPB is based on NIBRS Group A crimes, while Brennan Center data is based on Part 1 property crimes. NIBRS data includes more offense types than the Brennan Center data.

FY 2018-19 Reported Crime Rate: Percentage Change over Prior Year for Selected Offenses



Gun Violence Reduction Team

In addition to focused missions intended to reduce property crimes such as motor vehicle theft and robbery, the Portland Police Bureau has shifted substantial resources to address weapons law violations through the Gun Violence Reduction Team (GVRT). Specifically, the Police Bureau transitioned from a Gang Enforcement Team (GET) model under which a specialized team investigated gang-related shootings to one where all gun crimes in the city that generate a police report are thoroughly investigated.

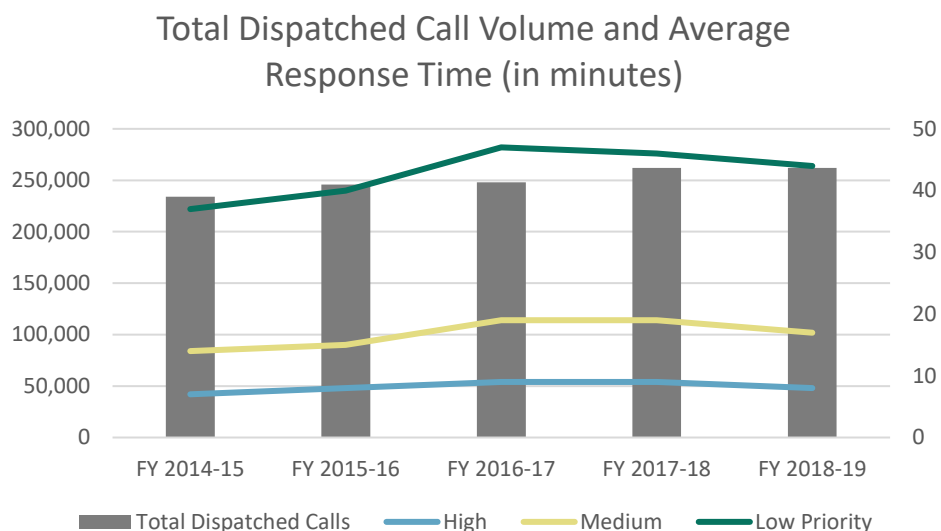
Beginning in October 2018, the bureau shifted the six officers and one sergeant originally assigned to GET to the GVRT and added seven detectives and seven officers to this unit (in some cases offset by reduced patrol staffing levels and detective resources in the bureau's Sex Crimes Unit³⁹). Under this model, the GVRT tracks all confirmed shooting incidents and investigates all shootings except those assigned to Robbery or Domestic Violence units. All shell casings and recovered firearms are now analyzed and cross-referenced in a national database. In this way, GVRT tracks and investigates every shooting incident in the city and is able to provide more comprehensive data for biweekly shooting reviews where case information is shared with partner jurisdictions. For the part of the prior fiscal year during which this enhanced unit was active, 29% of GVRT cases were cleared through arrest. In the year that this enhanced gun violence investigation model has been in place, the cost for gun violence-related overtime increased by over 50%—or \$220,000—due to the expanded staffing and increased call-out response for incidents. This is an additional indicator of the substantial additional sworn staff time and costs associated with a 100% investigation model dedicated to addressing gun violence issues.

³⁹ At least two of these detectives were reassigned from the Police Bureau's Sex Crimes Unit. Council originally approved these positions in the FY 2016-17 Budget to ensure compliance with [Melissa's Law](#) (SB 1571) and other changes in response to sex crimes.

PPB Call Volume and Response Times

Addressing rising call volume has been a challenge across the emergency response system in recent years. While total police call volume is still high relative to five years ago, this trend has slowed somewhat as total dispatched call volume for the Police Bureau in FY 2018-19 was flat over the prior year. The *total number of officer-initiated dispatches*, which historically is considered a proxy for time spent on ‘proactive’ policing, increased by about 4% in FY 2018-19. The Police Bureau made improvements in response times in FY 2018-19; with the same number of total dispatched calls, the bureau reduced response times across all priority levels and reduced average response times by a few minutes for medium and low priority calls. For high priority calls, the average travel time was static at around 6.5 minutes, but the average call queue time went down by about 8% (about 10 seconds).

The majority of dispatched Police calls are in the ‘Disorder’ call group, comprised of calls related to disturbances or other problems that require a police response to assess and resolve the situation. Similarly, most of the total growth in dispatched calls in recent years falls into this call group. High priority ‘Disorder’ calls comprise approximately 40% of total calls in this group. Low and medium priority calls for welfare checks, unwanted persons, and suspicious activity have increased almost 25% from 2016 to 2018 (calendar year), generating over 10,000 additional dispatched calls for the Police Bureau. Low and medium priority ‘Disorder’ calls may present an area where demand mitigation strategies may be effective in reducing call volume to the Police Bureau.



Beginning in November 2018, the Police Bureau embedded a sergeant position at the BOEC 911 call center for twelve hours per day from Monday to Friday as part of a pilot program to determine the impacts of triaging calls at the first point of contact. This position is responsible for reviewing and triaging incoming calls for service, helping to prioritize police response, and clearing calls that do not actually require an officer to be dispatched to respond. In some cases, around 4%, these calls were diverted to another agency or service provider. In cases where no police response was necessary, the sergeant contacted the

caller to inform them of the rationale for no police response. The most common type of calls to be cleared by the sergeant were suspicious vehicles or circumstances, “cold” welfare checks, unwanted persons, information broadcast calls, and area checks.

Over 15,000 calls were reviewed by embedded sergeants, and almost 10,000 were cleared without requiring a patrol officer response. The Police Bureau estimates that the triage pilot saved over 6,400 hours of patrol officer time, and it seems likely that the pilot contributed to the bureau’s ability to reduce overall response times over the past year. Given the apparent success of the pilot, the bureau may want to consider moving from an overtime-funded model to one where a sergeant is embedded at BOEC 911 as part of a permanent assignment. The overtime costs for staffing a sergeant at BOEC during the year of the pilot project were approximately \$250,000. Establishing a permanent position (augmented by overtime for coverage), would be a less expensive staffing model and would give traction to these promising prioritization efforts.

Public Perceptions of Crime and Safety

The 2019 Portland Insights Survey provided updated information on residents’ perceptions of public safety, as well as disaggregated information on resident concerns and suggestions for improvement in public safety response. [Research](#) from the Pew Research Center suggests that public perceptions of crime sometimes conflict with data-driven crime rate analysis.⁴⁰ Nevertheless, the recent survey data provides relevant information about how safe respondents feel in the city. The survey is a point-in-time assessment and will be more meaningful if it can be compared longitudinally as part of an annual community survey.

Overall, most respondents report feeling unsafe walking in the Central City at night, and 35% feel unsafe in their neighborhoods at night. Compared with respondents living in other areas of Portland, those in East Portland were more likely to report feeling less safe in both their own neighborhood and the Central City.

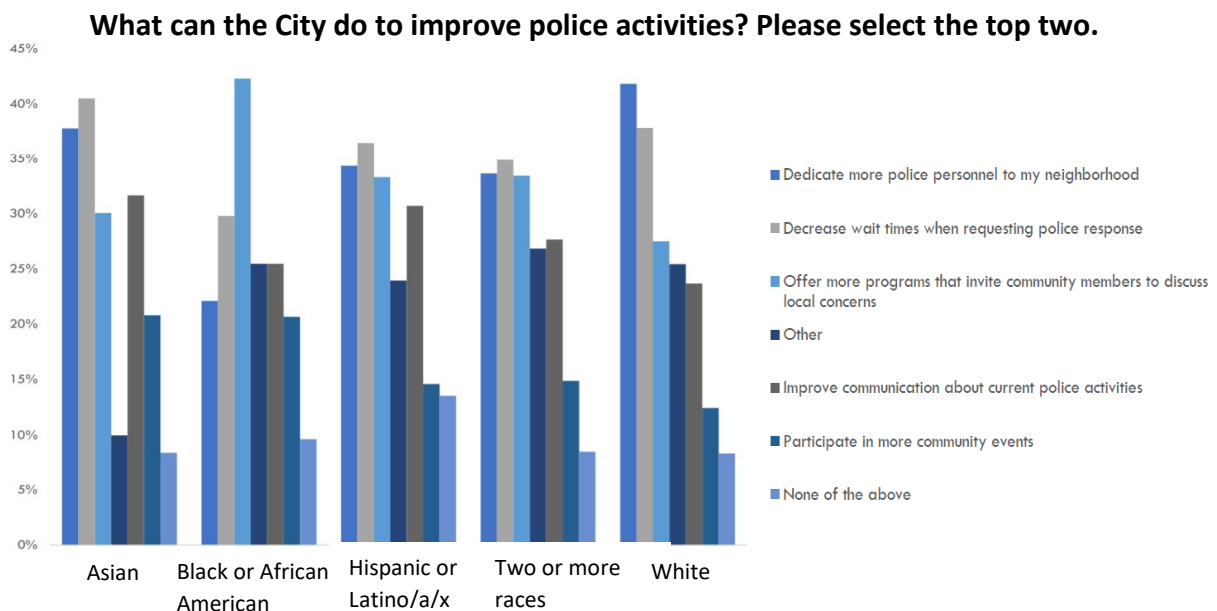


Source: 2019 Portland Insights Survey

⁴⁰ See the Pew report at <https://www.pewresearch.org/fact-tank/2016/11/16/voters-perceptions-of-crime-continue-to-conflict-with-reality/>

Community responses were mixed with regard to the ability of the police to protect Portlanders from crime. While reported crime data shows the property crime rate declining over the past year, just over 60% of respondents were dissatisfied with the Police Bureau's ability to address property crime issues. Only 39% of citywide respondents are satisfied with police protection from violent crime; while the city's rate of reported violent crime is relatively low compared to other cities, it has increased in recent years, which may contribute to the survey results. Black and Hispanic respondents are less satisfied than other racial groups with the police's ability to protect them from violent crime.

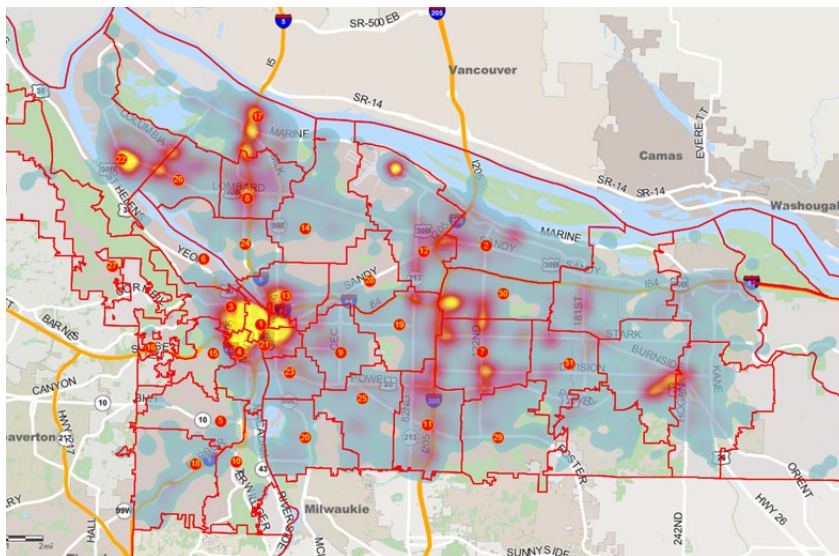
The community survey asked the public how the Police Bureau could improve police services. Across all respondents, decreasing wait times for police response was the first or second priority for improving police services. As noted above, the Police Bureau made measurable progress in decreasing average wait times across all call types last year. The survey responses from Black respondents indicated that offering programs that invite community members to discuss local concerns with police was the highest priority. White respondents chose increased police personnel in their neighborhoods as the highest priority. As the Police Bureau 1) advances conversations with the Portland Committee on Community-Engaged Policing (PCCEP) and 2) moves forward with the implementation of its strategic plan, these demographic differences may be helpful data points to explore.



Source: 2019 Portland Insights Survey

Of the responses in the 'Other' category in the chart above, over 200 of the responses discussed issues related to homelessness and mental health. Police dispatch data does not lend itself well to analysis of homeless-related calls, as there is no specific call marker indicating a caller or subject is experiencing homelessness. BOEC 911 has analyzed call data for key words to try to identify homeless-related calls for police, fire, and medical services. The BOEC analysis should not be considered definitive, as it relies on key words rather than

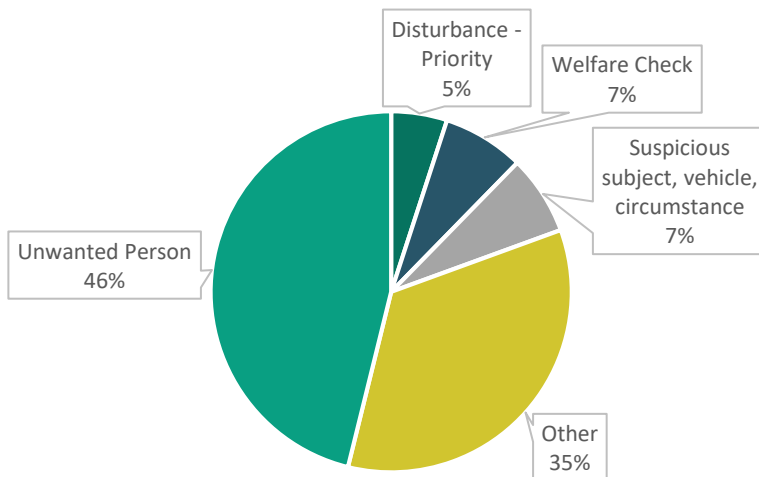
coded call data, but does provide a window into some high-level trends and spatial concentration, as shown in the map below.



Source: Bureau of Emergency Communications

The 911 calls with a nexus to homelessness have been increasing over the last several years, and the majority of calls to 911 that have a nexus to homelessness generate a Police Bureau response. The BOEC word query provides a rough estimate of the most common calls for service that are related to homelessness, by call category:

BOEC-Estimated Calls for Service Related to Homelessness for Police, by Call Category



It is not clear from the existing information exactly how much officer time is spent responding to calls related to homelessness, though it is not insubstantial; nor is it simple to discern which calls do not actually require a police response. As noted in the [Independent Police Review](#), more work can be done to collect accurate and actionable data on the Police Bureau's interaction with the homeless community, as well as define the roles and

responsibilities of responding officers. PPB will always have a role to play where the response is due to reported criminal behavior or a crime in progress, but other response strategies can be explored and deployed where that is not the case. As the City wrestles with how to address the complexities of the homelessness crisis, it will be critical to define PPB's role in calls for service that have a nexus with homelessness. The evaluation of the nascent Portland Street Response pilot will provide a more nuanced window into calls for service where a different response strategy could be effective.

Additional survey data can be found [here](#).⁴¹ These findings are based on resident perceptions of policing at a point in time, and underscore differences in those perceptions based on geographic location and demographic information. This data should be considered a starting point for more focused research and conversation with the Portland community.

BOEC Call Volume Trends and Performance Analysis

Demand for public safety resources has increased considerably this decade, and data shows this trend continued in FY 2018-19. As we see in the table to the right, the Bureau of Emergency Communications answered 38,848 more calls in FY 2018-19 than in the year prior. While an increase in calls can be anticipated as the region's population grows, the 4.5% increase in all calls is more than double the growth rate of any of the previous four years. This can likely be attributed to the fact that BOEC turned off its [cell phone call filter](#).⁴² For example, BOEC filtered out 4,741 calls in September 2018 and answered 38,587 calls. In September 2019 they answered 41,299 calls while filtering out zero, creating a 911 call volume increase of 7.0%, or 2,712 calls.

That said, the growth in call volume—be it growth related to an increasing population or from cell phone calls no longer being filtered—has not negatively impacted BOEC's performance. *Average time to answer cell*

A 2% Decrease in Nonemergency Calls was not enough to de-ballast aggregate workload demand, as Emergency 911 calls increased by nearly 46,000 calls, resulting in a net increase of 39,000 calls for BOEC to handle in FY 2018-19

| | Total | Change | |
|---------------------|---------|---------|--------|
| 911 Emergency Calls | | | |
| FY 2015 | 526,243 | | |
| FY 2016 | 524,455 | (1,788) | -0.34% |
| FY 2017 | 536,521 | 12,066 | 2.30% |
| FY 2018 | 530,564 | (5,957) | -1.11% |
| FY 2019 | 576,446 | 45,882 | 8.65% |
| Non-emergency Calls | | | |
| FY 2015 | 299,007 | | |
| FY 2016 | 318,486 | 19,479 | 6.51% |
| FY 2017 | 314,620 | (3,866) | -1.21% |
| FY 2018 | 337,655 | 23,035 | 7.32% |
| FY 2019 | 330,621 | (7,034) | -2.08% |
| All Calls | | | |
| FY 2015 | 825,250 | | |
| FY 2016 | 842,941 | 17,691 | 2.14% |
| FY 2017 | 851,141 | 8,200 | 0.97% |
| FY 2018 | 868,219 | 17,078 | 2.01% |
| FY 2019 | 907,067 | 38,848 | 4.47% |
| Population* | | | |
| FY 2015 | 777,490 | 13,180 | 1.70% |
| FY 2016 | 790,670 | 14,040 | 2.29% |
| FY 2017 | 803,000 | 11,705 | 1.87% |
| FY 2018 | 813,300 | 9,640 | 1.51% |
| FY 2019 | 821,730 | 8,430 | 1.04% |

**Data is from the Portland State University's Population Research Center and reflect certified population estimates of Multnomah County as of July 1 of the year noted.*

⁴¹ The survey report can be found here: <https://www.portlandoregon.gov/cbo/article/740406>

⁴² For more information, see: <https://www.portlandoregon.gov/ombudsman/article/642095>

phone calls has decreased by half, from 30 to 15 seconds, while the percentage of calls answered within 20 seconds hit 77%, which is still short of the national standard of 95% but is 11 percentage points higher than the bureau achieved two years ago. This is likely attributable to two main factors: 1) Increases in staffing levels that took place during FY 2018-19 (staffing levels have partially declined since hitting full staffing in late FY 2018-19, with the bureau currently operating with 14.0 vacancies) and 2) The fact that the 911 Cell Phone Filter added 10-15 seconds to the beginning of a call, which negatively affected performance metrics by increasing the total amount of time needed to answer the call. This can be seen by stratifying the “Average Time to Answer” metric by land-line and cell phone, as shown in the table below.

BOEC call-taking metrics have improved substantially over the two years that we have valid data for.

| | FY 2016-17 Actuals | FY 2017-18 Actuals | FY 2018-19 Actuals | 2-year Change |
|---|-----------------------|-----------------------|-----------------------|------------------|
| Average Time to Answer | | | | |
| Average time to answer emergency 9-1-1 cell phone calls (in seconds) | 31.50 | 29.96 | 15.60 | -50.48% |
| Average time to answer emergency 9-1-1 landline calls (in seconds) | 10.65 | 11.95 | 10.72 | 0.66% |
| Average time to answer emergency 9-1-1 calls (in seconds) | 25.0 | 25.0 | 14.0 | -44.00% |
| National Emergency Number Association (NENA) Standard | | | | |
| Percentage of emergency 9-1-1 calls answered within 20 seconds | 66% | 64% | 77% | 11 pts. |
| Percentage of emergency 9-1-1 calls answered within 10 seconds in the busy hour | 22% | 16% | 49% | 27 pts. |

Looking ahead, the bureau may see a call volume shift as the City rolls out its 311 program, which incorporates a public education initiative that will help community members understand when to call each line. The extent to which this, and other efforts like Portland Street Response, will impact overall BOEC call volume workload is yet to be determined.

PF&R Incident Volume Trends and Performance Analysis

Demand for Portland Fire & Rescue services have increased substantially this decade. The Fire Bureau has seen a 24% increase in incidents over the last eight years, growing from 69,016 in FY 2011-12 to 85,629 in FY 2018-19, an increase of 18,417 incidents. The annualized incident growth rate of 3% is higher than the rate of change in population, which is 1.35% (or 11.56% since 2011).

Portland Fire & Rescue Incident Growth Decreased over the Prior Year, but the overall incident growth rate correlates with decreases in response time.

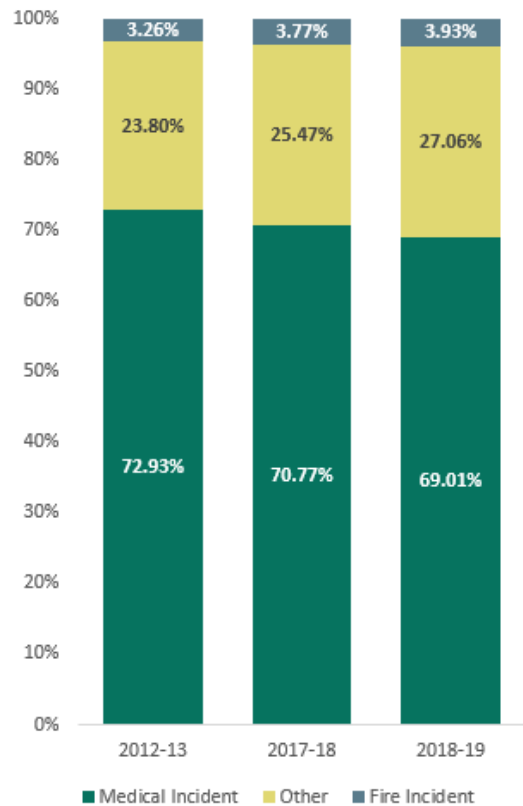
| | 2018-19 Value | Value Change Over Prior Year | Percentage Change Over Prior Year | 8-Year Percentage Change | Annualized Rate of Change* |
|--|---------------|---------------------------------|---|--------------------------------|-------------------------------|
| Workload Metrics | | | | | |
| Total Incidents Responded to | 85,629 | -1,537 | -1.8% | 24.1% | 3.0% |
| Response Metrics | | | | | |
| Response time to high-priority incidents at 90th percentile | 7:24 | 5 Seconds | 1.13% | 0.26% | 2.07% |
| Percentage of responses (turnout and travel) to Code 3 incidents within 5:20 | 58.0% | -3.0% | -4.9% | -0.8% | -6.5% |

*The annualized rate of change is based on the last 8 years, dating back to FY 2011-12

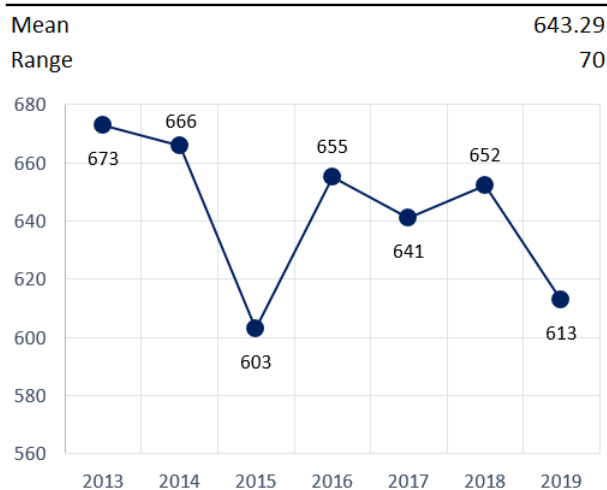
However, it should be noted that total incidents in FY 2018-19 are down 1.76% over FY 2017-18, which saw PF&R respond to 87,166 incidents. This reduction of incidents is attributable to PF&R no longer responding to low-acuity back and abdomen pain calls, which decreased the overall incident workload for the bureau by roughly 6,000 calls. Assuming a continued rate of growth in population and in all other incident types, eliminating back and abdomen calls will create only a one-time reduction in calls. Absent additional changes to response protocol, the Fire Bureau's incident workload will likely continue to compound as the region grows. CBO recommends the bureau continue to review protocols for response for the lower-acuity calls to ensure workload growth is for the calls for which PF&R is the best responding unit.

Fire incidents as a percentage of total incidents have held steady at just under 4% a year since 2012-13, while medical incidents as a proportion of total calls have decreased by nearly 4% since 2012-13. The workload has instead shifted to an increased number of "Other Incidents." Other Incidents include public service assistance, good intention calls,⁴³ unauthorized burning, and false alarms and other accidental calls.

"Other" Calls (which include false alarms, good intention, "no incident found", unauthorized burning, and "police matter" type calls) represent a growing proportion of the Fire Bureau's workload.



Structure Fires from FY 2012-13 to FY 2018-19



PF&R companies responded to over 4,100 more False Call/Alarm, Good Intention, Unauthorized Burning, and Lift Assist calls in FY 2018-19 than they did in FY 2012-13. On top of that a 7,000-incident increase in calls cancelled "en route" or "at scene" and it becomes apparent that the growth in incident demand for Fire Services is not representative of organic growth in critical incidents like cardiac events and structure fires, but an outsized increase in non-emergency call types. In particular, structure fires have

⁴³ Public service assistance and good intention calls capture a range of different types of calls, from requests to assist someone who has fallen to situations that callers interpreted as emergencies that turn out not to be.

consolidated within a 70-incident range over the last six years, and represent only 0.7% of all incidents responded to by PFR.

The real and opportunity costs of sending a PF&R Fire Company to non-emergency and/or cancelled calls are difficult to quantify. Wear and tear on apparatus can be measured in mileage and other maintenance data, yet impacts on staff cannot be captured as easily. High call volumes for low-acuity calls were shown to be a “major cause of stress, health concerns, compassion fatigue” and other burn-out related issues, as reported in a PF&R [Workplace Culture Assessment \(page 29\)](#).⁴⁴

The Fire Bureau’s practice is to respond to every call dispatched by BOEC. It has made efforts to reduce workload by adding a fee for non-emergency lift assist responses to Oregon state-licensed commercial assisted living, residential care, and nursing facilities in the City, but to date that fee has not quelled demand. The data show overall response times are slowing as population and medical response incident demand grows. The growth in incident demand is not just driven by an increase in low-acuity calls like no-injury traffic accidents and lift assists, but by calls where no fire or medical issue exists at all.

The Fire Bureau has recommended policies and new technologies that would curtail the growing demand for a costly City response to low-acuity calls. Current City efforts to reduce this portion of incident demand include:

- **311 Program** (in development)
- **Integrated Priority Dispatch System** (Fire and Medical protocols to be implemented in the next 12 months)
- **Portland Street Response** (in development)
- **Nurse Triage** (in scoping)

These initiatives may have a significant impact on demand for Fire Service incident response, but are too nascent to have quantifiable, measurable outcomes. If successful, the effects of these efforts should allow for more precise and efficient outputs across the emergency response continuum.

Going forward, the discussion of the Fire Bureau’s ability to sustain frontline service levels without increased resources will have to address the false and cancelled incident portion of the workload as well as any efforts to reduce low-acuity and some medium-acuity medical incident response.

Crime Prevention Program Becomes the Community Safety Program

The Office of Community & Civic Life (Civic Life) made changes to the structure, content, and name of the Crime Prevention program in FY 2018-19. These changes began in October 2018 and culminated in August 2019 with the official implementation of a new model and

⁴⁴ See the assessment at: <https://www.portlandoregon.gov/Fire/article/711079>

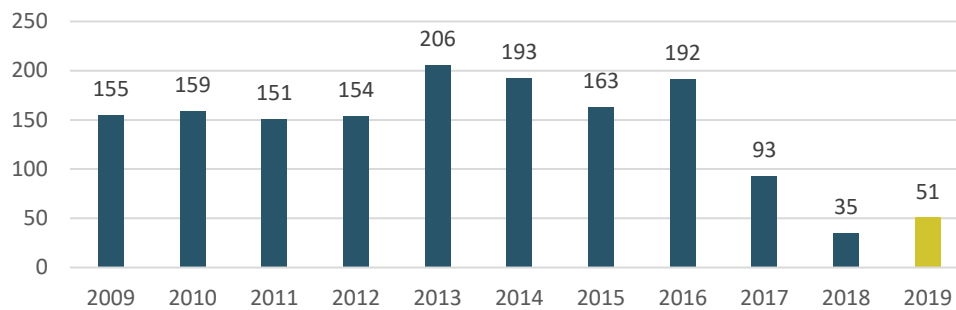
new name: Community Safety Program. Whereas the previous model was focused on crime and emphasized the need for police to respond to resolve all public safety concerns, the new model focuses on a more holistic approach to public safety in which the Community Safety Team supports neighbors to work with each other, with the City, and with community in addressing a broad range of interconnected public safety solutions, such as emergency preparedness, personal safety, community advocacy, active transportation, and more. The changes are designed to make the program less reactive and less siloed from other bureaus in addressing public safety and to help support community-led efforts.

As the program transitions its focus to community building and resiliency rather than patrolling neighborhoods, some programmatic changes have been implemented. For example, the traditional model of Neighborhood Watch is transforming to Neighbors Together, which still connects neighbors but with a new emphasis on promoting a culture of collaboration and community building. The Community Safety Team trains and supports groups who can then use the trainings to learn how to organize activities like neighborhood clean-ups, walking groups, block parties, or work on important issues such as emergency preparedness, crime prevention, or youth safety. Also, in line with this transition, the program no longer provides information and support for formalized foot patrol groups in the City. Three foot-patrol groups (Riverplace, Pearl District, and Laurelhurst) had been receiving information and support from the Community Safety Team. As of the transition, these foot patrol groups still exist and continue to operate as independent community-driven civic improvement projects.

Program Results

Civic Life has faced ongoing challenges collecting and maintaining performance data due to changing methodologies for data collection and staff turnover. Of the four performance measures for this program, only one has reliable data for FY 2018-19. This measure is *the number of Crime Prevention Through Environmental Design (CPTED) assessments completed* and relates to a piece of the program's work that has remained relatively unchanged through the recent transition. This measure has fluctuated over the years, in part due to a transition from conducting broader Site Security Assessments to more narrowly- defined CPTED assessments, which accounts for the dramatic change between 2016 and 2017 in the chart below. In FY 2018-19 the bureau completed 45% more CPTED assessments than in the prior year, just breaking its annual target of 50 assessments.

Number of Site Security Assessments (2009-2016) and Crime Prevention Through Environmental Design assessments (2017-2019)



For two other performance measures for the Community Safety program—the *number of community groups supported* and *percentage of crime prevention training participants with increased knowledge of public safety resources*—recent methodological changes to how the measure is tracked mean that FY 2018-19 numbers are either inaccurate or inconsistent with prior year data, making identification of trends impossible. Civic Life has created a new measure for the Community Safety program, “*percentage of Neighborhood Associations participating in National Night Out events*,” and will begin to track data in FY 2019-20.

Between the bureau’s shifting approach to data collection and lack of new metrics to track the success of the programmatic changes, Civic Life is currently unable to assess the success of the Crime Prevention/Community Safety program. Accurate data collection via partner organizations is a challenge, but one that other bureaus must also manage. More training on data literacy, including the important task of data collection by partner organizations, may be necessary to gain a true understanding of the impact of our community development programs across the City. Should the Portland Insights Survey continue in future years, CBO recommends reinstating perception of safety as a performance measure for the Community Safety program. With the survey’s new approach, this measure can also be disaggregated to track disparities between genders, race groups, and different geographic areas of the city over time.

Given the new program focus on bridging silos, CBO also encourages Civic Life to work collaboratively with other public safety bureaus to identify how the program aids the City in crime prevention through community safety interventions and interactions, who in the community it is trying to serve, and how to measure whether the program is working. The FY 2020-21 budget development process provides a new opportunity for this conversation, as the Mayor has directed all bureaus with public safety functions—including Police, Fire, Emergency Management, Emergency Communications, Fire and Police Disability and Retirement (FPDR), as well as the Community Safety Program and the Parks Ranger program in the Portland Parks Bureau—to develop and propose a collaborative public

safety budget. Civic Life's recent research and outreach in this area position the bureau well to participate in the City's movement toward a coordinated community safety mode. To do so, the program will need to establish performance measures to better communicate what interventions are being provided, and whether these services are helping the City respond to emerging challenges to create a safe community for Portlanders.

Next Steps for Public Safety

It is clear that the nature of demand for City emergency response services is changing, with more demand for homeless-related and disorder-type calls. Much of the recent focus for addressing the new demands of public safety has been on the potential of new programs like Portland Street Response. However, the City should also continue assessing the value of existing investments the City has made to get upstream of the demand, including the creation of Public Safety Support Specialist positions, the Behavioral Health Unit, and BOEC Sergeant Triage in the Police Bureau; the creation and expansion of Parks Rangers in the Parks Bureau; and Civic Life's Community Safety program. To ensure that resources put toward community safety are best utilized, the City should be willing to repurpose outdated approaches, coordinate programs across bureau boundaries, and ensure evaluation of new programs.

Maintaining the City's Critical Infrastructure

The City Budget Office (CBO) tracks citywide performance measures that identify asset condition and infrastructure funding gaps as indicators of financial and service level resiliency. These measures paint a stark picture of the challenge still at hand:

- The City's *annual repair, rehabilitation, and replacement funding gap* has continued to increase over the past several years, and now stands at \$427.8 million. The goal of eliminating the gap by 2025 is likely unattainable unless the City Council continues to make even more significant investments in infrastructure maintenance over the next ten years.
- The latest available data show that approximately 69% of the City's assets were *in fair or better condition* at the end of calendar year 2018, down from a high of 76% in 2013. The worsening of asset condition is driven by inadequate funding for asset maintenance, increasing demand on our assets, regulatory changes, and more accurate assessments of asset condition and needs.

The need for increased reinvestment in infrastructure is not just an issue in the City of Portland—this is a serious and growing issue at the state and national level. As a City, we have made progress in recent years in boosting reinvestment in our asset base. For example, voters have approved funding for maintaining critical assets through the Parks General Obligation Bond and the Fixing Our Streets gas tax. Build Portland was announced as part of the FY 2017-18 budget with the expectation to fund \$600 million for the City's infrastructure maintenance and replacement needs over the next 20 years. The City approved \$49 million for seven capital improvement projects in March 2018 in the first tranche of the projects selected.

In addition, the Bureau of Revenue and Financial Services in partnership with CBO updated the City's financial and capital planning policies with the goal of highlighting and facilitating solutions to medium- and long-term asset financing needs. Finally, the Citywide Asset Managers Group (CAMG) meets regularly and continues to look for ways to improve asset maintenance practices and opportunities. During FY 2018-19, a new Principal Management Analyst housed at CBO helped facilitate these conversations. Working with groups including the CAMG, CBO analysts, and bureau finance managers, this analyst compiled and shared internal and external data to spur discussion about a more comprehensive and shared approach to asset management decision-making across the City. CBO's recommendations are included in the "Citywide Asset Management Strategies" section below.

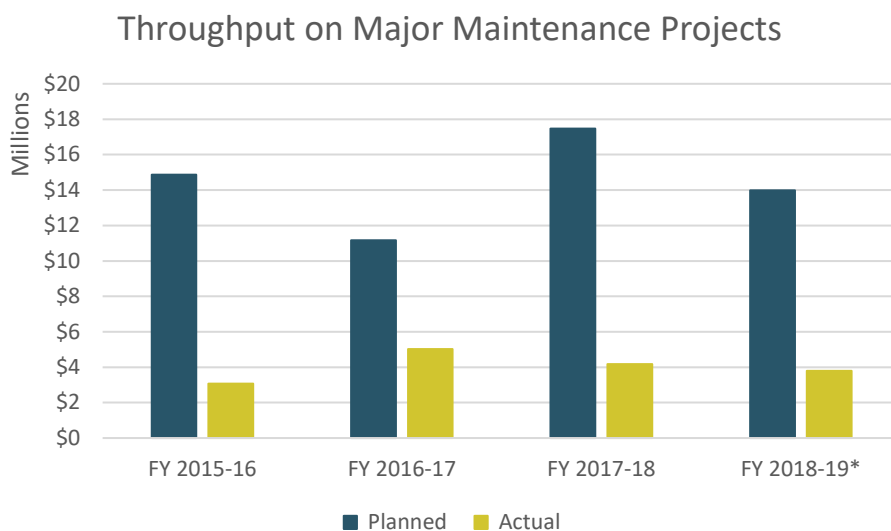
It is important to note that different capital-owning bureaus are experiencing distinct challenges in achieving their major maintenance and asset management goals. While insufficient resources are a factor impeding progress toward major maintenance goals in several bureaus, some bureaus' most immediate challenge is operational or informational

in nature. This report provides analysis and recommendations for some of the City’s capital-owning bureaus in the subsections below.

City’s Fleet and Building Facilities: Improving Delivery to Meet Operational Needs

The Division of Asset Management within the Office of Management & Finance has responsibility and oversight for management of the City’s fleet and the majority of the City’s building facility assets. The Division was established as a distinct unit within the Chief Administrative Officer’s Office in the last year, after the dissolution of the Bureau of Internal Business Services. CityFleet and Facilities Services manage and maintain vehicles, equipment, and fueling stations valued at over \$140 million and building assets valued at over \$500 million.

The Division of Asset Management has begun tracking several new performance measures and has made significant progress on flagship projects, such as the reconstruction of the Portland Building. In Facilities Services, preventive maintenance compliance was at 53% over the last fiscal year. While well under the long-term strategic target of 80%, this metric was thirteen percentage points above the 40% target for the year, the first year this metric is being actively tracked and published.⁴⁵ Four of the five Facilities Services construction projects over \$1 million were completed on time and under budget—another new performance metric last fiscal year—though overall throughput of planned major maintenance projects declined slightly over the prior year, as shown in the chart below.



* Portland Building reconstruction project not included

Facilities Services established a new Asset Manager position several years ago to develop a proactive approach to building maintenance and was directed by Council via a budget note to devise a plan to phase in higher major maintenance replacement into rental rates.

⁴⁵ The data points that inform these measures are accurate, but are derived from an outdated asset management system.

Unfortunately, this effort has yet to materialize due to several factors, such as stalled efforts to implement a new asset management software solution for the Division and the need for accurate condition data on managed buildings to inform major maintenance replacement planning and a property disposition strategy.

The Division of Asset Management has undertaken significant steps over the last six months to improve its delivery of customers' operational needs, understand their financial constraints, and develop clear organizational strategies going forward. These efforts include new performance scorecards for both Facilities Services and CityFleet to better align daily operations with overarching strategic goals and customer needs, as well as renewed progress on identification and implementation of an asset management software system. The Division has noted that sustained progress on a proactive, data-driven approach to long-range facilities management may require additional one-time investments for software and condition assessments, and potentially additional analytical staff for data systems management and business case analysis.

Parks Infrastructure Program: Balancing System Growth with Resource Scarcity

The [FY 2017-18 Prior Year Performance Report](#) highlighted the major maintenance funding gap and project delivery as primary challenges facing Portland Parks and Recreation (Parks), preventing it from making gains on asset maintenance and asset condition systemwide.⁴⁶ These challenges persisted in FY 2018-19.

In the FY 2018-19 Adopted Budget, total requirements for the 5-year CIP (FY 2019-23) were \$107.2 million and reflected a focus on maintaining equity of public access to existing assets while expanding emphasis on major maintenance and system-wide improvement projects.

The City has substantially increased its funding for major maintenance in the Parks bureau in recent years. The FY 2018-19 budget increased the bureau's capital major maintenance funding by \$625,000 for seismic assessments and demolition and removal costs for hazardous structures. Those funds increased the General Fund major maintenance appropriation of \$1.8 million per year to \$2.4 million per year. The 2014 Parks Replacement Bond provided \$68.0 million toward maintenance and repair projects and the bureau reserves a portion of the Buildings & Pools budget for urgent major maintenance emergencies. Additionally, over the past five years, the bureau has received over \$14.0 million in one-time General Fund discretionary to address major maintenance projects.

Despite these investments, Parks' *percentage of assets rated in fair or better condition* declined six percentage points from 50% to 44%, which the bureau attributes to underfunding of Parks capital maintenance relative to its needs. Parks has an existing \$450.0 million maintenance backlog which has grown over time, and its ongoing capital maintenance funding level, at \$2.4 million, is about 0.3% of the replacement value of its

⁴⁶ FY 2017-18 Prior Year Performance Report, <https://www.portlandoregon.gov/cbo/article/700405>

portfolio. Based on industry best practices, the bureau target should be at 1-2%, with a 1% minimum level to prevent closures. Absent significant additional recurring investment in major maintenance, it is expected that Parks' asset condition will continue to decline.

System Development Charges (SDC) revenues have exceeded \$20.0 million per year over the last four fiscal years, primarily due to significant expansion of residential development. State law requires that Parks' SDC revenue must be used to add capacity to the park system—thus this resource cannot be used exclusively to maintain existing assets. In FY 2018-19, the balance of the Parks SDC fund was over \$100.0 million. Over the next five years, Parks plans to allocate \$86.4 million of the current SDC fund balance and forecasted revenues to develop new parks and expand capacity at existing assets. Given that access to recreation centers and parks is proportionally lower in East Portland, SDC resources allow Parks the opportunity to build assets that will serve a greater portion of Portlanders and positively impact Citywide equity goals.

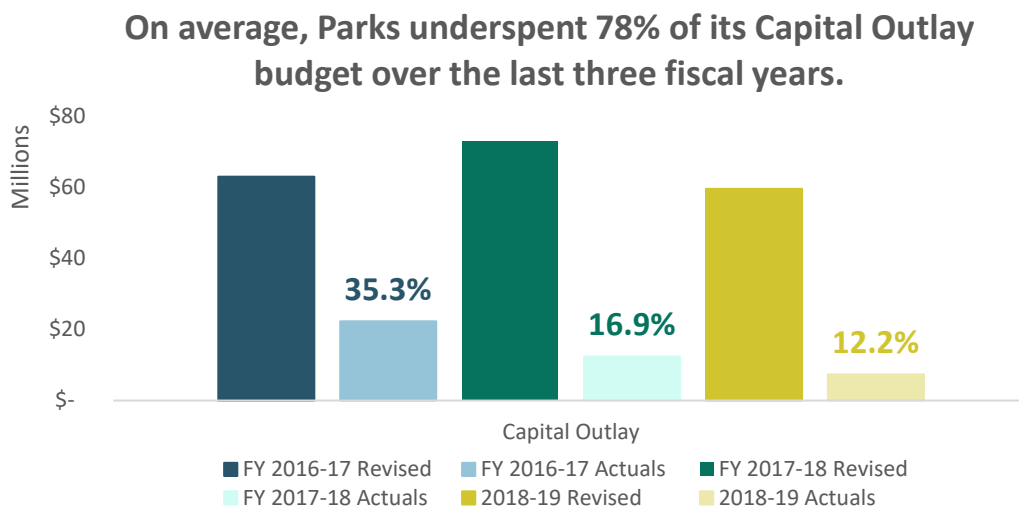
However, developing new assets will also add to total resource requirements for operations and maintenance and capital replacement.⁴⁷ To prevent the maintenance gap from increasing, an additional \$9.5 million in annual General Fund resources will be required once the \$86.4 million in SDC revenue is spent.⁴⁸ One way that Parks is addressing this challenge is by focusing resources on capacity-expanding projects and upgrades that translate into lower future maintenance costs.

The bureau estimates that the additional investment from the forecasted SDC revenue would result in an 0.8% increase in *the number of Portlanders who live within a half mile of a park or natural area* (approximately 2,274 additional households). To fund the operations and maintenance of new facilities, Parks will need to either reprioritize internal resources or identify a new funding source, or General Fund resources will need to be shifted away from other City priorities. These kinds of decisions require careful weighing of tradeoffs. Thus, CBO recommends that the Parks Bureau's decision-making processes include evaluating current asset maintenance needs and the costs of the planned expansion to determine how best to balance new asset acquisition and development with the existing deferred and major maintenance backlog.

⁴⁷ FY 2019-20 Adopted Budget: Portland Parks & Recreation. Page 187, <https://www.portlandoregon.gov/cbo/article/738382>

⁴⁸ This expense projection includes major maintenance costs factored in at 2% of the asset's cost, based on best practices assumptions, operations and maintenance at three percent, and capital replacement at 1%.

Finally, given the existing and forecasted investments in the Bureau’s infrastructure, it is important that the bureau’s capital improvement plan budget better reflect what it plans to spend each year. Unlike other capital owning bureaus, Parks budgets full capital project resources in its capital improvement plan irrespective of the actual annual spending ability or plan. This practice was initiated to address conservative budget practices that resulted in frequent budget overruns and project delays. However, by budgeting multi-year capital resources each year, the data indicates that the bureau has a capital delivery performance problem when that may not be the case. For example, Parks underspent its capital improvement program budget by 81% in FY 2018-19, expending just \$21.0 million of the \$112.8 million Revised budget. Since it is unclear how much Parks plans to spend each year, it is challenging to meaningfully analyze the bureau’s capital improvement plan and budget. Given these concerns, CBO recommends the bureau move toward a more transparent practice of budgeting its CIP as well as establish capital delivery performance measures.



Water’s Significant Capital Investments and Addressing of Affordability Concerns

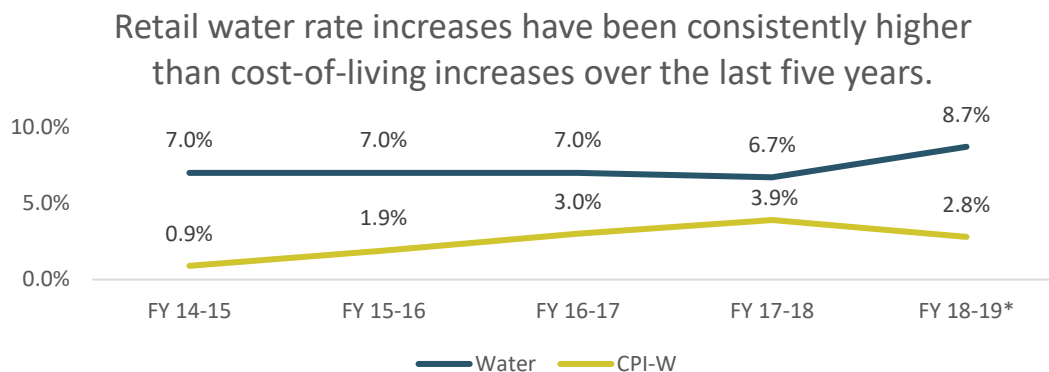
The Portland Water Bureau (PWB) met its FY 2018-19 target of 80% of *projects completed within three months of the planned end date* and fell just shy of meeting its 100% target for spending budgeted CIP funds.

However, it is important to note that during the Fall Supplemental Budget of 2018, the bureau adjusted the FY 2018-19 budgets of various capital projects at a net decrease of \$44.7 million, or 32.8% of the Adopted Capital Improvement Plan (CIP) budget. These adjustments included large decreases for the Willamette River Pipe Crossing (\$33 million decrease) and the Washington Park Reservoir projects (\$8 million decrease). Taking these mid-year adjustments into account, the bureau spent significantly less on capital projects last year than it planned when it initially developed the FY 2018-19 budget. Further work on the Willamette River Pipe Crossing and Washington Park Reservoir projects revealed the need for significantly longer timelines for both projects, as well as significantly higher costs.

Cost estimates have increased from \$56 million to \$88 million for the Willamette River Pipe Crossing, and from \$190 million to \$205 million for the Washington Park Reservoir. PWB provided an August 2019 snapshot of the timeliness and finances of 40 major capital projects worked on or completed by the end of July 2019. Of these 40 projects, 40% were behind schedule, and 17.5% were running more than 110% above the original cost estimate. This means that 82.5% were within ten percent of the original project estimate.

In previous analyses, CBO has noted concerns that the addition of the mandated Bull Run Filtration plant comes at a time when the bureau is already managing large and complex projects like the Washington Park Reservoir Project and the Willamette River Pipe Crossing. It will be several years before these projects are completed, positioning the bureau to manage multiple large projects at different stages of design and construction simultaneously. Although PWB reorganized its capital project delivery process several years ago and indicates that it evaluates improvements annually, CBO continues to encourage the bureau to look for opportunities to improve its capital improvement planning process to address the kind of mid-project timeline and cost increases described above.

An ongoing performance challenge for the Water Bureau is balancing the need to complete these important projects with community concerns about affordability. In FY 2018-19, the retail water rate increased by 8.7%, the highest rate increase over the last five fiscal years. This increased the typical monthly residential customer's water bill by \$3.13 each month, from \$36.11 to \$39.24. Water rate increases have been consistently higher than cost-of-living increases over the past five years. These increases have largely been driven by the costs of capital projects needed to provide safe, clean water to Portland residents.



Source: The CPI-W data is from the Bureau of Labor Statistics and are for calendar years.
 *2019 data for CPI-W is for the first half of the calendar year.

Affordability of City utility rates has been a topic of interest for the bureau, Council, and the Portland Utility Board in recent years. To address the needs of low-income customers, PWB continued to expand its financial assistance supports, including an income-based discount program through which 3,371 families qualified for a Tier 1 discount of 50% and 4,060 families for a Tier 2 discount of 80% as of June 30, 2019. At 0.7% last year, a typical Portland

customer's water bill represented a reasonably small portion of median household income. However, this assessment of the 'typical' water bill does not take into account disparate impacts of the rate on different demographic groups, and it does not account for the combined rate impacts that customers experience as a result of both water and sewer/stormwater rates which are included in their single City utility bill.

| Customer Group | Typical Monthly Bill | Percent of Group's Median Income |
|-----------------------|-----------------------------|---|
| Typical PWB Customer | \$39.24 | 0.7% |
| Tier 1 | \$19.62 | 0.6% |
| Tier 2 | \$7.84 | 0.5% |

When it comes to public perception, 45% of respondents to the Portland Insights Survey administered in late FY 2018-19 expressed some level of dissatisfaction with the value of their water and sewer utility bill. While there was no meaningful response pattern across educational attainment or income, black respondents were more likely to be strongly dissatisfied than other respondents. In last year's Prior Year Performance Report, CBO's analysis showed that compared to white households, communities of color—particularly median-income black households in Portland—devoted a higher portion of their household income to the combined utility bill (water, wastewater, and stormwater bill). Substantial cost increases on projects like the Bull Run Filtration Project may push consumers' rates above the 7.4% increases projected for the next five years and continue to increase the portion of household income spent on utilities in Portland. CBO notes that as income stratification in a community increases, median household income conceals affordability issues and does not account for differences in cost of living, particularly for households that make less than the median household income. Unlike most median-income households, paying for the utility bill may force economic tradeoffs for lower-income households.

CBO continues to recommend that the bureau adopt performance measures that gauge affordability, including ones that disaggregate not only by income but also by race and ethnicity. With the recent development of the bureau's Strategic Plan, PWB is well-positioned to propose meaningful new performance measures for FY 2020-21.

Finally, given the priority of these large capital projects at the bureau, CBO also continues to encourage the Water Bureau to expand its performance measures to include indicators of capital output. Adding such measures will help align the bureau's performance measures with current priorities, as well as track the effectiveness of the capital improvement planning process over time. If all asset-owning bureaus adopted universal measures of capital output, it would enable the City to assess capacity and delivery of CIPs and replicate successful practices, expanding benefit to the Portland community.

Transportation: Project Delivery and Assessment Management Update

Capital Project Delivery Throughput

In [FY 2017-18's Prior Year Performance Report](#)⁴⁹ CBO highlighted the challenges the Portland Bureau of Transportation (PBOT) has been experiencing related to delays in capital project completion, resulting in underspending the bureau's capital budget by 50% on average. Over the past year, the bureau made real progress in identifying barriers to the success of its capital improvement program and has acted to mitigate these challenges.

PBOT notes that one major challenge it faces is that additional Federal compliance requirements and increasingly complex projects extend the time it takes to complete projects. Given this, even before new revenues (\$63.0 million in FY 2017-18 and \$115.1 million in FY 2018-19 for infrastructure projects)⁵⁰ were flowing into the bureau, PBOT struggled to move funds and projects out the door. The influx of new money compounded the existing backlog, and the bureau has been trying to catch up over the past three years. The extended timelines the bureau must manage do not relieve the pressure of delivering on promises made on behalf of the bureau to the public.

These challenges have significantly impacted the Maintenance Operations Group, which performs maintenance and new capital construction. For example, while Maintenance is repaving a road it may be asked to add new bike lanes, or as it replaces infrastructure at an intersection may be required to install ADA curb ramps. While it is efficient to perform "complete" projects at one time to minimize public disruption in the right of way, workload changes after a project has already begun cause additional stress on the bureau to fulfill the directed work.

In response to these challenges, PBOT has been working on process improvement and communication across groups. PBOT has begun assigning a single project manager to guide each project through all stages of the project delivery process. These project managers are looking more holistically at project planning and are coordinating workload among staff to minimize burdens on any one group.

The bureau also added over 80 new performance measures in FY 2019-20 to help manage outcomes and ensure targets are met. While there is no data for FY 2018-19 on these measures, the measures are already a tool for project managers to use to monitor success. Bureau staff are also using process mapping and budget expenditures as indicators. For example, when a project has expended 75% of its design budget, that project should move

⁴⁹ City of Portland, City Budget Office. Performance Management. Prior Year Performance Report.

<https://www.portlandoregon.gov/cbo/article/700405>

⁵⁰ This includes \$21.3 million from the local gas tax, \$77.9 million in state shared revenue from the state gas tax, and \$15.9 million from the Capital Set-Aside.

to construction within three to six months. If it does not, the bureau can tease out reasons for the delay and target process improvements to ensure future timelines are met. PBOT believes it is finally turning a corner and anticipates higher capital project delivery throughput by the end of FY 2019-20 and again in FY 2020-21.

Asset Management and the R/R/R Gap

PBOT updated its strategic plan in July 2019—[*Moving to Our Future*](#).⁵¹ The plan identifies several data-driven strategies for closing PBOT’s funding gap for its assets. The bureau’s repair, rehabilitation, and replacement (R/R/R) funding gap has continued to increase over the past several years. It now stands at \$295.3 million per year over the next ten years to maintain the bureau’s assets at the current service levels.

A few initiatives the bureau is working on include:

- Defining the State of Good Repair (SGR) for all assets. SGR is the intended condition or function of an asset in line with Federal, state, or local requirements.
- Improving processes for data collection and reporting across all asset classes.

PBOT anticipates these efforts will result in a shift in the bureau’s FY 2020-21’s R/R/R gap. PBOT is also implementing policy changes, including requiring that operations and maintenance costs are set aside for newly-built, transferred, or improved assets. Lastly, in December 2019 PBOT will launch Maximo 7.6—an Enterprise Asset Management system. This technology will support the bureau’s efforts to increase proactive and preventive maintenance, as well as improve its tracking of spending against assets.

Currently, PBOT dedicates fewer resources to its asset management program compared to other Portland infrastructure bureaus. While many PBOT staff have asset management functions as part of their jobs, particularly staff in the bureau’s Engineering Group, PBOT’s asset management team of two dedicated FTE is smaller than other City bureaus with similarly large asset portfolios. For example, the Water Bureau has a team of six dedicated asset management FTE and the Bureau of Environmental Services has a staff of 25 FTE. CBO notes that PBOT has made progress in building its asset management program over the past few years. To continue building on its progress, CBO recommends the bureau allocate additional resources toward staff dedicated to asset management at the bureau.

Citywide Asset Management Strategies

Asset managers from infrastructure bureaus have been convening as the Citywide Asset Managers Group (CAMG) since 2002 in order to share best practice information with each other and elevate asset management issues for City decision-makers. Per City Financial Policy, the City Budget Office has worked with the group to prepare and present an annual

⁵¹ <https://www.portlandoregon.gov/transportation/79722>

report to Council on the status of the City's capital assets and equipment. This report highlights the need for substantial additional resources and strategies to retain current asset condition and current service levels.

During FY 2018-19, CBO hired a Principal Management Analyst to lend additional analytical support to Citywide asset management efforts. Conversations among CAMG members and others identified key challenges as well as areas of shared opportunities to make Citywide progress in asset management.

For instance, though many forms of City data are centrally reported, it is difficult to make bureau-to-bureau comparisons in matters of asset management. Different kinds of data reside in different databases and are not necessarily easy to connect. Conversations about developing more centralized measures that could compare performance across bureaus run into challenges with work being measured differently across bureaus. This leaves performance to be primarily measured as an individual bureau's output as compared to its own capital improvement plan, rather than to a Citywide measure.

Based on these continuing conversations, CBO offers several recommendations to further strengthen asset management practices across the City:

[Build a Citywide Asset Management Conceptual Framework](#)

Developing a Citywide asset management conceptual framework will create a foundation for shared understanding of how assets are to be managed. If each infrastructure bureau mapped their budgeting structure for asset management and their asset hierarchy, and engaged in asset management process mapping, the bureaus together could determine the correct level at which to harmonize their terminology and organizational structures. The resulting conceptual framework could facilitate several other ongoing alignment efforts, including around financial accounting, computer systems, economic modeling, prioritization methodologies, and data collection and reporting. This effort could help move the conversation beyond the uniqueness of each bureau to identify which pieces of the system can be aligned, without requiring upfront changes to internal databases or accounting methods.

[Institutionalize a Business Case Evaluation Approach for Common Funding Sources](#)

To ensure available common funding sources (such as Capital Set Aside and Build Portland resources) are invested in the highest priority projects across the City, we must have a consistent Citywide process and approach for evaluating and prioritizing infrastructure investments. In 2019, the Capital Set-Aside committee came together to "refresh" their points-based subjective scoring methodology for ranking and recommending projects to City Council. The group continues to explore Business Case Evaluation, which seeks to quantify all costs and benefits of a given project to allow a more data-driven comparison of different kinds of projects.

Using this methodology will allow asset managers to explore, share, and learn approaches to benefit and risk quantification, building a foundation for broader use of this methodology in the City. CBO recommends that bureaus continue to commit staff time and resources to improve and implement this methodology to help allocate shared funding sources.

Explore Opportunities for Shared Performance Measures

CBO also recommends that asset owning bureaus each report on a short list of standard performance measures, including asset condition, capital project throughput, and project cost accuracy. Even though it will be difficult to compare results on these measures directly because of differences in data collection and methodology, establishing a shared set of measures will serve to increase alignment between asset management practices over time.

Prioritize Citywide Asset Management Efforts

During 2019, CAMG sought to solidify and strengthen its impact by developing a group charter and workplan and by drafting a citywide asset management policy. These efforts represent significant steps toward the City's adoption of sound asset management practices, which are essential for achieving the City's service delivery, livability, economic development, equity, and environmental goals. For this work to continue to move forward, CBO recommends that bureaus prioritize and dedicate additional resources to support a comprehensive approach to asset management so that the City is well positioned to make the best decisions in managing its capital assets.

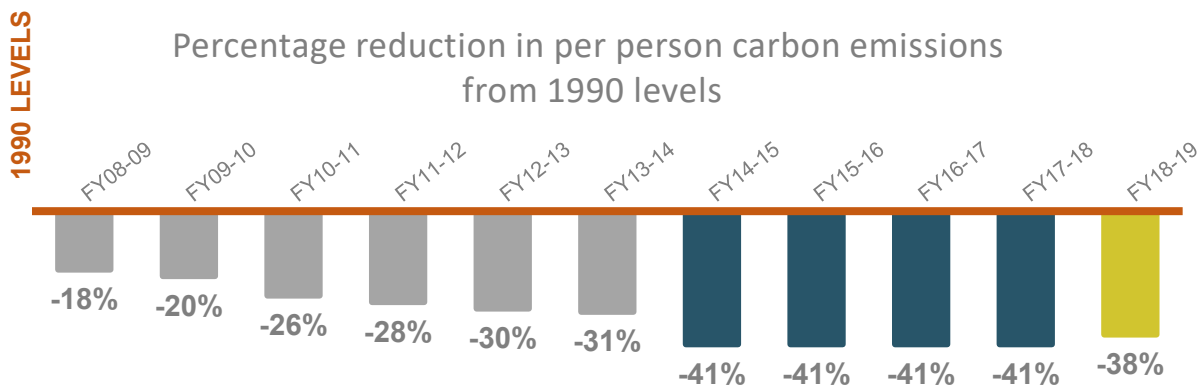
Working Toward a Sustainable and Resilient Future

In FY 2018-19, local sustainability and resiliency efforts remained a priority area for the City of Portland, requiring cross-bureau collaboration between the Bureau of Planning and Sustainability (BPS), Portland Bureau of Transportation (PBOT), and the Portland Bureau of Emergency Management (PBEM), among others. According to the recent [2019 Portland Insights Survey](#), younger Portlanders are more concerned about climate change—18% of younger respondents identified it as one of the top three challenges facing Portland compared to 11% citywide. This is evidence of the continued and increasing importance of these efforts for the City of Portland.

Continued Stagnation in Carbon Reduction and Sustainability Metrics

According to BPS' September 2019 Report [Multnomah County 2017 Carbon Emissions and Trends](#), total carbon emissions from Multnomah County have seen a 15% reduction from 1990 levels, resulting from various efforts including commitments to renewable energy resources and fuels and investment in transit and bike infrastructure, among other efforts.

However, the *percentage reduction in per person carbon emissions from 1990 levels* has remained steady at 41% below 1990 levels from FY 2014-15 to FY 2017-18. In FY 2018-19, emissions slightly increased to 38% below 1990 levels for the first time since measuring of emissions began (see graph below). Portland continues to significantly outperform national emissions reductions, which in 2014 were up 7% over 1990 levels, but the City will need to explore creative new approaches to continue making progress toward our 80% goal.⁵²



Portland's significant economic growth since 1990 has likely affected performance on this measure. Transportation sector emissions in particular are 8% over 1990 levels.⁵³ Traffic congestion is a common complaint among car commuters; according to the 2019 Portland Insights survey, two-thirds of respondents feel that traffic or crowding is worse compared

⁵² <https://www.portlandoregon.gov/bps/article/636700>

⁵³ <https://www.portlandoregon.gov/bps/article/742164>

to last year.⁵⁴ PBOT tracks the *percentage of commuters commuting by walking, bicycling, and transit*, which declined from 24.6% in 2017 to 23% in calendar year 2018, far short of the goal of 70% by 2030. The decline in this measure is associated with an increase of 1.77% in people driving alone, and a 1.01% increase in telecommuting, as well as a 0.65% decrease in public transit commuting, and an 1% decrease in people commuting by bike. PBOT is concerned by the trend of this data and has begun coordinating meetings and discussions to make policy change proposals to aid in the City's overall goals for active transportation. Other joint BPS and PBOT efforts to address these adverse trends include PBOT's [Pricing for Equitable Mobility project](#)⁵⁵ and expansion of electrical vehicle infrastructure.

In FY 2018-19, Portland signed on to regional, national, and international climate declarations, including: the C-40 Net-Zero Carbon Buildings Declaration, Advancing Towards Zero Waste Declaration, Clean Air Cities Declaration, and Equity Pledge; and voters passed the Portland Clean Energy Community Benefits Fund (PCEF) in 2018. PCEF revenues are estimated to ramp up to \$50.0-70.0 million annually, collected through a 1% surcharge on retail sales of eligible large corporations in Portland. Revenues will provide grants to clean energy programs, clean energy workforce development, green infrastructure, sustainable agriculture programs, and other programs that help meet climate goals. According to the bureau, PCEF "offers a community-led vision, grounded in justice and equity, that builds citywide resilience and opportunity." All nine members of the PCEF Committee were appointed in Fall 2019;⁵⁶ this committee is responsible for the selection of grant recipients for clean energy projects supported by the Fund's revenues.

Other notable efforts include:

Climate Action Plan Update: BPS has begun work on the Climate Action Plan 2020 Update, with a final report expected by the end of calendar year 2021. This update will employ the framework of climate justice and focus on robust community engagement processes.

Clean Air Construction Standard: City Council passed Resolution 37403 in December 2018, adopting a new Clean Air Construction Standard for the City. The standard restricts emissions of diesel equipment and trucks used in fulfillment of City contracts. Procurement Services received \$458,000 in funding in the FY 2019-20 budget to support program implementation of the standard. The program currently does not have program metrics or performance measures and the Procurement Services Division within the Office of Management and Finance will add performance metrics as the program develops.

⁵⁴ <https://www.portlandoregon.gov/cbo/article/740406>

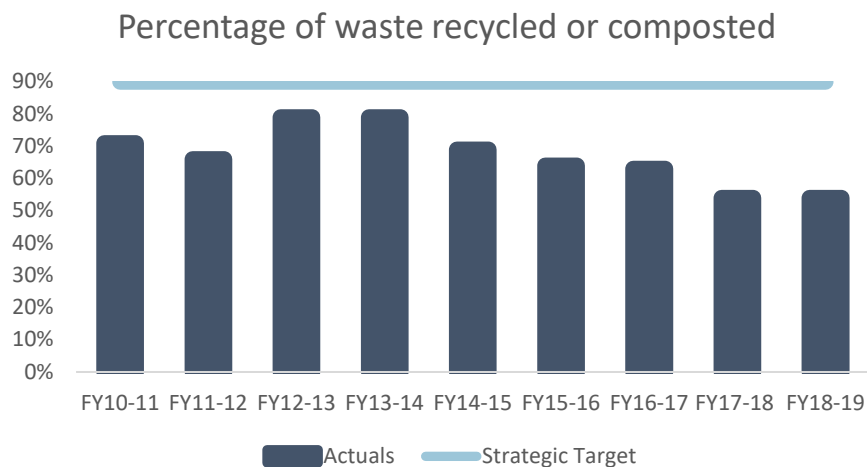
⁵⁵ <https://www.portlandoregon.gov/transportation/79819>

⁵⁶ <https://beta.portland.gov/pcefcommittee/about-committee>

Thriving Cities Initiative: Portland is a pilot city for C-40's Thriving Cities Initiative, along with Philadelphia and Amsterdam. The initiative aims to help Portlanders “reduce carbon emissions and enhance quality of life” through more sustainable patterns of consumption. The first workshop of the initiative was held in September 2019.

Waste and Recycling Trends

Similar trends of plateauing metrics are occurring in the City's recycling and composting performance. In recent years, Portland's recovery rate for recycling and composting has been roughly twice the national average, which was 34.7% in 2015.⁵⁷ However, *the percentage of waste recycled or composted* decreased from FY 2016-17 (63%) to FY 2017-18 (54%) and remained steady at 54% in FY 2018-19. By 2030, BPS would like this rate to be 90% (see graph below). The bureau notes that there are several factors contributing to the dip, including a change in methodology aligned with the State Department of Environmental Quality (DEQ) in 2016.⁵⁸



In FY 2018-19 City Council passed the Single-use Plastic Ordinance; as of October 1, 2019, businesses in Portland cannot automatically include plastic straws, utensils or individually packaged condiments with orders. In 2020, the City of Portland, in partnership with Metro Regional Government and other regional partners, plans to roll out mandatory composting for commercial customers. This policy is expected to improve performance on this metric by increasing the amount of material composted.

Recommended Changes for Measuring Climate and Sustainability Work

Though the City is supporting many sustainability efforts, more drastic interventions may be needed to ensure the City meets its future climate and sustainability strategic targets. BPS is increasingly moving toward connecting climate goals to the City's equity work. Enhanced tracking and regular reporting on these efforts will become increasingly important in

⁵⁷ <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/national-overview-facts-and-figures-materials>

⁵⁸ For more information, see last year's Prior Year Performance Report, page 40: <https://www.portlandoregon.gov/cbo/article/700405>

preparation for an expected Climate Emergency Declaration in 2020.⁵⁹ CBO recommends that the bureau quickly identify performance measures and evaluation strategies for its new climate and sustainability efforts, including PCEF investments. The bureau has already noted a need to undertake this effort. This recommendation aligns with CBO's recommendation in the [FY 2017-18 Prior Year Performance Report](#) that BPS should continue to identify methods for measuring localized sustainability efforts as these types of measurements can help show smaller improvements toward the City's larger goals.

Portland Preparedness & Resiliency

The Portland Bureau of Emergency Management (PBEM) promotes readiness for, and coordinates response to, large-scale emergencies like natural disasters. This includes developing and implementing strategic planning, programs, and policies to continually advance Portland's mitigation, preparedness, response, and recovery capabilities.

For the past two years the bureau has been in transition, and to some degree its main operations and mandate have been on hold. The bureau underwent several major staff transitions; was directed to address the City's unreinforced masonry (URM) buildings; and internally reprioritized the bureau's focus away from emergency planning to expand the Neighborhood Emergency Teams (NETs).⁶⁰ During this same period, several emergencies demonstrated the importance of robust emergency planning. During last year's winter storms, the City effectively shut down, with school children stuck on buses and vehicles abandoned along the road.^{61,62} The City also experienced a significant wildfire near Multnomah Falls, a scrap yard fire in East Portland, gas main break and explosion in Southwest Portland, and a water main break with flooding in Northeast Portland. Each of these events required the activation of the Emergency Coordination Center (ECC) and a coordinated response of the City's first responders.

In addition to coordinating cross-bureau and cross-jurisdiction collaboration around planning and execution for emergency response in these kinds of situations, PBEM also encourages community preparedness through its Community Programs, which include the Basic Earthquake Emergency Communication Nodes (BEECN), the NET program, and small business continuity of operations plan (COOP) trainings. While assisting the community with preparedness efforts is important, the decision to prioritize this over City preparedness potentially leaves the City less prepared for large-scale emergency events.

⁵⁹ <https://www.portlandoregon.gov/wheeler/article/742184>

⁶⁰ For more detail, see: City Budget Office. FY 2019-20 Budget Development, CBO Reviews, Emergency Management. <https://www.portlandoregon.gov/cbo/article/714548>.

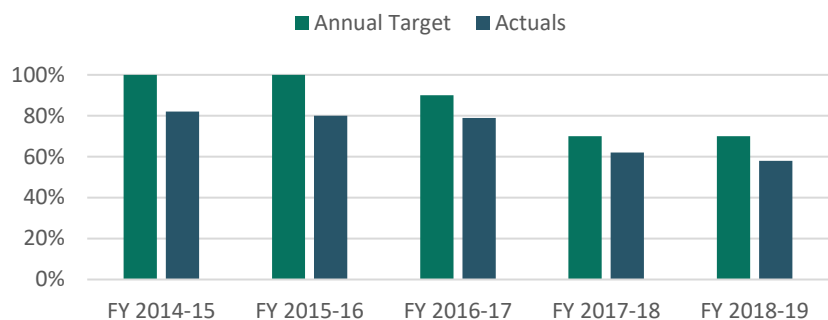
⁶¹ OPB.org. *Snow Strands Hundreds Of Oregon Students In Schools, On Buses*. <https://www.opb.org/news/article/oregon-snow-students-stranded-schools-buses/>.

⁶² KATU.com. *Possibly hundreds of cars abandoned on area roadways after snow*. <https://katu.com/news/local/possibly-hundreds-of-cars-abandoned-off-area-roadways-after-snow>.

PBEM tracks City preparedness through *the number of PBEM plans that are up-to-date according to their published standards* (see graph right). The measure tracks whether the City's emergency response plans are current. The bureau currently has 12 plans, five of which are expired. Two plans⁶³ are federally required, but other

plans, such as the ADA plan, are important and prevent the City from facing possible litigation. Performance on keeping plans up to date has steadily declined over the past five years, even though the annual target has also been adjusted down. In FY 2019-20 the target was 70% of plans up to date, and the bureau only completed 58% of needed updates.

Percentage of PBEM Plans that are Up to Date According to Their Published Standard



In addition to plans not being up to date, the bureau has not had the capacity to test the plans to ensure they work. Furthermore, PBEM has identified eleven new plans needed for its plan library, including fuel management and water distribution plans. The bureau's FY 2019-20 Requested Budget included a request for additional staff to increase the Planning and Mitigation section's capacity to address these concerns. However, CBO and City Council did not recommend the request given limited General Fund resources.

Considering the continued constraint in the availability of new resources, CBO continues to recommend that the bureau work with its Commissioner in Charge to identify the right balance between the Planning and Mitigation and Community Programs sections. CBO also encourages the bureau to take a leadership role in the City's preparedness and resiliency efforts by developing Citywide preparedness and resiliency performance measures. PBEM is uniquely qualified to support other bureaus in creating performance measures that track preparedness and resiliency efforts that better communicate the City's overall preparedness level. CBO recommends adding Citywide performance measures such as:

- *Number of ECC activations in a fiscal year,*
- *Maximum downtime for City-provided critical services,*
- *Number of City infrastructure assets that meet seismic resiliency requirements,*
- *Number of Citywide training exercises of emergency response plans,*
- *Number of emergency response plans that have been tested, and*

⁶³ The Basic Emergency Operations Plan and the Pre-Disaster Mitigation Plan. The City is also federally required to maintain a Comprehensive Plan, which is managed by BPS.

- *Percentage of City responders that have completed City and Federally required training.*

CBO encourages PBEM to continue its efforts to advance the resiliency of Citywide infrastructure. The bureau attends the Citywide Asset Managers Group (CAMG) meetings and convenes the Disaster Resilience and Recovery Group (DRAAG). The bureau's effort with these groups is to help the City's infrastructure bureaus incorporate emergency preparedness planning into their capital asset management plans and projects. This is key, given the [2016 Portlanders Preparedness Survey](#) in which community respondents selected "strengthen infrastructure such as bridges, sewer lines and water pipes" as the most important thing the City could do to reduce risk from natural hazards.⁶⁴

⁶⁴ City of Portland, Portland Bureau of Emergency Management. Preparedness Survey. April 11, 2016. <https://www.portlandoregon.gov/pbem/69888>.

Promoting a Transparent, Effective, Engaged Government

The City of Portland's internal operations create the foundation on which all City services are built. It has been a longstanding priority for the City that the costs of internal operations are transparent, and more internal service bureaus are using the tools of performance management to ensure that they are efficiently and effectively supporting the City's community-facing programs. While the FY 2017-18 Prior Year Performance report noted significant improvements in Bureau of Human Resources' cycle times for recruitment and hiring, this year the Procurement Division is actively setting goals and tracking its ability to meet efficiency targets for customers. There remain areas for improvement in tracking performance in internal services, and CBO expects to add performance measures for the Bureau of Technology Services and Special Appropriations for FY 2020-21 that align with core service delivery in each of those areas.

Several City bureaus also set goals and made changes last fiscal year to improve the ways that City processes operate and engage the public. Bureaus demonstrated performance improvements in public records request and permitting processes. These successes are highlighted below as the City looks to improve coordination and accountability across community engagement activities moving forward.

Community Member Touchpoints with Government

Public Records Request Fee Management

In FY 2018-19 the City of Portland received 32,317 public records requests, continuing the upward trend of the last three fiscal years. Public records requests can be made online, in person at the Bureau of Development Services (BDS) permit center or Police Bureau Central and East Precincts, and via paper form.⁶⁵ The City Attorney's Office administers the City's Records Management

program and dedicates one Deputy City Attorney and one Paralegal to managing and coordinating the program, which includes routing requests to the appropriate bureau contact.

Over the last three years, costs of responding to records requests have increased due to position changes and personnel costs, increased

| City of Portland Public Records Requests | | | | | |
|--|----------------|---------------|----------------------|-------------------|----------------------|
| | FEES COLLECTED | | | | |
| | Total Requests | Police Bureau | Development Services | All other Bureaus | Total Fees Collected |
| FY 2016-17 | 28,461 | \$498,211 | \$58,113 | \$49,602 | \$605,926 |
| FY 2017-18 | 30,098 | \$718,344 | \$55,363 | \$61,732 | \$835,439 |
| FY 2018-19 | 32,317 | \$554,985 | \$67,156 | \$63,462 | \$685,603 |

⁶⁵ Per ORS 192.324(7) a public records request may be submitted online at www.portlandoregon.gov/PRR. The public records request contacts list can be found online at <http://www.portlandonline.com/shared/cfm/image.cfm?id=189944>

request volume and complexity, and implementation of a new request management software, GovQA. State law allows the City to charge reasonable fees to recover the cost of responding to public records requests. However, recognizing that fees create barriers to public access to records, the City does not charge the full cost of responding to records requests. In addition, the City grants fee waivers on a case-by-case basis. The Portland Police Bureau (PPB), for instance, grants fee waivers to crime victims, individuals who state they have a financial hardship, and in situations in which the release of the record is in the public's interest. PPB receives most public records requests and subsequently collects more in fees to support the Public Records program than other bureaus (see table above).

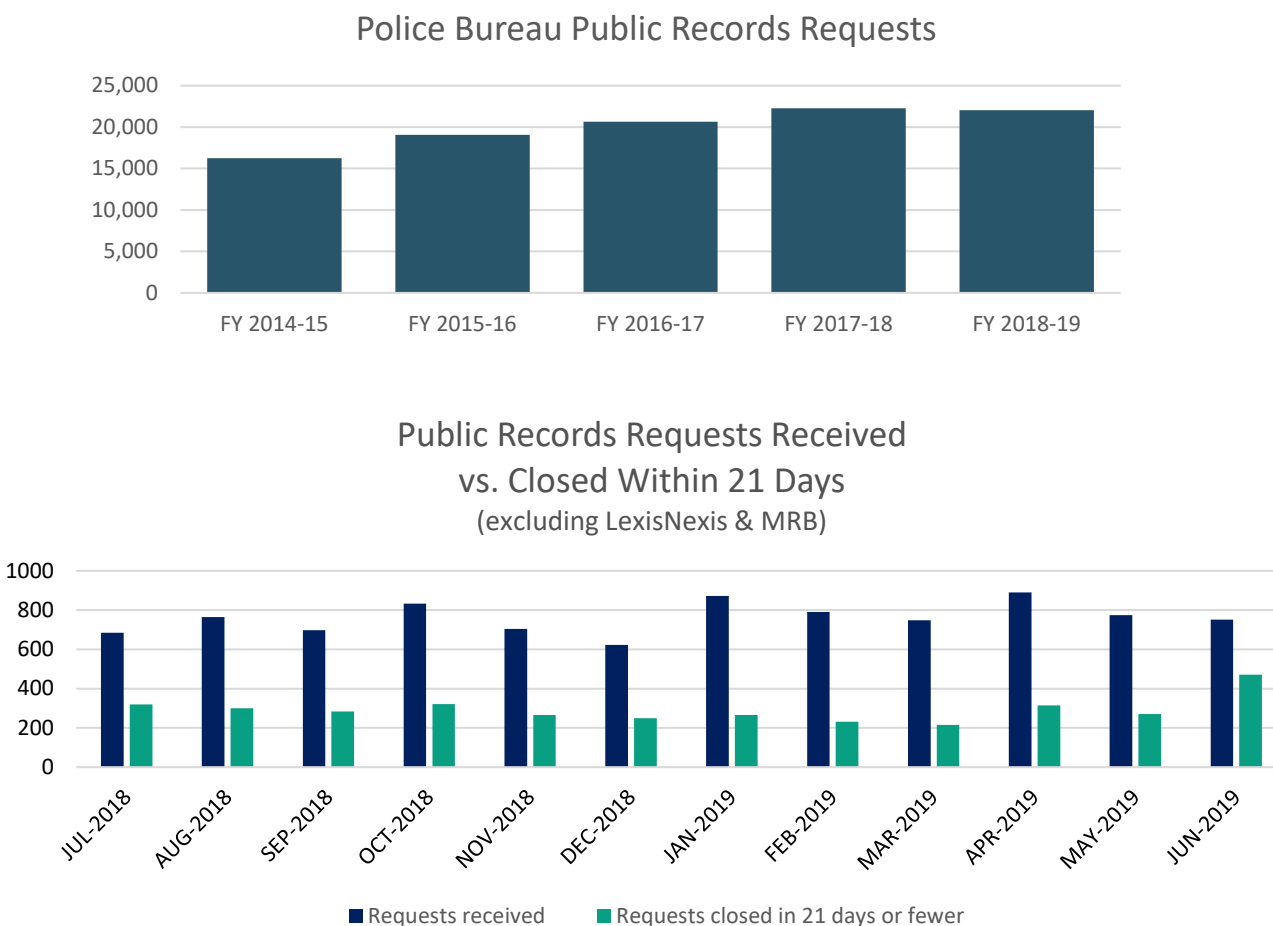
While aiming to avoid increasing the fee burden on the public, the City has searched for ways to reduce the cost of City staff time dedicated to fulfilling records requests. In particular, the increase in requests over the last three fiscal years for public records involving email searches has led to increased costs. Prior to FY 2018-19, the Bureau of Technology Services (BTS) was required to perform these searches, and charged a fee of at least \$160-\$180 to the bureau that received the request, which was either absorbed or passed on to the requestor. In FY 2018-19, BTS and the City Attorney's office proposed the creation of a Business Services Analyst position in the Office of the City Attorney, supported with General Fund resources, to perform these electronic searches at a lower cost. The position was approved in the FY 2019-20 Adopted budget. To further address cost concerns for the public, PPB implemented the policy of providing fee waivers for victims of crimes and the City committed to providing crime victims their own police reports at no cost beginning in FY 2018-19. During the second half of FY 2018-19, over 1,000 requests from victims were processed with no charge. A one-time General Fund subsidy of \$120,000 was allocated to the bureau to offset the foregone revenue; going forward, the bureau will subsidize the cost of requests from victims within existing bureau resources. Eliminating these fees by subsidizing the cost of fulfilling records requests with PPB resources removes barriers to those with fewer economic resources who need to access the information.

Public Records Request Turnaround times

The Police Bureau's Records Division, which responds to about 75% of all requests to the City, has made progress in improving turnaround times for public records requests, and more potential improvements are on the horizon. When the bureau's current records management system (RegJIN) was first implemented in 2015, the backlog for public records requests was approximately 16 weeks. By the end of FY 2018-19, the Records Division reduced that backlog to three to four weeks.

The division's overall goal is to respond to 95% of public records requests within 21 calendar days (15 business days). Over the course of FY 2018-19, the Records Division closed 39% of public records request within 21 calendar days and showed considerable improvement at the tail end of the fiscal year. This metric excludes regular high-volume requests from companies like LexisNexis. A management decision was made (and

communicated to high-volume requestors) that the division intended to prioritize records requests from community members.⁶⁶



The division made several process improvements over the course of FY 2018-19, including process mapping to identify efficiencies, improving the accuracy of submissions from high-volume requestors, and switching to faster browsers. Additional improvements are planned, including the implementation of a planned interface between GovQA and the Police Bureau's records management system. For smaller potential improvements, the division is taking the laudable approach of testing and evaluating efficiency proposals to identify the cost/benefit ratio before rolling out unit-wide.

The City Attorney's office and BTS have worked to improve response times during the GovQA system implementation and subsequent enhancements. The PROActive Pages feature in GovQA allows the City to post information on trending topics so that interested parties can access those high-profile records quickly and at no additional cost. This reduces City staff time responding to multiple requests for the same information. Currently, neither bureau reports on performance measures related to public records requests, such as

⁶⁶ Inclusive of institutional requests, the percentage of records requests closed within 21 days was 16% in FY 2018-19.

number of requests or response time, despite providing that information to the State. CBO recommends adding such measures so that the City can track the impact of its new strategies to process public records requests across all bureaus, not only for those managed by the Police Bureau.

CBO recommends that the City continue efforts to track the total time and cost related to each public records request. Currently, GovQA tracks response times and cost for requests that go through that system. For requests that go directly through bureaus, tracking varies. The City Attorney's Office is currently working to improve bureau tracking. As the City continues to automate the process and reduce time spent on research and response, measuring the volume, timeliness, and cost of fulfilling public records requests will help quantify the benefits of process improvements and ensure that the most effective practices can be replicated.

Permitting Turnaround Times

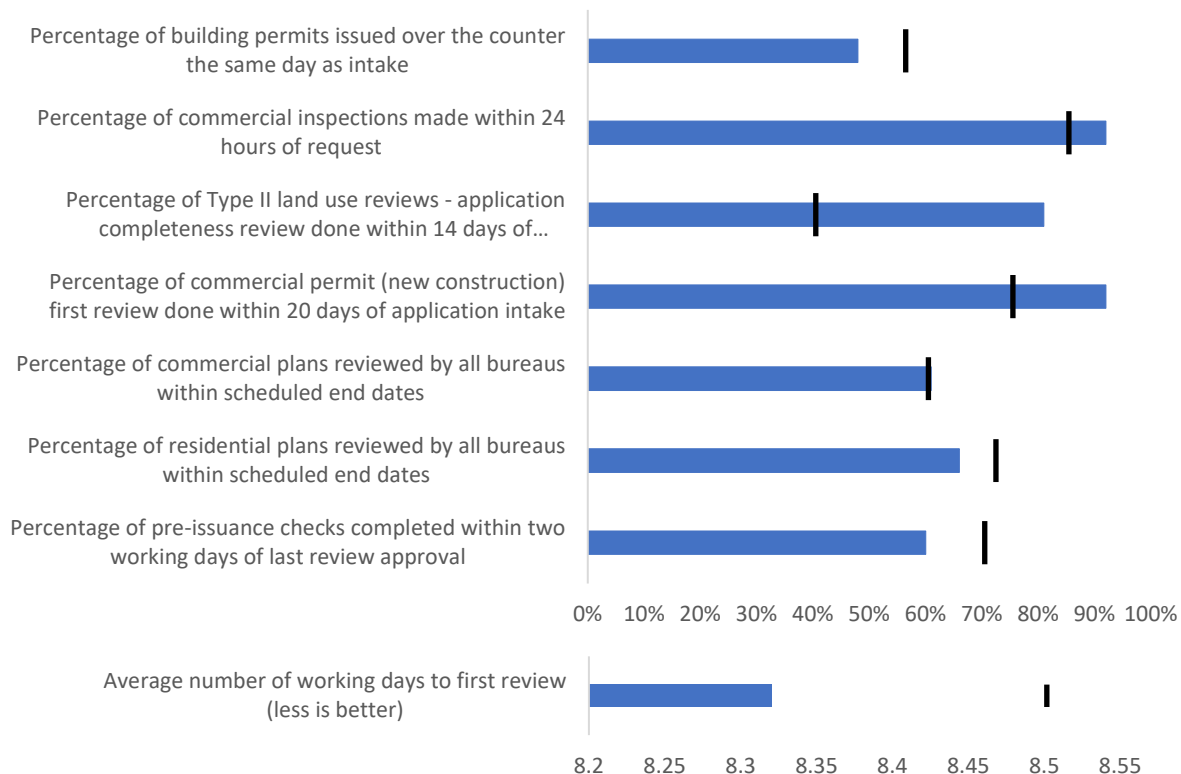
The Bureau of Development Services (BDS) issues permits for construction and renovation of commercial and residential buildings. Through BDS' and other bureaus' reviews of permit applications, the City ensures that buildings are safe and that their uses are in line with the City's land use plans.

BDS has made efforts in recent years to shorten turnaround times for permitting, review, and inspection tasks or processes to facilitate a better customer experience. The FY 2018-19 performance measures highlighted below show improved turnaround times for commercial plan and permitting reviews and inspections, as well as for land use reviews. While some of these efficiency gains can be attributed to reduced development activity in FY 2018-19, some of the improvements may have arisen from process improvement efforts and active monitoring of these measures.

Residential permitting process timelines performed less well. BDS (and other development bureaus) ended FY 2018-19 having reviewed only 66% of residential plans within scheduled end dates, short of the 72% target and slightly lower than the previous year's 68%. BDS notes that while they are responsible for coordinating and monitoring development review, timeliness depends on all seven bureaus involved in review.⁶⁷ Last year, the bureaus or programs taking the longest for residential plan review were the Portland Bureau of Transportation, the Water Bureau, and the Life Safety review group within BDS.

⁶⁷ Bureau of Development Services, Portland Bureau of Transportation, Portland Water Bureau, Portland Fire & Rescue, Bureau of Environmental Services, Portland Housing Bureau, and Portland Parks & Recreation.

In FY 2018-19, BDS was able to meet its targets for five out of its eight performance measures focused on turnaround times.



Development bureaus have tried different strategies to improve the development review process over the past several years. Mayor Wheeler led a series of Government Accountability, Transparency and Results ([GATR](#)) performance management sessions on [Housing Development](#)⁶⁸ from 2016-2018, and created the “Fast Track” program to test new approaches to high-priority projects. The [Development Directors' Group](#) was established in December 2017 to improve development services results. In FY 2019-20, the seven development bureaus are undertaking a strategic planning process focused on improving coordination, transparency, and decision-making during plan review. In September 2019, BDS executed a contract with a consultant, Catalysis LLC, to facilitate the process, and a steering committee of representatives from the bureaus had its kick-off meeting in October.

The Portland Online Permitting System (POPS) project, when implemented, is expected to significantly improve the review process, allowing the full permitting process to happen online, with different bureaus conducting their reviews simultaneously. In FY 2018-19, BDS made progress on the development and implementation of several POPS components and noted that having the ability to review plans electronically has resulted in the shortening of the time for submitting and reviewing project revisions from hours to minutes. The bureau anticipates further efficiencies to come from the implementation of additional components

⁶⁸ “Housing Development GATR” on City Budget Office page, <https://www.portlandoregon.gov/cbo/72474>

of the project in FY 2019-20, including the launch of the AMANDA permitting software upgrade in February 2020.

311 Update

The FY 2019-20 Adopted Budget includes funding for the implementation of a Citywide 311 system. The purpose of the 311 program is to improve Citywide customer service by: offering a first stop for community questions or requests online, in person, and over the phone; hiring diverse staff; improving and better integrating language services; and conducting outreach and education about the program to historically underserved community members.

City Council recently passed [Resolution 37456](#) formally creating the program, merging the existing Information and Referral (I&R) program with 311, and moving the program from the Office of Community and Civic Life (Civic Life) to the Chief Administrative Officer's office within the Office of Management & Finance (OMF). The Resolution approved a budget increase to an estimated fully-funded total of \$3.1 million. OMF will work to create performance measures in the coming years to track the program's success, but the program will not be fully implemented until FY 2022-23. CBO encourages the program to set interim performance measures for the period before full implementation.

Procurement Division: Process Improvements and Expansion

The City of Portland Procurement Services is a vital City function, serving as an intermediary between bureaus and the market for contracts totaling about \$500 million annually. Procurement Services plays a critical role in the implementation timeline for projects and programming across the City and is responsible for advancing the City's goals to support social equity in contracting practices.

Procurement Services made several major changes in FY 2018-19 to improve procurement turnaround times and reduce friction in the procurement process. Procurement Services has established performance measures to track cycle times of several processes, including:

- Construction Invitation to Bid
- Goods and Services Requests for Proposals
- Goods and Services Invitation to Bid
- Professional, Technical, and Expert Requests for Proposals⁷⁰, and

| Procurement Type | Service Level Agreement (calendar days)⁶⁹ |
|--|---|
| Construction Invitation to Bid | 160 |
| Construction Request for Proposal | 300 |
| Professional, Technical, and Expert Request for Proposal | 240 |

⁶⁹ Cycle times are measured from the date the requisition is "ready for purchasing" to the contract effective date (less four days to account for the time a buyer needed to determine which process the new project would follow).

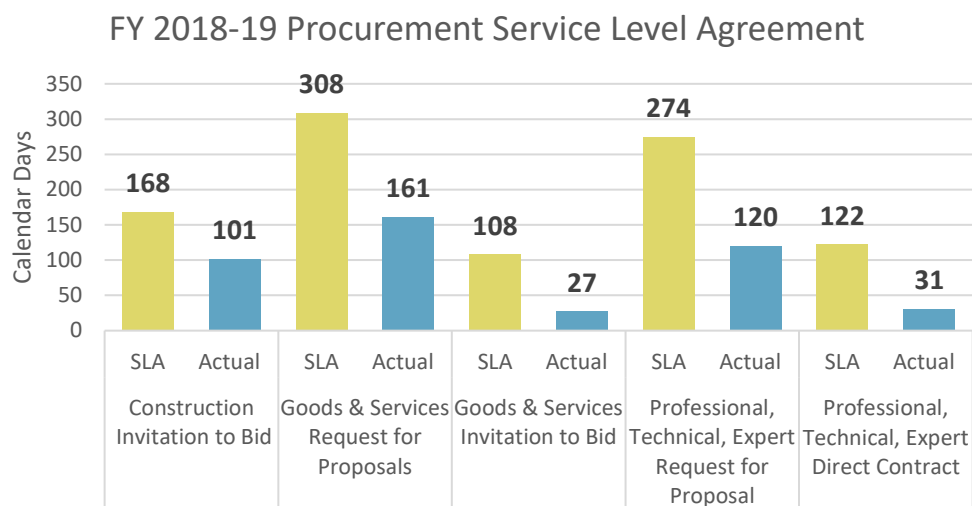
⁷⁰ The Procurement Division created a new Design and Construction Services team after creation of the Professional, Technical, and Expert SLA outlined above. The Division is in the process of creating a Design Services Request for Proposal SLA to reflect this reorganization.

- Construction Requests for Proposals.

It is expected that future performance reports will be able to highlight this data, and changes made to ensure timely procurement to assist the division in achieving its stated goals. Notably, for the first time, Procurement committed to specific cycle timelines for various contract types. Previously, cycle timelines were not tracked or reported.

Procurement also created a stand-alone Design and Construction Services team with seven additional FTE in preparation for a projected increase in capital outlay across infrastructure bureaus. This was funded through interagency agreements with infrastructure bureaus with regular construction contracts, which includes: the Bureau of Transportation, BDS, Parks and Recreation, Bureau of Environmental Services, Water Bureau, Spectator Facilities, Facilities Services, BTS, Fire Bureau, and Civic Life. The Service Level Agreements (SLAs) outline the timeframe to conduct a procurement and execute the contract.

In FY 2018-19, Procurement Services successfully completed procurements within the SLA targets across a range of procurement types (see graph below). The division only missed timeliness targets for eight Construction Invitation to Bid processes and one Goods & Services Request for Proposals process. These performance results are reported on the [FY 2018-19 Procurement Service Level Agreement \(SLA\) Dashboard](#) on the Procurement Division website.⁷¹



Tracking these performance metrics shows a commitment to improved management, government transparency and continued process improvements, as the bureau did not previously track contract cycle-times or have established service level agreements with customer bureaus. The FY 2018-19 data create a performance baseline against which to measure moving forward and to articulate the impacts of the change initiatives. CBO has

⁷¹ <https://www.portlandoregon.gov/brfs/article/741310>

also identified several areas for growth to ensure continued and accurate performance reporting and improvements:

Adjust Performance Targets

Due to inconsistent historical practices in the various procurement groups and the use of disparate data systems, establishing a true baseline for service level agreements was a challenge. The general consensus among stakeholders and Procurement was that the cycle timeline goals were modest and were likely to be met in the first year. CBO urges the division to refine its targets to ensure they reflect ambitious cycle times that represent improved customer service.

Procurement Services has stated that it is currently analyzing prior year performance data to refine performance goals by procurement type for the next fiscal year.

Data Consistency

There are some noted issues with data consistency in this first iteration of performance tracking, including the appearance of negative cycle times. The division states that there is inconsistency in the way buyers currently enter data into the BuySpeed system, which causes errors in calculation of cycle times. There are also issues in the numbers for the Goods and Services Invitation to Bid Contracts process. The prior year actuals show a 27-day average cycle time, which is significantly lower than the SLA of 108. The division stated that this is due to a data management issue in the Procurement Software Application; it is currently including all Goods and Services Invitation to Bid Contracts, but the SLA was set only for contracts over \$50,000, which follow a different process than those under \$50,000. CBO anticipates continued efforts to ensure consistency from Procurement Services, as well as ensuring that documentation about data quality is available to both customer bureaus and to the public.

Cycle Time Tracking

Several customer bureaus have given feedback that they often experience delays during the Procurement intake process. These delays, due to submission errors or miscommunication, are not reflected in Procurement's performance reporting. Although "complete and accurate transmittal" is stated in the SLA as a bureau responsibility, CBO recommends that Procurement Services evaluate whether additional performance measures that track the full cycle time would be beneficial, and if increased training for bureau staff on submission issues may be necessary.

Procurement Services plans to continue process improvements in this arena, such as establishing SLAs for the procurement processes that were not included in its initial effort and assessing metrics and interactions with bureau customers to continue to find opportunities to improve.