



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

Bureau of Planning and Sustainability

Fiscal Year 2017-18

Requested Budget



City of Portland, Oregon | Bureau of Planning and Sustainability
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Office of Mayor Ted Wheeler
City of Portland

To: Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman

From: Mayor Ted Wheeler

Date: January 30, 2017

RE: Bureau of Planning and Sustainability FY17-18 Requested Budget

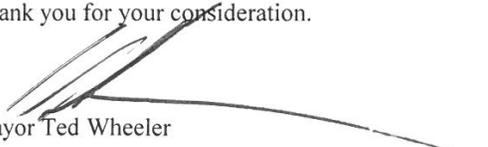
I am pleased to convey to you the Bureau of Planning and Sustainability's Requested Budget for FY17-18. As you'll note, much of the bureau's work either leads or aligns closely with Council priorities including housing affordability, the Comprehensive Plan, Climate Action Plan and equity.

In accordance with the budget instructions, BPS has identified potential cuts of 5 percent from on-going General Fund resources. I will weigh these carefully to evaluate the trade-offs between near-term savings and long-term impacts, and I encourage you to do the same.

To enable BPS to respond to the urgency of improving housing affordability and the accelerating opportunities around "smart city" approaches, the bureau's budget also includes the following funding requests:

- Housing Code Package (\$584,000 in one-time General Fund and \$172,000 in on-going General Fund), which will:
 - Update the multi-dwelling code to improve the design and livability of new multi-family buildings. This project has a particular focus on improving this type of housing in East Portland.
 - Complete the Residential Infill Project to create new middle-housing options in neighborhoods throughout the city.
 - SW Transit Corridor Housing Strategy to ensure that public investment in a new light rail line includes affordable housing.
- Smart Cities Initiative (\$256,000 in on-going General Fund) to:
 - Develop and support a system for citywide smart cities coordination that strengthens, aligns and positions the City to secure outside resources to support work by PBOT, CBO, and OMF.
 - Establish 3-5 regional smart cities priorities through participation in the Regional Smart Cities Implementation Plan.
 - Establish an open data policy and system of governance.
 - Coordinate smart cities projects addressing air quality and other equity priorities.

Thank you for your consideration.


Mayor Ted Wheeler

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Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

To: Mayor Ted Wheeler
Commissioner Nick Fish
Commissioner Chloe Eudaly
Commissioner Amanda Fritz
Commissioner Dan Saltzman

From: Budget Advisory Committee for the Bureau of Planning and Sustainability
Catherine Ciarlo, CH2M
Jackie Dingfelder, NE Portland resident
Troy Doss, BPS staff, representing COPPEA
Camille Elmore-Trummer, BPS staff, representing non-represented employees
NaTasha Gaskin, BPS staff, representing DCTU
Heather Hoell, Venture Portland
Jonathan Malsin, Beam Development
Teresa St. Martin, Planning and Sustainability Commission
Jaimes Valdez, Northwest SEED (Sustainable Energy for Economic Development)

Date: January 30, 2017

RE: Recommendations for BPS FY17-18 Requested Budget

Portland continues to experience tremendous growth and change, and many residents are struggling to keep roofs over their heads or are ever more vulnerable to displacement. City Council's prioritization of housing affordability in the FY17-18 budget is appropriate and urgently needed. In light of that need, we want to ensure Council recognizes the critical role of BPS planning functions in increasing the supply of a variety of housing types that are affordable to households at various income levels. Without adequate planning for more growth, demand for housing will continue to outstrip supply.

With the 2035 Comprehensive Plan now in place, BPS urgently needs to proceed with the code writing to put the Comp Plan – including housing and neighborhood livability policies – into practice. The Comp Plan code implementation projects as well as the Design Overlay Zoning Assessment and Residential Infill Project will result in streamlined code requirements and enhanced public satisfaction with these processes that lead to increased investment in our city. This is the right time to put resources into planning solutions that avoid the mistakes of other booming West Coast cities that have become unaffordable. The Auditor's 2016 Community Survey reported a decline in residents' satisfaction for the fourth time in five years, reflecting concerns about affordability and livability in a changing city. Cutting the programs that develop solutions to address these challenges will make this worse.

We also want to emphasize that while the required 5 percent cuts in on-going General Fund that BPS has identified reflect an effort to minimize damage to BPS programs, these cuts have real consequences on the effectiveness of the City's planning for housing, jobs and transportation. While these cuts might free up a limited amount of funding for housing and homelessness in the near term,



they would have far-reaching consequences, undermining the City's strategic planning work to address housing affordability over the mid- to long-term.

For more than a decade, Council has relied on one-time General Fund resources and one-time Metro grants to fund core BPS land use planning services. This has meant instability for the very people and programs working to prepare the City for the rapid changes we are experiencing today. Heading into FY17-18, a significant number of BPS positions are vulnerable, due to the end of one-time funding in FY16-17 as well as potential General Fund cuts and the conclusion of several grants. Under any circumstances, this is damaging to staff morale; in today's healthy economy, strong employees are all-too-easily persuaded to leave the City for more stable positions with other agencies or in the private sector. Over the past two years, BPS has lost a number of talented planners – often younger staff and people of color – with expertise in housing, transportation and equity issues.

BPS is at the center of Portland's history of innovation around planning and sustainability issues – particularly the integration of equity, neighborhood prosperity and climate change. Much of what we are known for nationally and globally has its origins in this innovative planning and development work.

In the past few years, City Council has established outstanding policy direction by adopting the Portland Plan, the Climate Action Plan and the 2035 Comprehensive Plan. These plans lay the groundwork for a city that is diverse and resilient. Proactive steps are critical to ensure Portland remains the city for everyone that is anticipated in these plans. Now is the time to invest in implementing these plans, not let them sit on the shelf.

Key Recommendations

As a committee, we have four key recommendations:

1. Do not take the on-going General Fund cuts that BPS has identified in response to the citywide directive. These cuts would harm critical programs and further exacerbate BPS' vulnerability to swings in one-time General Fund resources. Not taking the on-going cuts will enable BPS to deliver key projects for which one-time General Fund is otherwise requested this year. Stabilizing the bureau's on-going resources will enable BPS to implement the 2035 Comprehensive Plan – and achieve its promise to help Portland grow sustainably and equitably – in the years ahead.

In addition to the Comp Plan, we urge Council to enable BPS to meet critical project needs – such as completing the Better Housing by Design Project, and increasing affordable housing in SW Portland as part of the SW Corridor Transit Housing Project – without the disruptive swings and staff changes resulting from one-time funding requests. More than ever, these swings create uncertainty for staff and challenges for work planning, reducing efficiency and productivity.

2. Use land use fee revenue to fund BPS code development and revision work. In recent years, the Bureau of Development Services (BDS) has provided funding for BPS work to improve and revise the Zoning Code to make the code clearer for BDS to administer and for developers and residents to understand. Land use fees could be used for other code update projects such as the Design Overlay Zone Assessment Project, Better Housing by Design Project and Residential Infill Project, currently proposed for one-time General Fund resources. There is a logical nexus between these fees, the product of rapid development, and the programs that work to make that development equitable and palatable for both current and new Portlanders.

3. Leverage BPS' longtime role as a source of innovation and coordination across City bureaus.

We encourage Council to fund the Smart Cities decision package. Portland has a wealth of data, entrepreneurs and innovative spirit – but without strong coordination across bureaus and with external partners, we will not be able to seize the opportunities that Smart City funding and programs provide to help Portland run more efficiently and more affordably. BPS serves as the nexus on many citywide projects. A dedicated investment to coordinate multiple bureaus' work with data and technology to address city challenges will provide a tremendous return to bureaus and to the community at large.

4. Provide On-Going Funding for the SW Transit Corridor Housing Strategy.

BPS is requesting on-going General Fund to enable the bureau to develop a strategy to ensure that public investment in a new light rail transit line on SW Barbur includes affordable housing. The project will undertake technical analysis to set housing production targets for each light rail station area and to explore potential development sites. It also includes outreach and organization of resident, community and private sector support for affordable housing production.

The SW Transit Corridor is a massive, decade-long project that will require sustained engagement to ensure that a major investment in transit is matched by effective housing policy. Funding a land-use/housing strategy one year at a time sends the wrong message to partners, funders and the community – and will undermine desired results. This request requires on-going funding.

Budget Equity Assessment

We note the acuity of the Budget Equity Assessment tool question, “Are there deficiencies in the on-going funding of your base budget that inhibit your bureau’s achievement of equity?” The continued dependence on one-time funding and the uncertainty for staff and community about BPS’s resources to deliver priority planning efforts undermines the bureau’s ability to deliver planning and programs essential for Portland’s long-term affordability. When BPS does not have sufficient resources to complete priority code projects, the impacts fall most heavily on the residents and businesses who are most vulnerable to shortcomings in the City zoning code. The Better Housing by Design Project and SW Transit Corridor Housing Strategy, for example, are essential to addressing equity. These projects respond directly to issues of great community concern in Portland’s rapidly developing neighborhoods. The Better Housing by Design Project in particular is critical to ensuring livability in East Portland.

BAC Continued Involvement

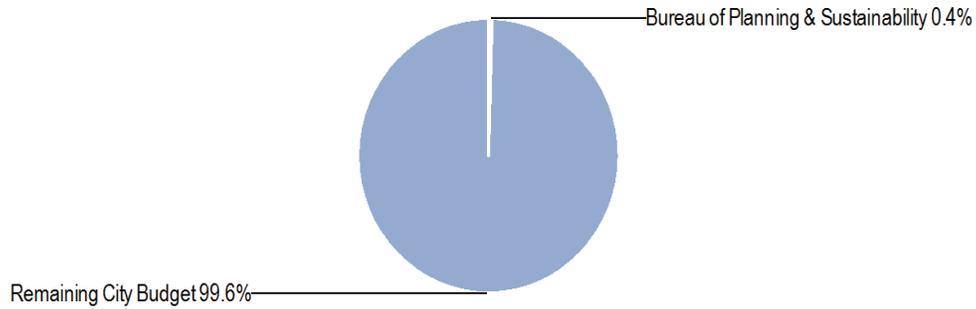
BPS has continued to refine its budget options and decision packages over the course of the BAC meetings, and we recognize that the budget process has several important stages still ahead. If members of the BPS BAC can contribute to your review and decision-making in the months ahead, please let us know. We welcome the opportunity to engage with you.

Bureau of Planning & Sustainability

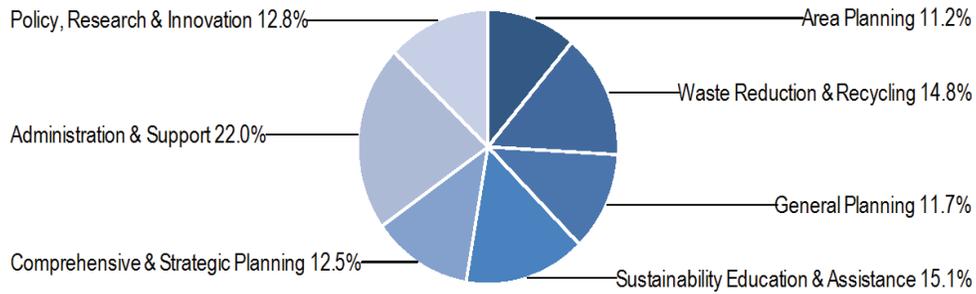
Community Development Service Area

Mayor Ted Wheeler, Commissioner-in-Charge
Susan Anderson, Director

Percent of City Budget



Bureau Programs

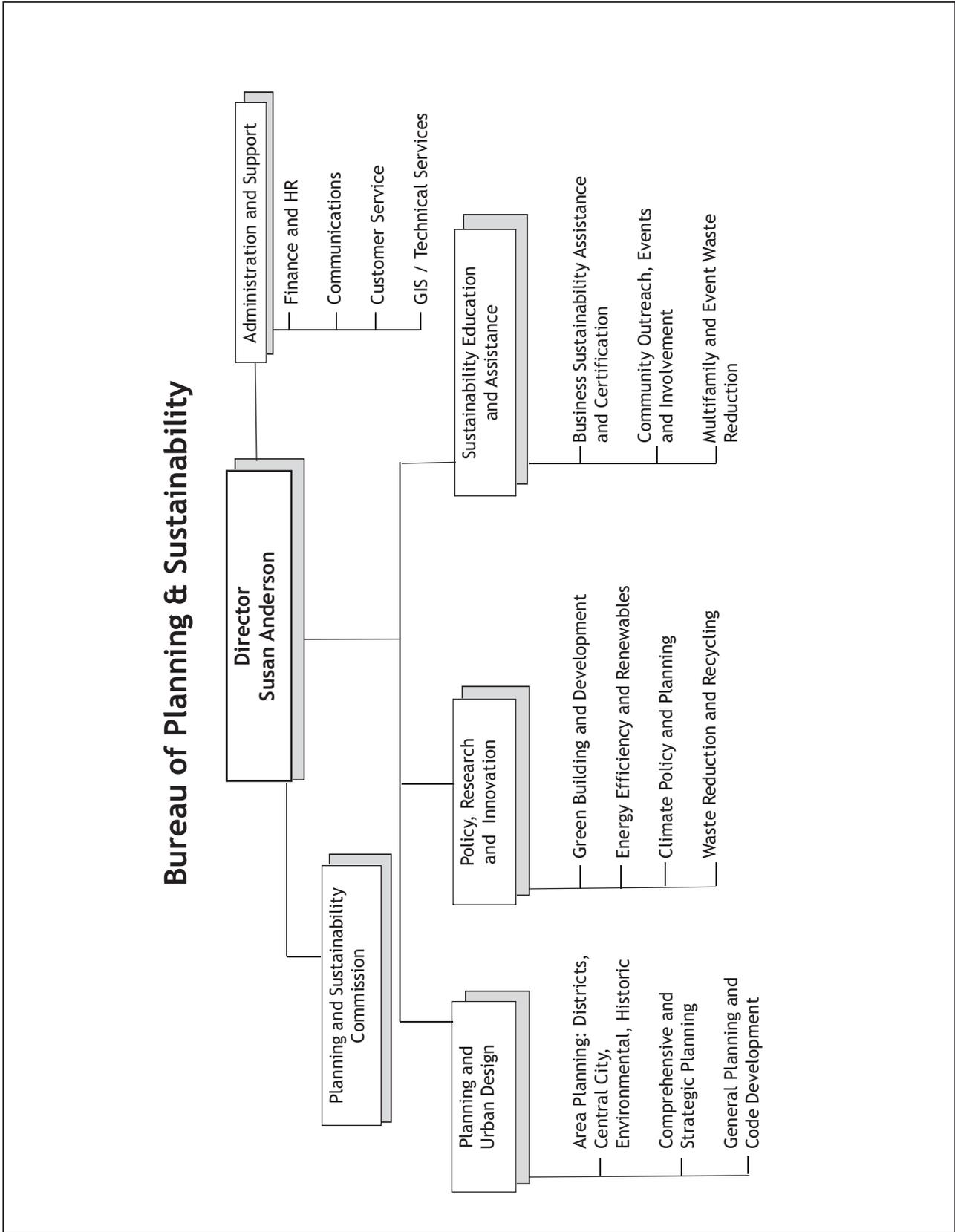


Bureau Overview

Expenditures	Revised FY 2016-17	Requested FY 2017-18	Change from Prior Year	Percent Change
Operating	21,172,420	20,810,818	(361,602)	(1.71)
Capital	0	0	0	0.00
Total Requirements	21,172,420	20,810,818	(361,602)	(1.71)
Authorized Positions	99.43	94.70	(4.72)	(4.75)

Bureau of Planning & Sustainability

Community Development Service Area



Bureau Summary

Bureau Mission

Advance a sustainable city that is prosperous, healthy, resilient and equitable.

Bureau Overview

The Bureau of Planning & Sustainability (BPS) integrates sustainability principles into the core of Portland's strategic planning, land use planning and development policies. The depth of staff expertise and extensive community engagement are central to the bureau's commitment to delivering world class "planning and doing."

The bureau develops and implements policies and programs that provide health, environmental, economic, and social benefits to residents, businesses, and government. To accomplish these objectives, BPS works with the City Council, Planning and Sustainability Commission, other City bureaus, public agencies, businesses, non-profits, and community members to:

Create and champion big picture plans, such as:

- ◆ Portland Plan
- ◆ Comprehensive Plan
- ◆ Climate Action Plan
- ◆ Portland Recycles! Plan
- ◆ Central City 2035
- ◆ Willamette River Plan
- ◆ SW Corridor Equitable Housing Strategy
- ◆ Brentwood Darlington Complete Community Assessment
- ◆ Equitable Development Strategies for specific Centers
- ◆ Green Loop

Set development rules, code and policies

- ◆ Zoning code and standards for private and public development, such as:
 - ❖ Residential Infill Project
 - ❖ Multi-Dwelling Housing Code
 - ❖ Community Design Standards and Guidelines
- ◆ Environmental and industrial land policies
- ◆ Solid waste and recycling collection rules
- ◆ Energy and green building policies

Motivate voluntary and market-based actions

- ◆ Engage, educate and collaborate with residents, businesses, community organizations and neighborhoods.
- ◆ Provide technical assistance and financing tools.
- ◆ Recognize community innovators and leaders for their contributions.

Bureau of Planning & Sustainability

Community Development Service Area

Research, demonstrate and evaluate innovative approaches

- ◆ Investigate local conditions and national and international best practices, and pilot new projects and programs.
- ◆ Inform policy makers and the community on significant and emerging issues.

Strategic Direction

The current BPS strategic plan identifies four primary roles for the bureau: create big picture plans; set development policy; motivate action; and research, demonstrate, and evaluate innovative approaches. All of this is in service to promoting a more prosperous, educated, healthy and equitable city as called for in the Portland Plan.

Create and Champion Big Picture Plans

In FY 2017-18 BPS will implement many projects from the recently-adopted 2035 Comprehensive Plan, the 2015 Climate Action Plan and 2014 Climate Change Preparation Strategy, and complete addition big picture guiding plans including:

- ◆ Central City 2035 Plan
- ◆ Willamette River Plan Central Reach

With the completion of several major big picture plans, BPS will move to "champion" those plans through implementation strategies for specific places and projects. In FY 2017-18, these place-based strategies focus on affordable housing, equitable development and place-making.

- ◆ SW Corridor Equitable Housing Strategy
- ◆ Brentwood Darlington Complete Community Assessment
- ◆ Green Loop planning

Set Development Rules, Code and Policies

BPS develops zoning regulations, development standards and other code provisions to implement the big picture plans. For FY 2017-18, these include such projects as the Residential Infill Project, Multi-Dwelling Housing Code, Community Design Standards and Guidelines and Home Energy Score. With the completion of several major big picture plans, implementation will be a greater focus for the bureau in the next few years. To meet this demand, BPS will need to realign its staff and skills to move toward plan implementation.

Motivate Voluntary and Market-Based Action

The bureau engages, educates and collaborates with residents, businesses, community organizations and neighborhoods to promote sustainable practices, choose active transportation options, support healthy homes and workplaces, and to encourage energy and resource conservation, recycling and composting.

Research, Demonstrate and Evaluate Innovative Approaches

The bureau investigates local conditions and global best practices, pilots new projects and programs, and informs policy makers and the community on significant and emerging planning and sustainable development issues.

Summary of Budget Decisions

Reduction Packages

The requested budget includes four cut packages. The first reflects the conclusion of Metro grant funding for BPS planning projects that will be complete by the end of June 2017. The remaining three respond to Council's direction to identify reductions to on-going General Fund of five percent, as follows:

1% On-Going General Fund Reduction (\$81,038)

This cut eliminates funds for contracts that provide analysis of transportation, economic, and environmental issues related to code amendments. Without these contracts, policymakers will have less information on which to base their decisions and the City may be more vulnerable to appeal.

2% On-Going General Fund Reduction (\$162,078)

This cut eliminates 1.6 FTE, including a position that has been the BPS lead for demographic and housing analysis. The cut also eliminates part of an FTE in the Sustainability Program that would deliver a solar initiative to implement the renewable energy component of the Climate Action Plan. If this cut is not taken, BPS can deliver the Better Housing by Design component of the PN_05 Housing Code Package and as well as carry out the solar initiative.

2% On-Going General Fund Reduction (\$162,078)

This cut eliminates a Program Coordinator position that was intended for a dedicated bureau lead for coordination among land use, development, transportation and transit planning. This position was cut last year as a one-time cut. Coordination on land use and transportation has suffered as a result. This package also cuts part of a City Planner I position that would develop code and otherwise implement the Central City 2035 Plan following its expected adoption in spring 2017. If this cut is not taken, BPS can deliver the SW Transit Corridor Housing Strategy that comprises the on-going General Fund portion of the PN_05 Housing Code Package.

Add Packages

Smart Cities (\$256,000)

Establishing a smart city strategy and structure in coordination with the regional smart city action plan will be highly beneficial to the city. This decision package would fund two Management Analyst positions to help coordinate and manage citywide, cross-agency smart cities strategy and projects. Successful implementation of this strategy, structure and action plan will require a mechanism for internal and external collaboration that articulates priorities, clarifies roles among city leadership and bureaus, and identifies focus areas and goals. Central among these priorities are equity, resiliency, and affordability, which are not routinely evident in smart cities projects in many cities.

Housing (\$756,350)

This add package will allow BPS to work on three projects that address aspects of the current housing crisis and the ability to meet Portland's long-range housing needs: completion of the Residential Infill Project (RIP) and the Better Housing by Design Project (BHBD); and begin the SW Corridor Equitable Housing Strategy.

- ◆ RIP: Funding includes 2.25 FTE, formal public notice (a legislative requirement) and consultant analysis of impacts on infrastructure systems, transportation and housing production. FY 2017-18 deliverables include zoning code and map amendments; public outreach including a staffed call center; public hearings; and staff trainings on the administration of the new code.
- ◆ BHBD: The Better Housing by Design project is updating Zoning Code, street connectivity and other regulations to ensure new construction better meets the needs of current and future residents with a focus on multi-dwelling units. Funding includes 1.25 FTE plus consultant work to develop code and map amendments, and complete the outreach, public hearing, and adoption process.
- ◆ SW Corridor Equitable Housing Strategy: Over the last 8 years, City Council has funded earlier stages of the transit planning project through intergovernmental agreements with Metro. BPS is requesting General Fund ongoing funding of \$172,000 to support the next phase of this work. This includes a full time Program Coordinator position to manage the project, \$30,000 to support the ability of PDC staff to participate in the project, and \$12,000 to leverage University of Oregon technical assistance resources. The UO work would be funded in cooperation with PBOT, TriMet, Metro and ODOT. FY 2017-18 deliverables include project, grant and contract management; outreach and community organizing by non-profit partners; a study to establish housing production targets, including affordable housing for each transit station area; and a financial strategy to meet housing targets.

Comprehensive & Strategic Planning

Description

The Comprehensive and Strategic Planning program focuses on policies, projects and services that have citywide impact. This program's functions are at the core of the City's long-range planning efforts and engagement with the region's growth management program.

This program includes four subprograms:

- ◆ Comprehensive Plan Update/Portland Plan
- ◆ Coordinated Land Use and Transportation/Transit Planning
- ◆ Policy & Research
- ◆ Urban Design and Historic Preservation

Top priorities for FY 2017-18 include:

- ◆ State acknowledgment of the 2035 Comprehensive Plan through the state Land Conservation and Development Commission.
- ◆ Completion of the initial code and map amendments for the new Comprehensive Plan and training BDS to implement the new codes.
- ◆ Collaboration with the Housing Bureau on housing and anti-gentrification strategies.
- ◆ Initial implementation of transit-related community development actions for the Inner Powell / Outer Division Transit Corridor (partially funded with a Metro grant).
- ◆ Continued development of design and development plans for the SW Transit Corridor, in partnership with PBOT and TriMet.
- ◆ Collaboration with Metro, TriMet, PBOT, Housing Bureau on an Equitable Housing Strategy for the SW corridor (partially funded with Metro and federal grants).
- ◆ Coordination with PBOT to develop next generation Transportation and Parking Demand Management programs.
- ◆ A study of development potential on 82nd Avenue (partially funded with a Metro grant).
- ◆ Initiation of an update of Multi-Dwelling development standards and regulations (partially funded with a Metro grant).
- ◆ Economic and urban design analysis related to new Zoning Code provisions for single-dwelling and multifamily development; transit corridor development strategies; and design standards and guidelines.
- ◆ Economic and urban design analysis related to specific development proposals such as the USPS site / Broadway Corridor; Zidell; OMSI; and Portland Development Commission projects.

Goals

This program works to advance a prosperous, healthy, resilient and equitable city. Specific goals focus on creating healthy connected neighborhoods; centers and corridors; promoting economic prosperity for business and households; protecting and improving natural resources; and guiding future growth to increase equity and resilience.

Bureau of Planning & Sustainability

Community Development Service Area

Performance

Reaching a capture rate of greater than 30 percent of the development of new housing in the region is important for the vitality of Portland neighborhoods as well as for regional climate change and compact growth objectives. In 2014, about 38 percent of new housing units in the region were built in Portland.

With the Portland Plan, Council adopted 12 measures to track overall success, including equity, resident satisfaction, educational progress, household prosperity, job growth, business growth, access to transit and active transportation options, carbon emissions, human health, complete neighborhoods, watershed health and safety. Through the Comprehensive Plan Update, BPS is evaluating how different land use and infrastructure investment choices may impact these metrics. The bureau's planning programs may be evaluated against these metrics in the future.

Changes to Services and Activities

A proposed cut to on-going General Funds would eliminate a Program Coordinator position that leads staff coordination among BPS, PBOT and TriMet on transportation and transit planning. The work linking transportation and land use has been core to Portland's planning success. In the coming years, the focus on this work would be on linking equitable neighborhood and economic development with planning and development of new transit. The elimination of this position will reduce the amount and depth of this work. The responsibilities will no longer have a lead staff and will be divided among other project staff.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	14.70	17.32	15.32	13.50	14.00
Expenditures					
Code Development	576,501	(244)	0	0	0
Comprehensive & Strategic Planning	1,076,566	7,838	0	0	0
Policy & Research	0	419,024	393,998	457,469	395,663
Portland & Comprehensive Plan	1,726,925	1,308,517	2,136,573	1,095,745	1,225,202
Urban Design	0	351,767	475,748	456,694	505,582
Total Expenditures	3,379,992	2,086,902	3,006,319	2,009,908	2,126,447
Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18

Key Performance Measure

Percentage of new housing units in the four-county region that are within the City of Portland	37%	37%	37%	35%	40%
Percentage of Portlanders living in complete neighborhoods	64%	63%	66%	64%	65%

Effectiveness

Overall city livability: percentage of respondents rating "good" or "very good"	74%	63%	65%	65%	65%
Planning for future land use: percentage of respondents rating "good" or "very good"	31%	24%	25%	25%	25%

Administration & Support

- Description** This group provides a broad array of services to enable an efficient, well-functioning organization. These actions include leadership by the Bureau Director, communications team, GIS / technology services and day-to-day support of finance, human resources and administrative staff.
- Goals** The program works to make the bureau operations run as efficiently and smoothly as possible in support of the overall bureau goal of creating a prosperous, healthy, resilient and equitable city.
- Performance** The bureau continues to meet stringent federal requirements for grant compliance. In internal administration, BPS conducts bi-annual surveys of internal customer service and continually refines operating procedures for clarity and ease of access to program staff.
- Changes to Services and Activities** No major changes are anticipated for FY 2017-18.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	12.25	11.75	14.00	14.00	14.00
Expenditures					
Bureau Operating Costs	1,042,856	1,171,272	1,875,532	1,903,802	1,903,802
Business Services	1,358,856	1,351,042	809,774	861,297	861,297
Communications	68	0	1,700	0	0
Director's Office	447,146	461,140	461,226	477,940	477,940
Operations	(2)	0	0	0	0
Technical Administrative Support	313,656	311,537	225,286	497,788	497,788
Total Expenditures	3,162,580	3,294,991	3,373,518	3,740,827	3,740,827
Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
Workload					
Value of grants and contracts awarded	\$2,039,160	\$951,990	\$1,800,000	\$1,500,000	\$1,500,000

Area and Environmental Planning

Description

The Area Planning and Environmental Planning program develops plans, code amendments, development strategies for specific parts of the City including centers, neighborhoods and environmental resources.

The Area and Environmental Planning program has three subprograms:

- ◆ District Planning: This program focuses on community development. District Liaisons build relationships with community organizations and stakeholders to help them be effective forces in City decision-making regarding planning and development. They maintain expertise about local issues and bring this knowledge to the work of City bureaus. With communities, they identify and undertake projects to address development issues and goals.
- ◆ Central City Planning: This program is responsible for district planning for the Central City. It works closely with Central City communities and stakeholders. It leads and collaborates with other bureaus on Central City projects. It implements the Central City Plan through planning, changes to development codes and guidelines and consultation with developers, communities, bureaus and other Central City interests.
- ◆ Environmental Planning: Like District and Central City Planning this program maintains relationships and lines of communication with environmental interests. It also conducts technical analysis to support the update and maintenance of the City's environmental regulations including environmental overlay zones and in the greenway and proposed river overlay zones along the Willamette River.

The top priorities for FY 2017-18 for this program are:

- ◆ Completion of the Central City 2035 Plan and related new zoning code provisions.
- ◆ Consultation and support for major development projects: USPS site/ Broadway corridor; Zidell; OMSI; ODOT blocks; Broadway/Wielder.
- ◆ Completion of the River Plan / Central Reach.
- ◆ Initiation of the River Plan / South Reach.
- ◆ Initiation of a multi-year program of environmental code improvement to protect natural resources and implement the Comprehensive Plan.
- ◆ Analysis of environmental and development issues, including development in the flood plain and related Biological Opinion work.
- ◆ North Portland Coalition building.
- ◆ Brentwood Darlington community assessment implementing complete community policies.
- ◆ SW Corridor housing strategy.
- ◆ Cully residential infill study.
- ◆ Overhaul of the ABCs of Land Use training with a focus on community capacity building, collaborative community partnerships and quality public engagement in City processes.

Goals

Specific goals focus on creating healthy connected neighborhoods, centers and corridors; protecting and improving natural resources; and guiding future growth to increase equity and resilience.

This program also works to support a prosperous, healthy, resilient and equitable city with a focus on helping neighborhood, district and environmental interests and manage the changes that come with growth and development.

Performance

District Planning:

The ratings for percentage of people living in walkable complete neighborhoods with access to shopping are headed in a positive direction, but there continues to be considerable variation between neighborhoods. In East Portland neighborhoods, the program’s work seeks to increase these complete community characteristics and address gentrification pressures.

In Inner East neighborhoods, the program works to increase or maintain community satisfaction with the design and management of new development/ change and address gentrification pressures where relevant.

Central City Planning:

CC2035 includes draft performance targets for the Central City related to transportation, jobs and housing, riverbank enhancement, tree canopy and public space. These measures are still under review as part of the plan but once adopted will allow us to measure the performance of the central city in a number of ways.

Environmental Planning:

High and Medium ranked resources identified in the NRI that are protected or conserved either through zoning, acquisition or other tools.

Changes to Services and Activities

A proposed cut to on-going General Funds would eliminate a City Planner I position that is important for completion of the CC2035 Plan. This coupled with the end of funding for two Associate Planner positions on the CC2035 team will continue to cause delays with the completion of CC2035 and/or require reprogramming of other staff and then delay other projects.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	18.20	16.42	16.50	15.00	14.50
Expenditures					
Central City Planning	901,728	889,326	645,986	670,300	630,543
District Planning	880,030	855,293	1,102,626	846,771	846,771
River & Environmental	0	406,053	437,444	420,224	420,224
River Planning	4,570	0	0	0	0
Total Expenditures	1,786,328	2,150,672	2,186,056	1,937,295	1,897,538

Bureau of Planning & Sustainability

Community Development Service Area

Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
Effectiveness					
Percentage of significant natural resources protected through non-regulatory and/or regulatory measures	82%	82%	83%	83%	83%
Percentage of residents rating neighborhood livability "good" or "very good"	86%	85%	85%	82%	86%
Percentage of residents rating access to shopping and other services "good" or "very good"	75%	75%	75%	75%	75%

Policy, Research & Innovation

Description The Policy, Research and Innovation Program provides research, analysis, technical assistance, demonstration projects, and policy and program development to advance City goals around an equitable, prosperous, healthy, and low-carbon community. Specifically, the program addresses:

- ◆ Climate change
- ◆ Energy efficiency and renewable energy
- ◆ Green building and high-performance development
- ◆ Ecodistricts
- ◆ Food policy and programs
- ◆ Equity
- ◆ Sustainability in City operations and green team support
- ◆ Human health
- ◆ Accessible housing types and ADUs
- ◆ Deconstruction

Efforts focus on policy, programs and projects that support innovation and institutionalize sustainable practices. The program also monitors legislative issues related to sustainable development, develops federal, state, Metro and foundation funding proposals to support bureau priorities, and coordinates broad sustainability initiatives such as the City's Climate Action Plan.

Goals Key goals for FY 2017-18 include implementing performance scores for houses and mid-size commercial buildings, increasing the use of electric vehicles in Portland, seeking resources to support community organizations working on climate change, accelerating the installation of solar electric systems, and improving access to healthy food in Portland neighborhoods.

Performance Countering the national trend, local emissions of carbon dioxide, the primary cause of climate change, continue to decline in both per capita and absolute terms; Portland has achieved a 21 percent reduction compared to an 8 percent increase for the U.S. as a whole. On a per capita basis, emissions are now 35 percent lower than 1990 levels. This reflects a wide range of efforts by the City, businesses, residents, and many community partners to create walkable neighborhoods, reduce energy use, increase active transportation, reduce solid waste, and increase renewable energy sources like solar, wind and biomass.

Changes to Services and Activities No major changes are anticipated for FY 2017-18.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	13.35	14.57	13.80	13.30	14.80
Expenditures					
Clean Energy	312,778	277,879	415,120	735,684	735,684
Climate Policy & Planning	669,048	701,067	928,109	722,533	978,533

Bureau of Planning & Sustainability

Community Development Service Area

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
Green Building & Development	578,335	608,607	860,895	410,471	410,471
Policy Analysis and Research	(23)	0	0	0	0
Policy, Research & Innovation	72,015	42,881	0	0	0
Sustainable City Government	4,845	3,494	58,402	0	0
Sustainable Food	153,467	165,585	128,944	114,820	57,410
Total Expenditures	1,790,465	1,799,513	2,391,470	1,983,508	2,182,098

Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
Key Performance Measure					
Percentage reduction in per person carbon emissions from 1990 levels	41%	41%	42%	43%	42%
Effectiveness					
Per capita residential energy use (million BTUs)	27.70	26.70	26.00	26.00	26.00
Number of certified green buildings in Portland	2,362	2,573	2,600	2,800	2,800
Utility savings to City from energy- and water-efficiency projects and waste and toxics reduction (million dollars)	\$7.27	\$7.66	\$6.20	\$6.35	\$6.35
Percentage of City electricity use from renewable resources	68.8%	100.0%	100.0%	100.0%	100.0%
Number of residential and commercial solar energy systems installed in Portland since 2006	3,163	3,748	4,000	4,400	4,300
Workload					
Number of development projects provided with green building assistance	4	4	15	6	6
Number of design and construction industry professionals trained in green building practices	1,057	1,212	1,000	1,200	1,200

Waste Reduction & Recycling

Description

The Waste Reduction and Recycling program is responsible for the collection of solid waste, recycling and yard debris and other compostable materials from residences and businesses within the Portland Urban Services Boundary. The program carries out City Council's policy direction to reduce waste, increase recycling and composting, and maintain high-quality garbage and recycling collection at reasonable rates.

Residential waste program responsibilities include franchising residential collection companies, enforcing service standards, setting rates, educating customers, and promoting waste reduction and recycling in coordination with the bureau's Sustainability Education and Assistance program.

The commercial waste program establishes service standards, issues permits, and ensures compliance with City requirements. Commercial service is not franchised or rate regulated in Portland. The commercial program is also responsible for contracting for collection of public garbage and recycling cans in several business districts and for addressing garbage or recycling containers that are inappropriately stored by businesses in the public right-of-way.

Goals

The program works to achieve City Council's goal of recycling 75 percent of all solid waste. In early 2017 BPS reported on the accomplishments and progress over the past eight years and outlined near-term priority projects:

- ◆ Mandatory Business Food Scrap Collection
- ◆ Improvements to Multifamily Recovery Programs
- ◆ Sustainable Consumption and Production Strategy

The Solid Waste and Recycling Hotline fields about 16,000 calls/emails each year from residents as staff answer questions, resolve concerns, and provide guidance about curbside recycling.

Performance

City City Council established a goal of recovering (i.e., recycling plus composting) 75 percent of all solid waste. The current recovery rate is 70 percent.

Changes to Services and Activities

In FY 2017-18 BPS will expand the provision of public trash can collection to additional business districts and will continue to focus primarily on policy and programs to serve commercial and multifamily properties.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	9.60	9.50	9.50	9.50	9.50
Expenditures					
Solid Waste Commercial	776,870	1,118,215	1,368,842	1,522,846	1,522,846
Solid Waste Residential	1,006,767	940,950	1,066,937	986,896	986,896
Total Expenditures	1,783,637	2,059,165	2,435,779	2,509,742	2,509,742

Bureau of Planning & Sustainability

Community Development Service Area

Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
Key Performance Measure					
Percentage of waste recycled or composted	69%	64%	64%	65%	65%
Effectiveness					
Percentage of residential material diverted from wastestream	63%	63%	63%	64%	64%
Percentage of commercial material diverted from wastestream	71%	64%	64%	65%	65%
Citizen satisfaction with solid waste and recycling programs (percentage of respondents rating "good" or "very good")	74%	76%	75%	76%	76%
Efficiency					
Typical residential garbage and recycling monthly bill, adjusted for inflation (in year 2000 dollars)	\$29.35	\$29.15	\$29.15	\$29.15	\$29.15
Workload					
Pounds of solid waste generated per household	816	802	817	780	780
Tons of solid waste generated by businesses	277,975	257,748	285,000	255,000	255,000

Sustainability Education & Assistance

Description The Sustainability Education and Assistance program engages, educates and collaborates with residents, businesses, community organizations, and neighborhoods to make informed decisions about sustainable practices with a particular focus on resource conservation. The team's responsibilities include design, development, coordination, implementation, and evaluation of community engagement programs and events.

Programs run by the Sustainability Education and Assistance team include:

- ◆ Sustainability at Work - business assistance and certification
- ◆ Event Recovery Program - assistance and equipment
- ◆ Portland Climate Action Now! Campaign
- ◆ Fix-it Fairs
- ◆ Community Collection Events
- ◆ Master Recycling Program
- ◆ Garage, recycling and composting educational materials, campaign and engagement
- ◆ Resourceful PDX
- ◆ General sustainability related community engagement and involvement

Efforts focus on motivating voluntary and market-based actions through the implementation of customer-focused programs and campaigns that advance City and bureau goals around a sustainable city that is prosperous, healthy, resilient and equitable.

Goals The Sustainability Education and Assistance programs support the City's goals to reduce carbon emissions 80 percent below 1990 levels by 2050 and recover 75 percent of all waste. FY 2017-18 priority projects include launching a mandatory business food scrap collection program, ensuring equitable garbage and recycling services for multifamily residents, and a sustainable consumption and production strategy. The Sustainability Education and Assistance programs also advances the bureau goals of prosperity, health, resiliency and equity.

Performance In FY 2017-18, the program expects to reach 190,000 residents, 25,000 multifamily households, and 800 businesses with sustainability outreach and assistance.

Changes to Services and Activities There are no major changes planned for FY 2017-18.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	17.77	16.40	17.40	16.90	16.90
Expenditures					
Business Sustainability Assistance	747,167	722,366	800,949	805,737	805,737
Communications	384,014	348,912	381,883	548,202	548,202
Multifamily	285,150	348,392	382,687	426,589	426,589
Residential Outreach	767,039	736,406	777,495	787,828	787,828

Bureau of Planning & Sustainability

Community Development Service Area

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
Sustainability Education & Assistance	38,457	8,434	0	0	0
Total Expenditures	2,221,827	2,164,510	2,343,014	2,568,356	2,568,356
Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
Efficiency					
Cost per-Fix-It Fair workshop participant	\$66.14	\$87.73	\$68.00	\$71.00	\$71.00
Workload					
Number of residents reached by sustainability training and outreach	190,238	193,464	190,000	204,000	204,000
Number of businesses reached by sustainability outreach and training	1,112	2,313	1,400	2,850	2,850
Number of multifamily units provided with waste reduction assistance	12,870	21,300	25,000	25,000	25,000
Bureaus, offices, or locations assisted with sustainability projects	38				
City staff receiving sustainability training or train-the-trainer assistance	69	61	60	30	30
Number of citizens participating in workshops	1,484	1,223	1,900	1,300	1,300

General Planning (Code Development)

Description

This program includes overall management and communications for planning programs, policy research staff, GIS staff and the Code Development program.

The Code Development program leads the Regulatory Improvement Program, which develops and manages an annual package of zoning code improvements in collaboration with the Bureau of Development Services. The program also leads major code improvement projects, which generally take 18 months to complete.

A major focus of the FY 2017-18 workplan is improvement of the City's design review process and tools. The Code Development program will complete the Design Overlay Zone Assessment (DOZA) and start implementing its recommendations. This includes update of the Community Design Standards and Guidelines. BDS land use fees will be used to support this work.

The program is the Bureau's lead on special projects related to acute development issues. These emerge every year, vary in scale, become priorities for City Council and the community, and require quick, thorough data-driven response. We do this with core on-going staff. If the needed response turns into a larger project, such as with the Residential Infill Project, the Bureau needs additional staff and funding. The Code Development Program also provides expert code development services to other bureau projects such as the Central City 2035 Plan and the Better Housing by Design project.

The General Planning program includes staff positions for demographic and economic technical analysis. These positions support policy development and other projects bureau-wide and in other City bureaus such as the Inclusionary Housing Program.

Priorities include:

- ◆ Update of Central City development regulations as part of the CC 2035 Plan.
- ◆ Completion of code changes for the Residential Infill Project.
- ◆ Completion of DOZA and initiation of an update to the community design standards.
- ◆ The Regulatory Improvement Code Amendment Program (RICAP).
- ◆ Continued work on acute development issues, currently code issues related to the provision of affordable housing and emergency shelter.

Goals

This program works to improve the function, effectiveness and efficiency of BPS planning programs through management and expert services; improve the City Zoning Code; and technical analysis. The program helps implement Comprehensive Plan policies related to creating healthy connected neighborhoods; developing centers and corridors; promoting economic prosperity for business and households; protecting and improving natural resources; and guiding future growth to increase equity and resilience.

Performance

Reaching a capture rate of greater than 30 percent of the development of new housing in the region is important for the vitality of Portland neighborhoods as well as for regional climate change and compact growth objectives. In 2014, about 38 percent of new housing units in the region were built in Portland.

Bureau of Planning & Sustainability

Community Development Service Area

With the Portland Plan, Council adopted 12 measures to track overall success, including equity, resident satisfaction, educational progress, household prosperity, job growth, business growth, access to transit and active transportation options, carbon emissions, human health, complete neighborhoods, watershed health, and safety. Through the Comprehensive Plan Update, BPS is evaluating how different land use and infrastructure investment choices may impact these metrics. The bureau's planning programs may be evaluated against these metrics in the future.

Changes to Services and Activities

A proposed cut to on-going General Funds would eliminate a Management Analyst position that has provided essential demographic and housing related research. The elimination of this position will greatly reduce the amount and depth of this work.

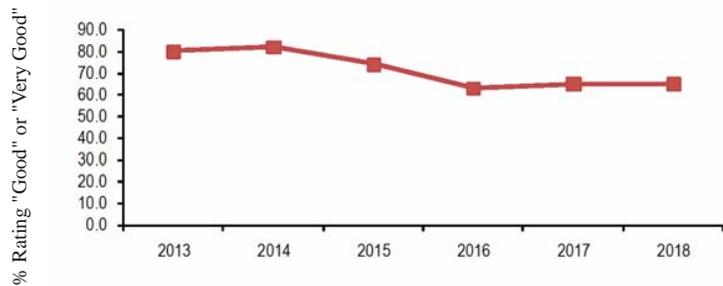
A proposed Decision Package would fund completion of the Residential Infill Development project. Another proposed Decision Package would fund the development of new improvements to the design review system. This implements key recommendations of the new Comprehensive Plan and the CC2035 Plan.

FTE & Financials	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
FTE	11.65	13.17	12.90	10.50	11.00
Expenditures					
Code Development	0	914,063	1,343,675	773,210	1,078,060
General Planning	0	1,010,582	1,048,056	1,003,982	908,648
Total Expenditures	0	1,924,645	2,391,731	1,777,192	1,986,708
Performance	Actual FY 2014-15	Actual FY 2015-16	Yr End Est. FY 2016-17	Base FY 2017-18	Target FY 2017-18
Effectiveness					
Percentage of residents rating the attractiveness of new residential development "good" or "very good"	46%	41%	42%	38%	43%

Performance Measures

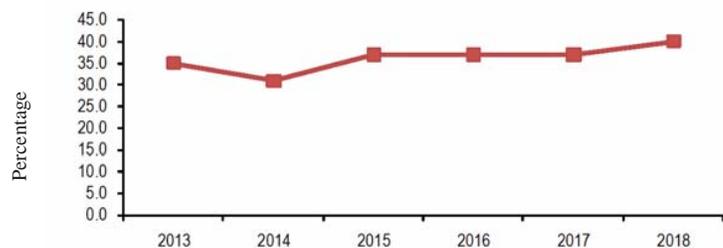
Citywide Livability Rating

Overall city livability ratings have remained fairly high, but some neighborhoods (particularly in East Portland) are significantly less satisfied with city livability than other neighborhoods.



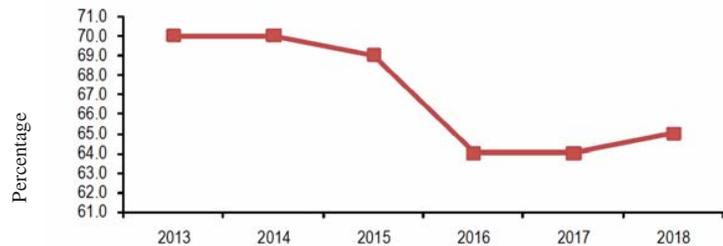
Percentage of New Housing in Four County Region within City

Portland's share of the region's housing has increased notably in recent years, reflecting increasing residential development in the city.



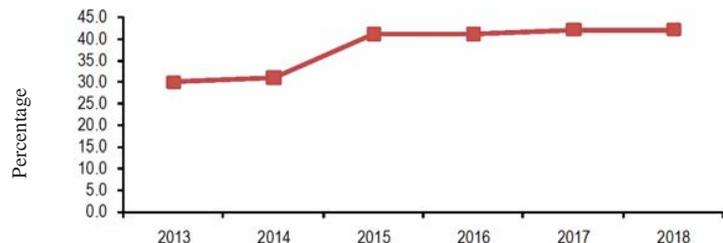
Percentage of Waste Recycled or Composted

Portland's recovery rate is about twice the national average. Program changes, including collecting food scraps from residences, contributed to the jump in 2013. The recovery rate has remained at about 64% since then. (The Oregon Department of Environmental Quality recently revised its methodology for estimating recovery rate, which resulted in a consistent reduction of 6% compared to the prior methodology.)



Percentage Reduction in Per Person Carbon Emissions from 1990 Levels

Portland residents and businesses are making progress in reducing carbon pollution, but efforts need to accelerate in order for Portland to respond to the rising urgency of climate change.



Bureau of Planning & Sustainability

Summary of Bureau Budget

Community Development Service Area

	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18
Resources					
External Revenues					
Licenses & Permits	2,816,877	2,857,780	2,957,729	2,995,133	2,995,133
Charges for Services	2,385,530	2,636,220	2,806,284	3,002,909	3,002,909
Intergovernmental	2,125,088	972,241	2,685,027	1,385,059	1,262,791
Miscellaneous	81,536	97,375	83,313	92,423	92,423
Total External Revenues	7,409,031	6,563,616	8,532,353	7,475,524	7,353,256
Internal Revenues					
General Fund Discretionary	7,475,956	8,220,743	7,931,022	7,697,555	8,304,711
General Fund Overhead	587,547	783,723	794,790	759,035	759,035
Fund Transfers - Revenue	246	0	0	0	0
Interagency Revenue	432,748	412,080	1,081,942	741,500	741,500
Total Internal Revenues	8,496,497	9,416,546	9,807,754	9,198,090	9,805,246
Beginning Fund Balance	1,102,793	2,486,989	2,832,313	3,652,316	3,652,316
Total Resources	\$17,008,321	\$18,467,151	\$21,172,420	\$20,325,930	\$20,810,818
Requirements					
Bureau Expenditures					
Personnel Services	10,676,023	10,975,950	11,878,558	11,728,757	12,050,940
External Materials and Services	2,015,063	2,208,023	3,751,635	2,449,847	2,602,552
Internal Materials and Services	2,422,684	2,292,120	2,497,694	2,348,224	2,358,224
Total Bureau Expenditures	15,113,770	15,476,093	18,127,887	16,526,828	17,011,716
Fund Expenditures					
Debt Service	50,304	55,265	62,016	67,638	67,638
Contingency	0	0	80,361	68,293	68,293
Fund Transfers - Expense	164,254	177,643	192,699	177,486	177,486
Total Fund Expenditures	214,558	232,908	335,076	313,417	313,417
Ending Fund Balance	1,679,993	2,758,150	2,709,457	3,485,685	3,485,685
Total Requirements	\$17,008,321	\$18,467,151	\$21,172,420	\$20,325,930	\$20,810,818
Programs					
Administration & Support	3,162,580	3,294,991	3,373,518	3,740,827	3,740,827
General Planning	0	1,924,645	2,391,731	1,777,192	1,986,708
Area Planning	1,786,328	2,150,672	2,186,056	1,937,295	1,897,538
Policy, Research & Innovation	1,790,465	1,799,513	2,391,470	1,983,508	2,182,098
Comprehensive & Strategic Planning	3,379,992	2,086,902	3,006,319	2,009,908	2,126,447
Waste Reduction & Recycling	1,783,637	2,059,165	2,435,779	2,509,742	2,509,742
Specialized Planning	988,941	(4,305)	0	0	0
Sustainability Education & Assistance	2,221,827	2,164,510	2,343,014	2,568,356	2,568,356
Total Programs	15,113,770	\$15,476,093	\$18,127,887	\$16,526,828	\$17,011,716

Class	Title	Salary Range		Revised FY 2016-17		Requested No DP FY 2017-18		Requested FY 2017-18			
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount		
3000063	Accountant II	54,912	69,139	1.00	69,144	1.00	69,144	1.00	69,144		
30000433	Administrative Specialist, Sr	46,342	71,344	4.00	235,504	4.00	243,522	4.00	243,522		
30000436	Administrative Supervisor I	60,403	80,517	1.00	70,908	1.00	73,812	1.00	73,812		
30000448	Business Systems Analyst	63,419	84,552	1.00	78,343	1.00	81,554	1.00	81,554		
30000449	Business Systems Analyst, Sr	69,971	93,413	1.00	89,128	1.00	92,358	1.00	92,358		
30000184	Code Specialist II	46,717	61,859	1.00	61,860	1.00	56,352	1.00	56,352		
30000492	Community Outreach & Informtn Rep	60,403	80,517	4.00	307,020	4.00	308,804	4.00	308,804		
30000506	Conservation Program Coordinator	66,622	88,837	4.00	282,207	4.00	316,165	3.50	275,569		
30000507	Conservation Program Coordinator, Sr	69,971	93,413	5.00	436,907	5.00	443,327	5.00	443,327		
30000509	Conservation Program Manager	82,909	110,448	1.00	100,086	1.00	104,184	1.00	104,184		
30000505	Conservation Program Specialist	60,403	80,517	4.00	283,836	4.00	285,132	4.00	285,132		
30000566	Financial Analyst, Assistant	49,774	76,648	1.00	74,112	1.00	76,634	1.00	76,634		
30000568	Financial Analyst, Sr	69,971	93,413	1.00	93,408	1.00	93,408	1.00	93,408		
30000373	Graphics Designer III	67,974	86,798	1.00	71,412	1.00	73,505	1.00	73,505		
30000212	Inf Syst Tech Analyst IV-Vertical GIS	63,419	84,552	1.00	84,552	1.00	84,552	1.00	84,552		
30000451	Management Analyst	63,419	84,552	3.00	229,776	3.00	231,608	3.50	260,360		
30000450	Management Assistant	49,774	76,648	1.00	64,142	1.00	66,767	1.00	66,767		
30000011	Office Support Specialist I	31,678	45,261	1.00	44,184	1.00	45,264	1.00	45,264		
30000012	Office Support Specialist II	34,798	49,962	1.00	42,260	1.00	45,338	1.00	45,338		
30000377	Planner I, City-Land Use	59,488	68,640	1.00	65,400	1.00	65,400	0.00	12		
30000384	Planner II, City-Environmental	65,395	75,587	1.00	75,588	1.00	75,588	1.00	75,588		
30000385	Planner II, City-Land Use	65,395	75,587	8.00	591,066	8.00	597,715	7.50	559,915		
30000389	Planner II, City-Urban Design	65,395	75,587	1.00	75,588	1.00	75,588	1.00	75,588		
30001053	Planner, Chief	123,573	172,598	1.00	170,298	1.00	172,596	1.00	172,596		
30000725	Planner, Principal	95,888	129,917	2.00	231,960	2.00	236,148	2.00	236,148		
30000391	Planner, Sr City-Economic	67,974	86,798	2.00	169,500	2.00	172,910	2.00	172,910		
30000392	Planner, Sr City-Environmental	67,974	86,798	1.00	67,980	1.00	69,982	1.00	69,982		
30000393	Planner, Sr City-Land Use	67,974	86,798	7.00	604,503	7.00	607,572	7.00	607,572		
30000397	Planner, Sr City-Urban Design	67,974	86,798	2.00	155,920	2.00	159,404	2.00	159,404		
30000724	Planner, Supervising	82,909	110,448	3.00	319,564	3.00	323,613	3.00	323,613		
30001054	Planning & Sustainability Director	143,312	205,379	1.00	204,600	1.00	205,380	1.00	205,380		
30000464	Program Coordinator	66,622	88,837	2.00	155,460	2.00	155,460	1.00	88,836		
30000466	Program Manager, Sr	82,909	110,448	1.00	120,784	1.00	121,488	1.00	121,488		
30000462	Program Specialist, Assistant	49,774	76,648	3.00	189,804	3.00	196,466	3.00	196,466		
30000495	Public Information Officer	69,971	93,413	1.00	74,736	1.00	77,286	1.00	77,286		
30000508	Solid Waste & Recycling Program Manager	82,909	110,448	1.00	110,448	1.00	110,448	1.00	110,448		
30001509	Web Designer	49,774	76,648	1.00	76,644	1.00	76,644	1.00	76,644		
TOTAL FULL-TIME POSITIONS						76.00	6,178,632	76.00	6,291,118	73.50	6,109,462
30000506	Conservation Program Coordinator	66,622	88,837	1.80	117,816	1.80	121,623	1.80	121,623		
30000462	Program Specialist, Assistant	49,774	76,648	0.90	41,388	0.90	42,798	0.90	42,798		
TOTAL PART-TIME POSITIONS						2.70	159,204	2.70	164,421	2.70	164,421
30000492	Community Outreach & Informtn Rep	60,403	80,517	2.00	134,113	2.00	138,645	2.00	138,645		
30000506	Conservation Program Coordinator	66,622	88,837	1.00	88,836	1.00	88,836	1.00	88,836		
30000507	Conservation Program Coordinator, Sr	69,971	93,413	1.00	93,408	1.00	93,408	1.00	93,408		
30000505	Conservation Program Specialist	60,403	80,517	1.00	60,408	0.50	32,496	0.50	32,496		
30000342	GIS Technician II	55,973	71,406	1.00	59,004	1.00	59,004	1.00	59,004		
30000373	Graphics Designer III	67,974	86,798	1.00	82,704	1.00	82,704	1.00	82,704		
30000451	Management Analyst	63,419	84,552	1.83	149,760	1.00	84,552	1.50	126,828		
30000450	Management Assistant	49,774	76,648	2.00	119,489	1.50	114,024	1.50	114,024		
30000381	Planner I, City-Urban Design	59,488	68,640	1.00	62,460	0.50	32,700	1.00	65,388		

Bureau of Planning & Sustainability

Community Development Service Area

FTE Summary

Class	Title	Salary Range		Revised FY 2016-17		Requested No DP FY 2017-18		Requested FY 2017-18			
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount		
30000385	Planner II, City-Land Use	65,395	75,587	2.90	219,204	1.50	113,388	4.00	302,364		
30000375	Planner, Associate	53,976	62,462	4.00	233,000	1.00	58,289	1.00	58,289		
30001658	Plg & Sust Policy, Rsrch & Oper Mgr	102,981	143,811	1.00	143,808	1.00	143,808	1.00	143,808		
30000464	Program Coordinator	66,622	88,837	0.00	0	0.00	0	1.00	77,736		
30000462	Program Specialist, Assistant	49,774	76,648	1.00	65,720	1.00	68,417	1.00	68,417		
TOTAL LIMITED TERM POSITIONS						20.73	1,511,914	14.00	1,110,271	18.50	1,451,947
GRAND TOTAL						99.43	7,849,750	92.70	7,565,810	94.70	7,725,830



	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18	Proposed FY 2017-18
Resources						
Licenses & Permits	2,816,877	2,857,780	2,957,729	2,995,133	2,995,133	
Charges for Services	2,385,530	2,635,349	2,806,284	3,002,909	3,002,909	
Intergovernmental	21,010	21,085	26,000	0	0	
Miscellaneous	51,943	63,216	70,713	83,439	83,439	
Total External Revenues	5,275,360	5,577,430	5,860,726	6,081,481	6,081,481	
Fund Transfers - Revenue	246	0	0	0	0	
Interagency Revenue	12,000	7,000	7,000	5,000	5,000	
Total Internal Revenues	12,246	7,000	7,000	5,000	5,000	
Beginning Fund Balance	2,717,012	3,191,859	2,832,313	3,599,544	3,599,544	
Total Resources	8,004,618	8,776,289	8,700,039	9,686,025	9,686,025	
Requirements						
Personnel Services	2,238,936	2,296,035	2,499,109	2,421,577	2,421,577	
External Materials and Services	898,710	1,220,225	1,499,257	1,624,389	1,624,389	
Internal Materials and Services	1,460,555	1,583,235	1,657,256	1,840,957	1,840,957	
Total Bureau Expenditures	4,598,201	5,099,495	5,655,622	5,886,923	5,886,923	
Debt Service	50,304	55,265	62,016	67,638	67,638	
Contingency	0	0	80,361	68,293	68,293	
Fund Transfers - Expense	164,254	177,615	192,583	177,486	177,486	
Total Fund Expenditures	214,558	232,880	334,960	313,417	313,417	
Ending Fund Balance	3,191,859	3,443,914	2,709,457	3,485,685	3,485,685	
Total Requirements	8,004,618	8,776,289	8,700,039	9,686,025	9,686,025	

Fund Overview

The Solid Waste Management Fund accounts for expenses and revenues associated with the City's oversight of solid waste collection activities in Portland and the City's efforts to reduce the amount of solid waste and increase recycling and composting. The fund supports the bureau's Solid Waste and Recycling, Green Building, and Sustainable Education and Assistance programs. Revenue sources for the Solid Waste Management Fund include residential franchise, commercial tonnage, and permit fees.

Managing Agency Bureau of Planning & Sustainability



	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Requested No DP FY 2017-18	Requested FY 2017-18	Proposed FY 2017-18
Resources						
Intergovernmental	5,000	0	0	0	0	
Miscellaneous	16,493	9,792	12,600	8,984	8,984	
Total External Revenues	21,493	9,792	12,600	8,984	8,984	
Total Internal Revenues						
	0	0	0	0	0	
Beginning Fund Balance	17,718	34,148	0	52,772	52,772	
Total Resources	39,211	43,940	12,600	61,756	61,756	
Requirements						
Personnel Services	5,001	0	0	0	0	
External Materials and Services	62	0	12,484	61,756	61,756	
Total Bureau Expenditures	5,063	0	12,484	61,756	61,756	
Fund Transfers - Expense	0	28	116	0	0	
Total Fund Expenditures	0	28	116	0	0	
Ending Fund Balance	34,148	43,912	0	0	0	
Total Requirements	39,211	43,940	12,600	61,756	61,756	

Fund Overview

The Community Solar Fund accounts for expenses and revenues associated with the installation of solar electric systems on community buildings.

The fund receives revenue from two sources:

- ◆ The electric utility companies, in the form of a fifteen-year stream of incentive payments based on the energy produced from each solar energy system
- ◆ Community (crowd-funded) donations

The accrued revenue is used to install new, small-scale solar electric systems on community buildings.

Managing Agency Bureau of Planning & Sustainability



Decision Package Summary

Bureau: Bureau of Planning & Sustainability

Priority: 01 **Type:** Reductions

Decision Package: PN_01 - End of Metro Funds

Program: PLANNING & URBAN DESIGN

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget		
EXPENDITURES									
Personnel Services	0	(122,268)	(122,268)	0	0	0	0	0	0
TOTAL EXPENDITURES	0	(122,268)	(122,268)	0	0	0	0	0	0
REVENUES									
Intergovernmental Revenues	0	(122,268)	(122,268)	0	0	0	0	0	0
TOTAL REVENUES	0	(122,268)	(122,268)	0	0	0	0	0	0
FTE									
Full-Time Positions	0.00	-1.00	-1.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	0.00	-1.00	-1.00	0.00	0.00	0.00	0.00	0.00	0.00

Description:

This cut reflects the conclusion of Metro grant funding for BPS planning projects that will be complete by the end of June 2017.

Expected Results:

Decision Package Summary

Bureau: Bureau of Planning & Sustainability

Priority: 02 **Type:** Reductions

Decision Package: PN_02 - GFOG 1% cuts

Program: PLANNING & URBAN DESIGN

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget	
EXPENDITURES								
Personnel Services	0	(25,743)	(25,743)	0	0	0	0	0
External Materials and Services	0	(55,295)	(55,295)	0	0	0	0	0
TOTAL EXPENDITURES	0	(81,038)	(81,038)	0	0	0	0	0
REVENUES								
General Fund Discretionary	0	(81,038)	(81,038)	0	0	0	0	0
General Fund Overhead	0	0	0	0	0	0	0	0
TOTAL REVENUES	0	(81,038)	(81,038)	0	0	0	0	0
FTE								
Full-Time Positions	0.00	-0.25	-0.25	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	0.00	-0.25	-0.25	0.00	0.00	0.00	0.00	0.00

Description:

This cut eliminates funds for contracts that provide analysis of transportation, economic, and environmental issues related to code amendments.

Expected Results:

Without these contracts, policymakers will have less information on which to base their decisions and the City may be more vulnerable to appeal.

Decision Package Summary

Bureau: Bureau of Planning & Sustainability

Priority: 03 **Type:** Reductions

Decision Package: PN_03 - GFOG 2% cuts

Program: PLANNING & SUST. FOOD

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget		
EXPENDITURES									
Personnel Services	0	(162,078)	(162,078)	0	0	0	0	0	0
TOTAL EXPENDITURES	0	(162,078)	(162,078)	0	0	0	0	0	0
REVENUES									
General Fund Discretionary	0	(162,078)	(162,078)	0	0	0	0	0	0
General Fund Overhead	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	0	(162,078)	(162,078)	0	0	0	0	0	0
FTE									
Full-Time Positions	0.00	-1.60	-1.60	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	0.00	-1.60	-1.60	0.00	0.00	0.00	0.00	0.00	0.00

Description:

This cut eliminates 1.6 FTE, including a position that has been the BPS lead for demographic and housing analysis. The cut also eliminates part of an FTE in the Sustainability Program that would deliver a solar initiative to implement the renewable energy component of the Climate Action Plan.

If this cut is not taken, BPS can deliver the Multi-Dwelling Housing Code component of the PN_05 Housing Code Package and as well as carry out the solar initiative.

Expected Results:

Decision Package Summary

Bureau: Bureau of Planning & Sustainability **Priority:** 04 **Type:** Reductions
Decision Package: PN_04 - GFOG 2% cuts **Program:** PLANNING & URBAN DESIGN

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget	
EXPENDITURES								
Personnel Services	0	(162,078)	(162,078)	0	0	0	0	0
TOTAL EXPENDITURES	0	(162,078)	(162,078)	0	0	0	0	0
REVENUES								
General Fund Discretionary	0	(162,078)	(162,078)	0	0	0	0	0
TOTAL REVENUES	0	(162,078)	(162,078)	0	0	0	0	0
FTE								
Full-Time Positions	0.00	-1.65	-1.65	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	0.00	-1.65	-1.65	0.00	0.00	0.00	0.00	0.00

Description:

This cut eliminates a Program Coordinator position that was intended for a dedicated bureau lead for coordination among land use, development, transportation and transit planning. This position was cut last year as a one-time cut. Coordination on land use and transportation has suffered as a result. Continuing this cut would prevent BPS from developing a housing strategy for the SW Transit Corridor.

This package also cuts part of a City Planner I position that would develop code and otherwise implement the Central City 2035 Plan following its expected adoption in spring 2017.

If this cut is not taken, BPS can deliver the SW Transit Corridor Housing Strategy that comprises the on-going General Fund portion of the PN_05 Housing Code Package.

Expected Results:

Decision Package Summary

Bureau: Bureau of Planning & Sustainability

Priority: 01 **Type:** Adds

Decision Package: PN_05 - Housing

Program: PLANNING & URBAN DESIGN

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget		
EXPENDITURES									
Personnel Services	464,350	130,000	594,350	0	0	0	0	0	0
External Materials and Services	110,000	42,000	152,000	0	0	0	0	0	0
Internal Materials and Services	10,000	0	10,000	0	0	0	0	0	0
TOTAL EXPENDITURES	584,350	172,000	756,350	0	0	0	0	0	0
REVENUES									
General Fund Discretionary	584,350	172,000	756,350	0	0	0	0	0	0
TOTAL REVENUES	584,350	172,000	756,350	0	0	0	0	0	0
FTE									
Limited Term Positions	3.50	1.00	4.50	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	3.50	1.00	4.50	0.00	0.00	0.00	0.00	0.00	0.00

Decision Package Summary

Bureau: Bureau of Planning & Sustainability		Priority: 01		Type: Adds
Decision Package: PN_05 - Housing		Program: PLANNING & URBAN DESIGN		

FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget
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Description:

This Decision Package will allow BPS to initiate or complete three projects that address aspects of the current housing crisis and the ability to meet Portland's long-range housing needs. The three projects are:

1. Complete the Residential Infill Project (\$387k, one-time GF)
2. Complete the Better Housing by Design Project (\$197k, one-time GF)
3. Initiate the SW Corridor Equitable Housing Strategy (\$172k, on-going GF)

1. Complete Residential Infill Project

This project responds to the housing emergency and to community concerns about the scale of in-fill housing in single-dwelling zones. The project is designed to result in additional smaller housing options in single family neighborhoods. In December 2016 City Council directed BPS to develop code and map amendments that implement the recommendations in the Concept Report with amendments. BPS has begun this work, which will take 18 months to complete. The work plan includes development of zoning code and map amendments, an extensive public review process, and a formal legislative process involving the Planning and Sustainability Commission and City Council.

2. Complete the "Better Housing by Design" (BHBD) Project

The Better Housing by Design project will revise development and design standards for Portland's multi-dwelling residential zones outside the Central City. Between now and 2035, 80% of Portland's housing growth will be in multi-family buildings and other compact housing types. A large portion of this new housing will be located in Portland's multi-dwelling zones. The Better Housing by Design project is updating Zoning Code, street connectivity and other regulations to ensure new construction better meets the needs of current and future residents.

The project will help meet Portland housing needs by improving multi-dwelling building design and development to:

- Help meet Portland's diverse housing needs, e.g., housing that is affordable to lower income households and units designed for people of all ages and abilities.
- Include open space and green elements that support healthy living for residents.
- Use new approaches to create street and pedestrian connections in areas where they don't exist or are insufficient.
- Be designed and scaled to fit in with neighborhood characteristics in middle-density zones.

3. Complete SW Corridor Equitable Housing Strategy

For several years, Metro, TriMet and regional partners have been developing plans for a new light rail line to run between Portland, Tigard and Tualatin. In Portland this line will run along SW Barbur Boulevard and connect to the bus mall near PSU, opening in the mid 2020's. The transit project will be significant in its transportation benefits and in its cost. It also creates the opportunity for increasing equitable access to employment, housing and complete neighborhoods.

This is the first year of a multi-year initiative that will need to continue through opening of the new light rail line. The long-range objective is to build a strategy; to build community, non-profit, private sector and foundation support for this strategy; and to build organizational capacity among the implementing partners to ensure that affordable housing development is integral to the redevelopment of the corridor that will be catalyzed by the transit project.

Decision Package Summary

Bureau: Bureau of Planning & Sustainability

Priority: 01 **Type:** Adds

Decision Package: PN_05 - Housing

Program: PLANNING & URBAN DESIGN

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget
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Expected Results:

Deliverables in FY17-18:

1. Complete Residential Infill Project

The project will develop code tools that:

- A. Better manage the scale on new infill housing
 1. Limit the size of new residential infill development.
 2. Lower the roofline of new infill houses.
 3. Change setbacks for new infill houses to match adjacent houses and promote tree retention.

- B. Add middle housing options to single-dwelling neighborhoods
 1. Allow duplexes, triplexes and additional ADUs.
 2. Create a zoning overlay map that limits where these housing options may be used.
 3. Increase flexibility for cottage clusters on large lots citywide.
 4. Provide added flexibility for retaining existing houses.

- C. Change the rules for development on historically narrow lots.
 1. Change the code to no longer allow development of historically narrow lots.
 2. Make improvements to the R2.5 zone citywide.
 3. Revise parking rules for houses on historically narrow lots citywide.

Major deliverables include:

- A. Proposed zoning code and map amendments.
 - B. Public outreach on proposals including a call center to
 - C. Public hearing and adoption process for code and map changes.
 - D. Staff trainings on the administration of the new code.
 - E. Project wrap-up.
2. Complete the "Better Housing by Design" Project
 - A. Beginning of code development
 - B. Develop zoning code and map amendments
 - C. Public outreach on proposals
 - D. Final recommendations
 - E. Public hearing and adoption process.

 3. SW Corridor Equitable Housing Strategy
 - A. Project, grant and contract management
 - B. Organization and staffing of Steering Committee
 - C. Outreach and community organizing by non-profit partners to renters and members of community of color.
 - D. Study to establish housing production targets, including affordable housing for each transit station area.
 - E. Phased organization and financial strategy to meet housing targets.

Decision Package Summary

Bureau: Bureau of Planning & Sustainability

Priority: 01 **Type:** Adds

Decision Package: PN_05 - Housing

Program: PLANNING & URBAN DESIGN

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget

Decision Package Summary

Bureau: Bureau of Planning & Sustainability **Priority:** 02 **Type:** Adds
Decision Package: PN_06 - Smart Cities **Program:** CLIMATE POLICY

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget	
EXPENDITURES								
Personnel Services	0	200,000	200,000	0	0	0	0	0
External Materials and Services	0	56,000	56,000	0	0	0	0	0
TOTAL EXPENDITURES	0	256,000	256,000	0	0	0	0	0
REVENUES								
General Fund Discretionary	0	256,000	256,000	0	0	0	0	0
TOTAL REVENUES	0	256,000	256,000	0	0	0	0	0
FTE								
Full-Time Positions	0.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00
TOTAL FTE	0.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00

Description:

Emerging technologies are creating new ways to use the wealth of urban data to inform key policy decisions, improve delivery of city services, and address city goals. Transportation, equity, public health, economic opportunity, community engagement and carbon emissions are all areas in which we can anticipate improvements through leveraging urban data. Multiple bureaus, including the Bureaus of Planning and Sustainability, Transportation, and Technology Services, the City Budget Office, the Office of Community Technology and PDC have been involved in initial “smart city” projects applying emerging technologies to long-standing city priorities. Private-sector firms, ranging from large tech firms to local startups, have approached the city about potential partnerships, and Portland State University is actively developing opportunities connected to city functions and priorities.

Urban data and emerging technologies are currently being applied to serve city needs in a range of application areas including green infrastructure, transportation, disaster preparedness, public Wi-Fi, human services, and commercial and residential energy. City staff participate in a wide variety of national smart city initiatives, including the MetroLab Network, Transportation for America, the Global City Team Challenge, and Bloomberg’s What Works Cities.

To coordinate effectively across bureaus and build partnerships among public, private, and academic institutions requires dedicated staffing. This Decision Package will help coordinate and manage citywide, cross-agency smart cities strategy and projects. The two requested positions will enable the city to make the most of our existing partnerships, build on work already done by BPS, PBOT and others, and ensure the long-term sustainability of related projects.

Establishing a smart city strategy and structure in coordination with other bureaus, regional agencies, Portland State University and private-sector partners will ensure that Portland smart city projects advance the city’s goals around equity, resiliency, and affordability. Successful implementation of this strategy, structure and action plan will require a mechanism for internal and external collaboration that articulates priorities, clarifies roles among city leadership and bureaus, and identifies focus areas and goals.

PBOT, BPS, BTS, and CBO all have projects underway and are currently coordinating using existing staff, which has become increasingly difficult as the scope and quantity of smart cities-related work has increased. BPS secured grant funding in 16-17 for a full-time position focused on establishing a network of connected air quality sensors and helping to coordinate sensor-related deployments citywide, but will need dedicated staffing to continue this project. PBOT has assigned a half-time position to help coordinate their smart cities work beginning in January 2017.

Decision Package Summary

Bureau: Bureau of Planning & Sustainability
Priority: 02 **Type:** Adds
Decision Package: PN_06 - Smart Cities
Program: CLIMATE POLICY

	FY 2017-18 Requested 1 Time DP	FY 2017-18 Requested Ongoing DP	FY 2017-18 Requested Budget	FY 2018-19 Estimated Budget	FY 2019-20 Estimated Budget	FY 2020-21 Estimated Budget	FY 2021-22 Estimated Budget
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Expected Results:

Deliverables:

- Develop and support a system for citywide smart cities coordination to coordinate smart city efforts across bureaus, Council offices other public agencies, private sector firms and universities.
- Establish a shared vision, strategic priorities and implementation projects for the city in partnership with PBOT, CBO, BTS and other internal and external agencies.
- Establish 3-5 regional smart cities priorities through participation in the Regional Smart Cities Action Plan, a regional effort led by PSU.
- An adopted open data policy, open data program and system of governance.
- Coordinate of at least three pilot projects in partnership with other bureaus. Pilot projects already underway are a network of connected, low-cost air quality sensors, the deployment of ~300 AT&T Spotlight Node sensors on street lights in East Portland. Both are in coordination with PBOT, BTS, PSU and others.
- Coordinate community engagement processes with other active bureaus ensuring smart city projects and deployments continue to serve community needs and the community understands new technologies being deployed.
- Identify funding opportunities and coordinate resource development across bureaus and external partners, connecting relevant city staff to these opportunities.
- Continue participation in partnerships related to smart cities, with a focus on increased city-to-city collaboration and building on the development occurring in other cities with smart city projects in disaster preparedness, energy performance, green infrastructure, transportation, public Wi-Fi, and human services.

PART I – OVERVIEW

BUREAU MISSION

The mission of the Bureau of Planning and Sustainability (BPS) is to create a prosperous, equitable and healthy city. To do this, BPS creates and champions big picture plans; sets development rules, code and policies; motivates voluntary and market-based action; and researches, demonstrates and evaluates innovative approaches.

BUREAU PROGRAMS

BPS is organized into the following three major functional areas, each of which has a number of significant programs and policy responsibilities.

Planning and Urban Design: Provides strategic, comprehensive, long-range and district planning and urban design services. Efforts include:

- Comprehensive Plan
- Portland Plan
- Central City Plan
- River and Watershed Planning
- Code Development
- District Planning
- Environmental Planning
- Economic and Housing Analysis
- Historic Resources
- Metro and State Land Use Coordination
- Special Projects such as West Hayden Island, Historic Resources Code Improvement and the Barbur Concept Plan
- GIS and Graphics

Policy, Research and Innovation: Provides research and analysis, policy and program development, project demonstration, monitoring and evaluation, and grant writing. This program also sets policy and regulations for the collection of solid waste, recyclables, and compostables from Portland households and businesses. Key program areas include:

- Climate Change Policy and Planning
- Equity
- Solid Waste and Recycling Operations
- Green Building and Development
- Clean Energy Policy and Programs
- Human Health and Food

Sustainability Education and Assistance: Develops and implements programs, events and educational campaigns to engage a diverse range of residents and businesses in household and operational practices in the areas of waste reduction, recycling, energy and water use, and overall sustainability practices.

Key audiences and initiatives include:

- Business and Government Services and Certification
- Residential Services
- Outreach and Events

Additionally, the bureau has three organizational units, Operations, Communications and the Director's Office, that provide bureau-wide services. The Director's Office provides leadership within the bureau, City and a broad range of local, regional, national, and international stakeholders and partners. The Communications team provides communications services for the bureau, including public information, materials production and website development. The Operations staff provides administration, business services, technical services and other central functions bureau-wide to ensure efficient, effective operation of the organization.

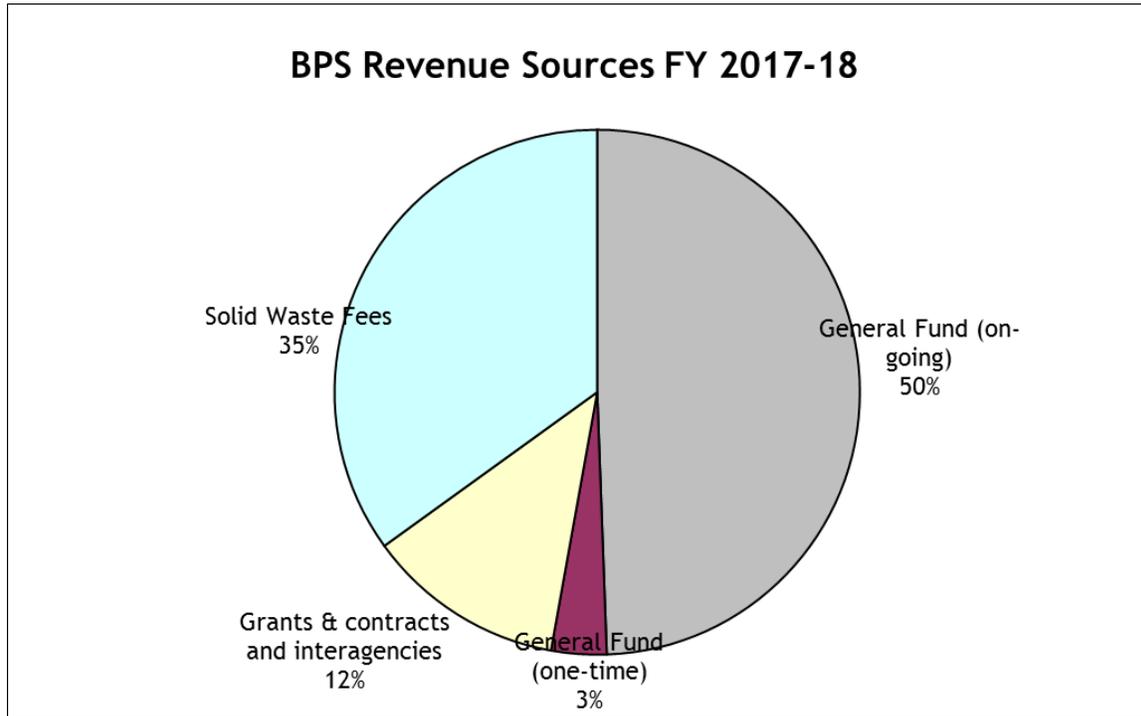
BUDGET ISSUES FOR FY17-18

The Bureau of Planning and Sustainability has just completed the first overhaul of the City's Comprehensive Plan in more than 30 years. In FY17-18, BPS will shift toward implementing the Comprehensive Plan, including revising the zoning code to reflect the new plan. BPS sustainability programs are focused on implementing the 2015 Climate Action Plan, and priority projects for FY17-18 include implementing new policy around home energy scores and commercial building energy benchmarking, partnering with community organizations to advance equity, and working with businesses to increase collection of food scraps.

PART II – REVENUES

FIVE-YEAR REVENUE FORECAST – Current Service Level

	FY 2014-15	FY 2015-16	FY 2016-17 Estimated Year-End	Year 1 FY 2017-18 Requested	Year 2 FY 2018-19 Projected	Year 3 FY 2019-20 Projected	Year 4 FY 2020-21 Projected	Year 5 FY 2021-22 Projected
Revenue Source	Actual	Actual						
General Fund Discretionary - ongoing	6,998,692	7,224,108	7,355,236	7,772,092	7,772,092	7,772,092	7,772,092	7,772,092
General Fund Discretionary - one-time	477,264	986,772	575,786	584,350	584,350	584,350	584,350	584,350
General Fund Overhead	587,547	783,723	794,790	707,304	707,304	707,304	707,304	707,304
Grants	1,840,878	972,243	2,685,027	1,273,291	1,250,000	1,250,000	1,250,000	1,250,000
Local Sources	198,282				-	-	-	-
Solid Waste Residential Franchise Fees	2,802,177	2,844,830	2,933,032	2,982,183	3,064,929	3,166,528	3,265,488	3,354,158
Solid Waste Commercial Tonnage & Permit Fees	2,400,230	2,648,299	2,975,107	3,015,859	3,012,134	3,004,636	3,004,636	3,404,376
Interagency Revenue	432,749	412,080	1,081,942	741,500	741,500	741,500	741,500	741,500
Misc. Revenue	81,779	98,242	83,313	81,923	80,000	80,000	80,000	80,000
Beginning CSF Fund Balance	17,718	34,148	43,912	52,772				
Beginning SWMF Fund Balance	2,717,010	3,191,859	3,443,914	3,599,544	3,485,685	3,107,056	2,446,935	1,532,119
Total	18,554,326	19,196,304	21,972,059	20,810,818	20,697,994	20,413,466	19,852,305	19,425,899



ASSUMPTIONS FOR REVENUE FORECAST

Revenue Source	Projection Assumptions
General Fund ongoing	Year 1 - Requested Amount approved Yrs 2-5: No change.
General Fund one-time	Year 1 - Requested Amount approved Yrs 2-5 No change.
General Fund Overhead	Years 1-5: No change
Grants	Year 1 - Requested Amount approved Yrs 2-5 flat at \$1,250,000
Solid Waste Residential Franchise	SWMF Five-Year Plan
Solid Waste Commercial Tonnage & Permit Fees	SWMF Five-Year Plan
Interagency Revenue	Year 1 - Requested Amount approved Yrs 2-5 No change.
Misc. Revenues	Year 1 - Requested Amount approved Yrs 2-5 flat at \$80,000

GRANTS

In FY16-17, BPS has the following active grants:

Grant Name	Amount	Purpose
Master Recycler	50,150	Master Recycler Program
Deconstruction Assessment Pilot Phase I & II	37,555	Deconstruction Assessment Pilot Project
Powell Division BHCC	416,329	Building Healthy Connected Communities along the Powell-Division Corridor Project
CPDG 82nd Avenue Project	187,647	82nd Avenue Study Understanding Barriers to Development Project
Multi-Dwelling Development Code N and NE Project	294,980	Portland's Improving Multi-Dwelling Development Project
GPP-USDN Carbon Neutral	222,000	North and Northeast Community Development Pathway 1000 Initiative project
Metro Recycle FY16 -17	35,981	Carbon Neutral Cities Alliance Innovation Fund grant
DEQ Materials Management	766,924	Annual Waste Reduction Plan and Recycle at Work Program
SHPO 2016-2017	50,000	Materials Management grant for Deconstruction Program
Bullitt Foundation - Cascadia Sustainability 16-17	12,000	Undertake the heritage-related project
DEQ Training Support	26,188	To accelerate the adoption of new solutions to address urban environmental issues
USDOC Low-Cost Air Quality Measurement grant	35,700	Deconstruction rather than demolition Training Support
USDOE Cities - LEAP	100,000	A Framework for Low Cost Air Quality Measurement grants
Equitable Housing	261,013	Analyzing the Predictive Power of Commercial Building Public Data
	100,000	Equitable Housing Planning and Development

Since 2007, BPS has received more than \$45 million in grants and contracts.

RISKS TO GRANT FUNDING

BPS’ largest single grant, Metro’s support for waste reduction and business recycling, is expected to remain stable. Other grant sources are less predictable and depend on how funding opportunities align with the bureau’s workplan priorities. BPS expects to continue to aggressively pursue grants for planning and sustainability projects.

PART III – EXPENDITURES

FIVE-YEAR PROGRAM EXPENDITURE FORECAST

	FY 2014-15	FY 2015-16	FY 2016-17	Year 1 FY 2017-18	Year 2 FY 2018-19	Year 3 FY 2019-20	Year 4 FY 2020-21	Year 5 FY 2021-22
Program	Actual	Actual	Estimated Year-End	Requested	Projected	Projected	Projected	Projected
Central City	901,724	889,316	645,986	630,543	630,543	630,543	630,543	630,543
District Planning and Area Projects	880,034	855,293	1,102,626	846,771	846,771	846,771	846,771	846,771
River and Watershed Planning	333,280	401,118	437,444	420,224	420,224	420,224	420,224	420,224
Portland Plan / Comprehensive Plan Update Program	1,726,920	1,308,513	2,136,573	1,292,458	1,292,458	1,292,458	1,292,458	1,292,458
General Planning & Code Development	1,653,068	1,933,704	2,391,731	1,986,708	1,986,708	1,986,708	1,986,708	1,986,708
Policy & Research and Urban Design	660,203	769,962	869,746	833,989	833,989	833,989	833,989	833,989
Solid Waste Policy & Operations	1,783,883	2,058,649	2,428,992	2,509,742	2,705,557	2,954,705	3,178,121	3,274,658
Business Sustainability Outreach	1,051,536	1,079,187	1,183,636	1,232,326	1,269,296	1,307,375	1,346,596	1,386,994
Residential Sustainability Outreach	786,268	736,409	777,495	787,828	811,463	835,807	860,881	886,707
Energy and Climate Policy	745,906	743,951	928,109	978,533	1,007,889	1,038,126	1,069,269	1,101,348
Clean Energy	312,776	281,374	473,522	735,684	703,399	724,501	746,236	768,623
Green Building & Development	578,344	608,604	860,895	410,471	422,785	435,469	448,533	461,989
Sustainable Food	153,466	165,584	128,944	57,410	57,410	57,410	57,410	57,410
Communications	384,017	348,913	381,883	548,202	548,202	548,202	548,202	548,202
Director’s Office	447,147	461,139	461,226	477,940	477,940	477,940	477,940	477,940
Bureau Operations (Budget, Finance, HR, IT, GIS and	1,044,490	1,094,256	1,036,760	1,359,085	1,359,085	1,359,085	1,359,085	1,359,085
Bureau Operating Costs	1,670,946	1,739,598	1,875,532	1,903,802	1,903,802	1,903,802	1,903,802	1,903,802
Solid Waste Cash Transfer	214,311	232,908	251,415	313,417	313,417	313,417	313,417	313,417
Ending Fund Balance_SWMF & CSF	3,226,007	3,487,826	3,599,544	3,485,685	3,107,056	2,446,935	1,532,119	875,031
Total Bureau Budget	18,554,326	19,196,304	21,972,059	20,810,818	20,697,994	20,413,466	19,852,305	19,425,899

RISKS TO THE FIVE-YEAR FORECAST

Risks to BPS' five-year plan forecast include:

REVENUES

- Reduced General Fund ongoing resources available Citywide and allocated to BPS.
- Reduced General Fund one-time resources available Citywide and allocated to BPS.
- Reduced federal grant support and reduced IGA with Metro.

EXPENDITURES

- New, unanticipated and unbudgeted projects may continue to emerge as priorities from the community or from Council and require existing staff resources to be redeployed from their original assignments.
- Other bureaus' participation (secured by interagency or intergovernmental agreements) may take more time and/or more resources. This threatens the ability of the bureau to complete projects on time and on budget.

**Bureau of Planning and Sustainability
Solid Waste Management Fund
FY17-22 Five-Year Financial Plan**

Introduction

The Solid Waste Management Fund supports the efforts of the Bureau of Planning and Sustainability (BPS) Solid Waste and Recycling, Green Building and Sustainability at Work and Public Trash Can programs and the Bureau of Development Services Residential Nuisance Abatement program.

- The Solid Waste and Recycling program develops policy and oversees the collection of solid waste, recyclables and compostable materials from residential and commercial sources within the Portland Urban Services Boundary. Goals and policy guidance for residential and commercial recovery programs were established by City Council with adoption of the Portland Recycles! Plan in 2007 and 2008.
- Residential program responsibilities include franchising residential collection companies, enforcing service standards, setting rates, educating customers and promoting programs. The Commercial program provides recycling technical assistance to multifamily property managers and local businesses, issues permits, and enforces service standards and compliance with the City's mandatory commercial recycling requirement. Commercial service is not franchised or rate regulated in Portland.
- The Green Building program advances the design, development and operation of healthy, resource-efficient buildings and districts with a focus on recycled building materials, energy and water conservation, construction site recycling, stormwater management and indoor air quality. Activities include policy development, training, education, and technical assistance for businesses, homeowners, developers, contractors and City government projects.
- Sustainability at Work connects Portland businesses to the technical and financial assistance needed to green their operations through a partnership with City and regional resource conservation organizations. Sustainability at Work assists businesses by providing free sustainability evaluations and customized recommendations around energy, water, transportation, green building, operations, waste reduction and recycling. Sustainability at Work also helps businesses find technical assistance, expert advice, loans and cash incentives.
- The Public Trash Can program provides trash receptacles and contracts for collection service in downtown and six other business areas of the city. In high-volume areas downtown, the program also provides receptacles and collection for recyclable cans, bottles and paper. BPS is beginning work on expansion of the public trash can program to other business districts throughout the city.
- The Nuisance Abatement program provides nuisance abatement and cleanup services by the Bureau of Development Services to residential properties with accumulations of garbage.

Revenue Sources

Solid Waste Management Fund revenue sources include residential franchise fees, commercial tonnage and permit fees, grants, and intergovernmental revenues.

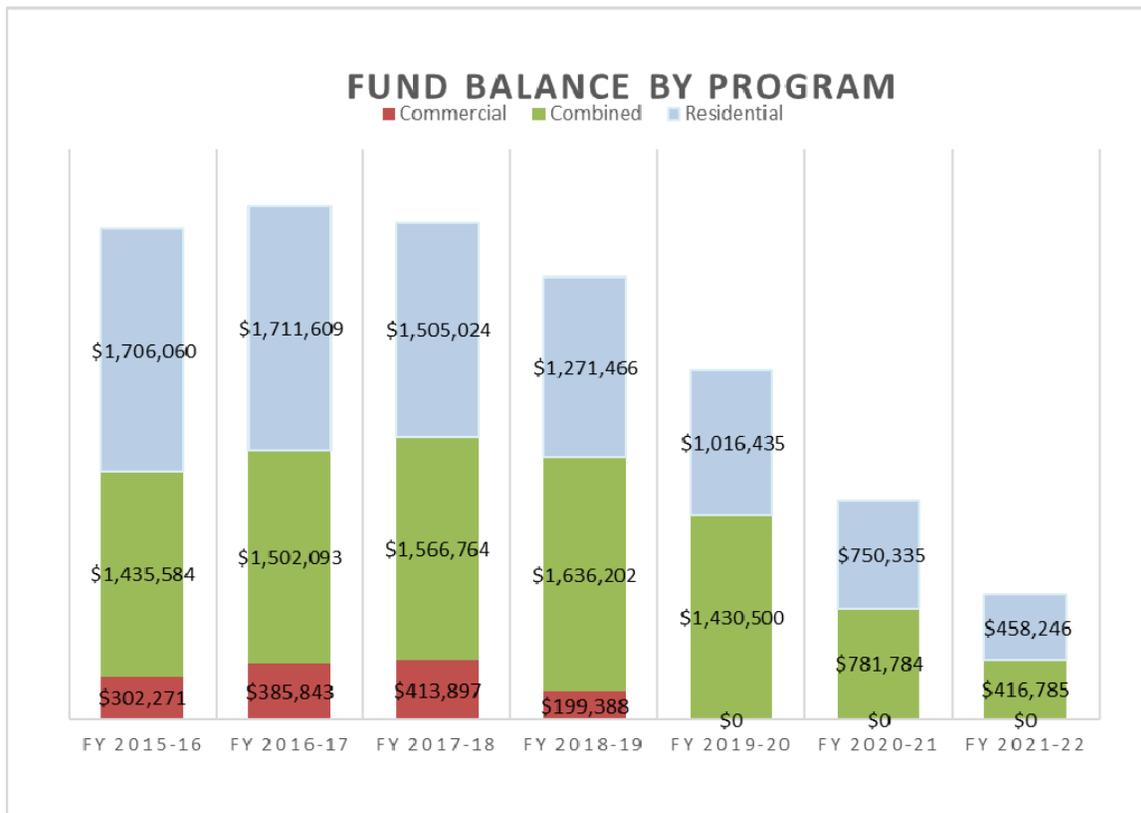
- Residential franchise fees are set at five percent of total revenues collected by haulers serving single-family through four-unit complexes.
- Commercial tonnage fees are set at \$9.60/ton of garbage disposed by haulers serving multifamily and business customers.

The minimum fund balance level is set at \$500,000 to provide an operating reserve and contingency in the case of an emergency such as a natural disaster requiring immediate clean-up of debris. The current fund balance is separated into residential, commercial and combined sources. Combined sources are from grants and miscellaneous revenues that replaced City funds and could be applied to either residential or commercial programs.

The fund balance on July 1, 2016 was \$3,443,914 and comprised of:

- \$1,706,000 from the Residential program.
- \$302,000 from the commercial program.
- \$1,435,000 from combined sources.

BPS projects a fund balance of approximately \$875,000 in FY21-22



Issues Affecting the Financial Plan

The following issues impact the Five-Year Financial Plan including:

- Portland Recycles! Plan
- Residential Rates
- Green Building Program
- Sustainability at Work Program
- Public Trash Cans and Recycling Containers
- Containers in the Right of Way
- Nuisance Abatement Program

Portland Recycles! Plan

Portland City Council adopted the Portland Recycles! Plan in 2007 and 2008. The plan called for residents and businesses to achieve a 75 percent recycling rate by 2015. Expanded recycling services were provided to over 150,000 households and 20,000 businesses in Portland in an effort to reach the new goals. The implementation of new programs described below helped Portland's overall recovery rate increase to about 64 percent, one of the highest levels in the country.

The first phase of the Portland Recycles! Plan residential section included adding new recyclables (plastic tubs, buckets and nursery pots) and delivering recycling and yard debris roll carts to households in 2008. Following a year-long pilot program, in 2011 haulers began collecting all food scraps (including meat, dairy, grains, bones and food-soiled paper) placed in the green compost cart and increasing its collection frequency from every other week to weekly. At the same time, garbage collection shifted to every other week. Analysis of the first three years of the program found that the new system resulted in a 33 percent decrease in residential garbage quantities and nearly three times the amount of yard debris/food scraps recovered for composting.

The commercial section of the Portland Recycles! Plan included greater engagement with businesses to increase participation in paper recycling, construction and demolition recovery, and food composting programs. Funds have been allocated to purchase commercial recycling and food composting roll carts to assure necessary containers are available to businesses in the Recycle at Work and Portland Composts programs.

The Portland Recycles! Plan set citywide policy aimed at reducing environmental impacts of material use and the waste stream generated by residents, businesses, and city operations. Since 2008, the City has adopted overarching city-wide policies. In 2015, City Council adopted the Climate Action Plan (CAP). The CAP incorporated the overall goals set in the Portland Recycles! Plan and updated the goals for a 2030 planning horizon. Near the end of the Portland Recycles! Plan implementation period the Oregon Department of Environmental Quality developed and received state legislative approval for its 2050 Materials Management Vision and Framework for Action. Together, these new policies encompass all of the materials management goals of the city and provide future guidance towards city-wide goals. The near-term priority waste reduction, recycling and composting projects include mandatory business food scrap collection, improvements to multifamily recovery programs, and a sustainable consumption and production strategy.

Residential Rates

Each year BPS reviews and proposes rates to reflect the current costs of providing residential garbage, recycling, and compostables collection. Analysis includes independent CPA review of hauler financial records, monitoring of the average weights of garbage in each can size and forecasting the market value of recyclables. Rates are developed using cost-of-service rate-making principles, with solid waste and recycling haulers projected to earn a 9.5 percent operating margin and the City receiving a 5 percent franchise fee. Prior to submittal for City Council consideration, the Portland Planning and Sustainability Commission reviews the proposed rates.

City Council approved rates for 2016-17 that resulted in rates staying flat or decreasing for Portland residential customers for the fourth year in a row. The primary factors keeping rates low are hauler operating efficiencies, lower fuel costs, and depreciation of recycling roll carts provided to customers in 2008.

The rate for the 35 gallon roll cart, the most common service level, decreased from \$29.35 to \$29.15 per month. Since changes to the curbside collection service went into effect in 2011, Portland residents have reduced garbage going to the landfill by 33 percent, while increasing composting and recycling. At the same time, garbage and recycling companies have reduced costs for collecting food scraps and yard debris and the cost for composting those materials remains less than landfill disposal. This rate decrease for residential customers comes even with garbage and recycling companies' investments in safer, less-polluting trucks and increases in Metro disposal costs.

Green Building

The Green Building Program provides technical assistance on comprehensive sustainable building practices and district-scale resource-conservation strategies, including a strong emphasis on waste prevention and reduction, building deconstruction and job-site recycling, recycling facilities in buildings, reuse of salvage materials, recycled-content building products, and energy-efficient buildings.

A focus over the past year has been policy development to deconstruct houses that are slated for demolition. City Council adopted an ordinance, the first of its kind in the country, requiring projects seeking a demolition permit of a house or duplex to fully deconstruct that structure if it was built in 1916 or earlier or is a designated historic resource.

Sustainability at Work

BPS has formed a partnership of public and private service providers to achieve specific resource conservation goals in the commercial sector. The program offers businesses a menu of resource conservation services and incentives that are locally available in a simple, one-stop shop format. BPS houses the program and serves as the coordinating body for the partners, including BPS internal programs, Metro, Portland Water Bureau, Portland Development Commission, Pacific Power, Portland General Electric and others.

Public Trash Cans and Recycling Containers

BPS contracts for collection of garbage from approximately 600 public trash cans located downtown and in six other business districts. Collection is provided by commercial haulers selected through a competitive process. Establishing a public recycling program was part of the Portland Recycles Plan adopted by City Council in 2008. In 2011, 165 public recycling containers were installed along the downtown

transit mall to provide convenient recycling in public settings and boosting overall public awareness of recycling.

A decision package in FY16-17 was approved to extend public place garbage collection to 24 additional business districts throughout the city. Initial work on this project has identified underserved areas to begin the program and tested new public trash cans for improved design and collection. The total expansion will add approximately 825 additional garbage cans in 24 new service districts.

The FY17-18 cost to BPS for collection services, can purchase and maintenance of the existing and expanded public trash can program is approximately \$887,000. Funding this expansion has required an increase of the tonnage fee on commercial solid waste by \$1.30 per ton to \$9.60 per ton. An additional increase of \$1.30 per ton is anticipated to be necessary in FY21-22.

Containers in the Right of Way

In 2012 Portland City Council updated BPS Administrative Rules that clarified 2008 City Code amendments to address nuisance and public access issues caused by containers in the right of way. Using these new rules, BPS successfully closed the remaining cases where businesses were storing containers in the right of way. The bureau continues to respond to complaints regarding new placement of containers in the right of way.

Nuisance Abatement

BPS has an interagency agreement of \$175,000 with the Bureau of Development Services (BDS) for nuisance abatement activities related to garbage accumulation on private property. BDS also assists in the enforcement of the City Code requirement that garbage, recycling and composting service be arranged and paid for by owners of rental properties.

Risks to the Forecast

The Solid Waste Management Fund Five-Year Plan has a relatively stable funding basis. However, in economic downturns businesses typically generate less solid waste, reducing commercial tonnage fee revenues collected by BPS. Local cost-sharing funds from Metro that are provided to local governments in the region are an important component of Portland's solid waste and recycling program funding, though are not determined by the City. The Portland share of Metro waste reduction funding is \$766,924 in FY16-17. These factors combine to create some uncertainty to the forecast provided in this report.

Forecast Assumptions

Assumptions in current plan

Resources

- The commercial tonnage fee is currently \$9.60/ton of solid waste disposed by commercial permittees. This fee is proposed to increase by \$1.30 to \$10.90/ton in FY21-22 to fund expansion of the public trash can expansion program.
- The plan assumes \$769,643 per year from Metro to fund staff and program expenses for waste reduction and recycling projects.

**Bureau of Planning and Sustainability
Solid Waste Management Fund
FY 2016-17 Five Year Financial Plan**

Economic and Other Assumptions

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Interest Earnings	0.95%	1.15%	1.45%	1.45%	1.45%	1.45%
Personal Services		2.20%	2.90%	3.30%	3.20%	3.10%
External Materials & Services		3.80%	4.00%	4.00%	3.90%	3.80%
Internal Materials & Services		3.90%	3.60%	2.90%	2.60%	2.50%
General Fund & Other Overhead		3.10%	2.60%	3.30%	2.70%	3.20%

NOTES

- Economic and inflationary assumptions are provided by the Office of Management and Finance and City Budget Office.

**Rate History and Forecast
Every-Other-Week 35 Gallon Roll Cart Service (1)**

HISTORY	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	2014-15	2015-16
	\$27.95	\$28.50	\$29.70	\$29.50	\$29.35	\$29.35
FORECAST	Current	Year 1	Year 2	Year 3	Year 4	Year 5
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	\$29.15	\$29.27	\$29.82	\$30.39	\$30.97	\$31.56

NOTES

- This is the most common level of service, with a subscription rate of 42%.
- Prior to 11-12, rates included weekly garbage and recycling collection and every-other-week yard debris collection. Beginning October 31, 2011, rates included weekly recycling and yard debris/food scrap collection and every-other-week garbage collection.
- Rates inflated 2.0% annually for planning purposes; franchise fee set at 5.0%.

	Current	Year 1	Year 2	Year 3	Year 4	Year 5
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total Commercial Tonnage	308,558	312,803	312,415	311,634	311,634	311,140
Commercial Permit Fee \$/Ton	\$9.60	\$9.60	\$9.60	\$9.60	\$9.60	\$10.90
Commercial Permit Fee Revenue	\$2,962,157	\$3,002,909	\$2,999,184	\$2,991,686	\$2,991,686	\$3,391,426

BUREAU OF PLANNING AND SUSTAINABILITY
Solid Waste Management Fund
FY 2016-17 Five Year Financial Plan
Historical & Forecast Sources and Uses of Funds

Resources	Actual 2014-15	Actual 2015-16	Estimated Year-End 2016-17	Year 1 Requested 2017-18	Year 2 Projected 2018-19	Year 3 Projected 2019-20	Year 4 Projected 2020-21	Year 5 Projected 2021-22
Residential Program Revenue								
Residential Franchise Fee (1)	2,802,177	2,844,830	2,933,032	2,982,183	3,064,929	3,166,528	3,265,488	3,354,158
Restricted Residential Grants	75,515	71,485	50,150	50,000	50,000	50,000	50,000	50,000
Total Residential Revenue	2,877,692	2,916,315	2,983,182	3,032,183	3,114,929	3,216,528	3,315,488	3,404,158
Commercial & Multifamily Program Revenue								
Commercial Permit Fee	2,385,530	2,635,349	2,962,157	3,002,909	2,999,184	2,991,686	2,991,686	3,391,426
Commercial Permit Application	14,700	12,950	12,950	12,950	12,950	12,950	12,950	12,950
Restricted Commercial/Multifamily Grants	319,792	344,864	454,385	457,104	457,104	457,104	457,104	457,104
Total Commercial/MF Revenue	2,720,022	2,993,163	3,429,492	3,472,963	3,469,238	3,461,740	3,461,740	3,861,480
Internal Revenues								
BEST Ct, BEST Awards, GB, GIF	12,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000
Total Other Restricted Revenues	12,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000
Unrestricted Revenues								
Interest Income	10,280	15,740	19,213	40,789	48,475	41,670	30,931	18,957
Unrestricted Grants	288,483	283,459	312,539	312,539	312,539	312,539	312,539	312,539
Fines and Penalties	12,650	26,000	12,650	12,650	12,650	12,650	12,650	12,650
Other Revenues	29,012	21,472	38,850	30,000	30,000	30,000	30,000	30,000
Total Unrestricted Revenues	340,425	346,671	383,252	395,978	403,664	396,859	386,120	374,146
Total Fund Revenue	5,950,139	6,263,149	6,802,925	6,906,124	6,992,831	7,080,128	7,168,348	7,644,784
Beginning Fund Balance/Contingency	2,717,010	3,191,859	3,443,914	3,599,544	3,485,685	3,107,056	2,446,935	1,532,119
TOTAL RESOURCES	8,667,149	9,455,008	10,246,839	10,505,668	10,478,515	10,187,185	9,615,283	9,176,903
Expenses								
Personnel Services	2,812,487	2,881,756	3,069,687	3,104,239	3,194,262	3,299,673	3,405,262	3,510,825
Materials and Services								
External Materials and Services	898,412	1,219,707	1,510,510	1,624,389	1,795,285	1,967,616	2,140,470	2,178,792
Internal Materials and Services	390,924	375,459	435,167	442,579	458,332	471,478	483,607	495,572
Total Material and Services	1,289,336	1,595,166	1,945,677	2,066,968	2,253,616	2,439,094	2,624,077	2,674,364
Transfers:								
General Fund Overhead	154,303	167,268	181,701	165,802	170,113	175,727	180,471	186,246
Pension Debt Redemption Fund	60,008	65,612	72,898	79,322	85,556	89,604	93,187	96,924
GAAP adjs	0	518	0	0	0	0	0	0
bureau operations	1,158,910	1,300,774	1,377,332	1,535,359	1,575,278	1,627,263	1,671,199	1,724,677
cash transfer IA	246	0	0	0	0	0	0	0
Contingency	0	0	0	68,293	92,634	108,889	108,968	108,836
Total Transfers	1,373,467	1,534,172	1,631,931	1,848,776	1,923,581	2,001,482	2,053,825	2,116,683
Total Expenses	5,475,290	6,011,094	6,647,295	7,019,983	7,371,459	7,740,249	8,083,164	8,301,872
Ending Fund Balance/Contingency	3,191,859	3,443,914	3,599,544	3,485,685	3,107,056	2,446,935	1,532,119	875,031
TOTAL REQUIREMENTS	8,667,149	9,455,008	10,246,839	10,505,668	10,478,515	10,187,185	9,615,283	9,176,903

NOTES

* Residential franchise began February 1992. Residential franchise and commercial fee collections which were both implemented February 1, 1992 represent collection for five months in FY 1991-92.

1. The residential franchise fee is set at 5.0% for FY 2001 and beyond.

Source: Bureau of Planning and Sustainability

BUREAU OF PLANNING AND SUSTAINABILITY
Solid Waste Management Fund
FY 2016-17 Five Year Financial Plan
Historical & Forecast Fund Balances By Program

	Actual FY 2014-15	Actual FY 2015-16	Estimated Year-End FY 2016-17	Year 1 Projected FY 2017-18	Year 2 Projected FY 2018-19	Year 3 Projected FY 2019-20	Year 4 Projected FY 2020-21	Year 5 Projected FY 2021-22
RESOURCES								
Residential Program Revenue								
Residential Franchise Fee	2,802,177	2,844,830	2,933,032	2,982,183	3,064,929	3,166,528	3,265,488	3,354,158
Restricted Residential Grants	75,515	71,485	50,150	50,000	50,000	50,000	50,000	50,000
Total Residential Revenue	2,877,692	2,916,315	2,983,182	3,032,183	3,114,929	3,216,528	3,315,488	3,404,158
Commercial & Multifamily Program Revenue								
Commercial Permit Fee (1)	2,385,530	2,635,349	2,962,157	3,002,909	2,999,184	2,991,686	2,991,686	3,391,426
Commercial Permit Application	14,700	12,950	12,950	12,950	12,950	12,950	12,950	12,950
Restricted Commercial/Multifamily Grants	319,792	344,864	454,385	457,104	457,104	457,104	457,104	457,104
Total Commercial/MF Revenue	2,720,022	2,993,163	3,429,492	3,472,963	3,469,238	3,461,740	3,461,740	3,861,480
Internal Revenues								
BEST Ct, BEST Awards, GB, GIF	12,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000
Total Internal Revenues	12,000	7,000	7,000	5,000	5,000	5,000	5,000	5,000
Unrestricted Revenues								
Interest Income	10,280	15,740	19,213	40,789	48,475	41,670	30,931	18,957
Unrestricted Grants	288,483	283,459	312,539	312,539	312,539	312,539	312,539	312,539
Fines and Penalties	12,650	26,000	12,650	12,650	12,650	12,650	12,650	12,650
Other Revenues	29,012	21,472	38,850	30,000	30,000	30,000	30,000	30,000
Total Unrestricted Revenues	340,425	346,671	383,252	395,978	403,664	396,859	386,120	374,146
Total Fund Revenue	5,950,139	6,263,149	6,802,925	6,906,124	6,992,831	7,080,128	7,168,348	7,644,784
Beginning Fund Balance/Contingency	2,717,010	3,191,859	3,443,914	3,599,544	3,485,685	3,107,056	2,446,935	1,532,119
TOTAL RESOURCES	8,667,149	9,455,008	10,246,839	10,505,668	10,478,515	10,187,185	9,615,283	9,176,903

	Actual FY 2014-15	Actual FY 2015-16	Estimated Year-End FY 2016-17	Year 1 Projected FY 2017-18	Year 2 Projected FY 2018-19	Year 3 Projected FY 2019-20	Year 4 Projected FY 2020-21	Year 5 Projected FY 2020-21
EXPENDITURES								
Residential Programs	2,088,559	2,089,254	2,287,024	2,518,470	2,595,181	2,680,419	2,761,588	2,849,669
Green Building Program	818,675	831,897	859,240	874,477	900,128	931,624	962,301	989,789
Multifamily and Commercial Programs	2,353,499	2,856,545	3,246,432	3,313,619	3,527,848	3,753,986	3,976,648	4,070,408
CAFR/GAAP adjs	0	518	0	0	0	0	0	0
General Fund Overhead	154,303	167,268	181,701	165,802	170,113	175,727	180,471	186,246
Cash Transfer IA	246	0	0	0	0	0	0	0
Pension Debt Retirement Fund	60,008	65,612	72,898	79,322	85,556	89,604	93,187	96,924
Contingency	0	0	0	68,293	92,634	108,889	108,968	108,836
TOTAL EXPENDITURES	5,475,290	6,011,094	6,647,295	7,019,983	7,371,459	7,740,249	8,083,164	8,301,872

	Actual FY 2014-15	Actual FY 2015-16	Estimated Year-End FY 2016-17	Year 1 Projected FY 2017-18	Year 2 Projected FY 2018-19	Year 3 Projected FY 2019-20	Year 4 Projected FY 2020-21	Year 5 Projected FY 2021-22
Fund Balance Attributed to Residential	\$ 1,542,688	\$ 1,706,060	\$ 1,711,609	\$ 1,505,024	\$ 1,271,466	\$ 1,016,435	\$ 750,335	\$ 458,246
Fund Balance Attributed to Commercial & M/F	274,836	302,271	385,843	413,897	199,388	0	0	0
Fund Balance Attributed to Both	1,374,334	1,435,584	1,502,093	1,566,764	1,636,202	1,430,500	781,784	416,785
Total Ending Balance	\$ 3,191,859	\$ 3,443,914	\$ 3,599,544	\$ 3,485,685	\$ 3,107,056	\$ 2,446,935	\$ 1,532,119	\$ 875,031

PART I – OVERVIEW

FUND MISSION

The Community Solar Fund accounts for expenses and revenues associated with the installation of solar electric systems on community buildings, including City-owned facilities as well as other private and public structures. The fund receives revenue from two sources:

- The electric utility companies, in the form of a fifteen-year stream of incentive payments based on the energy produced from each solar energy system; and
- Donations from individuals, businesses and organizations who provide voluntary contributions.

The accrued revenue is used to install new, small-scale solar electric systems on community buildings.

BUREAU PROGRAMS

The Community Solar Special Revenue Fund was created as part of the Solar Forward pilot program. Solar Forward was a crowdfunding campaign started by BPS to offer community members a way to engage in the development of new, clean, local renewable energy systems on buildings like community centers, schools and libraries. Solar Forward concluded in 2014. While utility revenue will continue to accrue to the fund, BPS is not currently seeking donations or other voluntary contributions.

PART II – REVENUES

FIVE-YEAR REVENUE FORECAST – Current Service Level

	FY 2014-15	FY 2015-16	Current FY 2016-17 Estimated Year-End	Year 1 FY 2017-18 Requested	Year 2 FY 2018-19 Projected	Year 3 FY 2019-20 Projected	Year 4 FY 2020-21 Projected	Year 5 FY 2021-22 Projected
Revenue Source	Actual	Actual						
Donations	15,000	500	-					
Interest	152	308		-				
Utility Incentives	6,341	8,984	8,984	8,984	8,984	8,984	8,984	8,984
Beginning Fund Balance	17,718	34,148	43,912	52,772				
Total	39,211	43,940	52,896	61,756	8,984	8,984	8,984	8,984

GRANTS

BPS does not anticipate receiving any grants in FY17-18. Two grants from the Oregon Community Foundation (OCF) have supported Solar Forward in the past. BPS received the first OCF grant, for \$100,000, in FY12-13. BPS received a second grant from OCF, for \$117,000, in FY13-14. A portion of the second grant was carried over into FY14-15.

Risks to Grant Funding

The source of the initial Oregon Community Foundation grants has been expended, so additional funds from this organization are not likely. BPS continues to work to identify prospective future funders for innovative solar market transformation programs.

PART III – EXPENDITURES

	FY 2014-15	FY 2015-16	Current FY 2016-17 Estimated Year-End	Year 1 FY 2017-18 Requested	Year 2 FY 2018-19 Projected	Year 3 FY 2019-20 Projected	Year 4 FY 2020-21 Projected	Year 5 FY 2021-22 Projected
Program	Actual	Actual						
Clean Energy	5,063	28	124	61,756	8,984	8,984	8,984	8,984
Unappropriated Fund Balance	34,148	43,912	52,772					
Total Bureau Budget	39,211	43,940	52,896	61,756	8,984	8,984	8,984	8,984

All incoming revenues will be spent to fulfill the fund’s mission to spur the development of community solar projects.

In 2016, the Governor signed into law a bill that requires utilities to develop rules for community solar programs for consideration by the Public Utility Commission. Once the rules are finalized, BPS may propose to draw on the Community Solar funds to support program implementation. BPS may keep and distribute the utility revenue, or, per OPUC rules, may assign the incentives to other entities.

RISKS TO THE FIVE-YEAR FORECAST

REVENUES

Revenues are forecast based on estimated electricity production from the solar electric systems. If actual production varies for any reason, such as less solar resource, damage to or removal of the systems, etc., then the revenues received will decrease.

EXPENDITURES

N/A

RESIDENTIAL CURBSIDE COLLECTION
SERVICE RATE STUDY

FOR RATES EFFECTIVE JULY 1, 2016

CITY OF PORTLAND
BUREAU OF PLANNING AND SUSTAINABILITY
SOLID WASTE & RECYCLING
June 2016

This document is available online at www.portlandoregon.gov/bps/recycle.

For more information please contact:

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I. INTRODUCTION AND SUMMARY OF RATES

The City of Portland’s annual rate study is conducted to evaluate the cost of providing residential¹ solid waste, recycling and composting curbside collection services, and to develop recommended rates for these services for the new fiscal year. This report outlines the rate review process and results for fiscal year 2016-17 (FY 2016-17).

Section 8.1(A) of the Franchise Agreement between the City of Portland and franchised residential haulers requires the City to perform an annual rate review to establish a rate schedule for all levels of residential solid waste, recycling and composting service. Rates are developed with the following objectives in mind:

- Having uniform solid waste, recycling and composting collection services citywide;
- Providing customers with a variety of service level options to meet individual needs;
- Identifying the true cost of individual services before adding incentives and disincentives to increase recycling and reduce solid waste generation; and,
- Allowing service providers to recover allowable costs and earn a reasonable profit.

The Solid Waste & Recycling Program (SW&R) of the Bureau of Planning and Sustainability (BPS) conducts the annual rate review process, assisted by an independent economist. The economist analyzes various factors that affect rates and produces the actual rate calculation. SW&R also contracts with an independent Certified Public Accountant (CPA) to review hauler financial records, with Portland State University (PSU) to sample the weight of solid waste discarded by residential customers, and with a consulting firm that specializes in forecasting the market price of recyclable paper products.

The recommended rates are reviewed by the Portland Utility Review Board, a citizen panel with no hauling industry representation, and then forwarded to City Council for consideration and final adoption. City Council adopted the rates described in this report on June 1, 2016, for an effective date of July 1, 2016. A complete list of rates for FY 2016-17 can be found in Appendix A.

Table 1 on the following page outlines the adopted rate adjustments for the most common levels of service.

¹ “Residential” in this context means single-family through four-plex dwellings.

Table 1. FY 2015-16 and FY 2014-15 Rates for Primary Service Levels

<i>Service Level</i>	<i>Adopted FY 2016-17 Rates, effective July 1, 2016</i>	<i>FY 2015-16 Rates</i>	<i>Dollar Change</i>
20-gallon can	\$24.50	\$24.75	(\$0.25)
20-gallon cart	\$24.50	\$24.75	(\$0.25)
32-gallon can	\$28.50	\$28.55	(\$0.05)
35-gallon cart	\$29.15	\$29.35	(\$0.20)
60-gallon cart	\$35.00	\$35.65	(\$0.65)
90-gallon cart	\$41.50	\$42.05	(\$0.55)
Every-four-week 32-gallon can	\$21.60	\$21.75	(\$0.15)
Every-four-week 35-gallon cart	\$21.60	\$21.75	(\$0.15)
Weekly Recycling Only	\$8.50	\$8.55	(\$0.05)
Composting and Recycling Only	\$18.10	\$18.20	(\$0.10)
Terrain Differential	\$4.00	\$4.20	(\$0.20)

Key factors driving the FY 2016-17 rate changes include:

- Lower recycled materials revenue offset. The monthly recyclable materials revenue offset was \$0.02/month for FY 2015-15. This decreased to -\$0.24 for FY 2016-17 rates. That is, the sale of recyclable materials results in an addition to rates, as opposed to an offset. This change is the result of the poor recycling markets in 2015 continuing into 2016, exacerbated by labor issues at west coast ports in 2015, which slowed the export of recyclable materials and resulted in a backlog of materials.
- Lower operating costs in 2015. Labor costs were lower by \$0.48/month and fuel costs were lower by \$0.42/month, compared to the costs included in the makeup of the 2015-16 rates.
- Vehicle depreciation and interest expense was lower by \$0.19/month.
- A higher composting disposal tip fee increased composting disposal by \$0.17/month.
- Changes to incentives and disincentives. The incentive discount for the 20-gallon can increased \$0.24 to \$2.47/month. Disincentive premiums for the 60-gallon and 90-gallon carts were both reduced by \$0.46/month, leaving their monthly disincentives at \$2.76 and \$5.36, respectively.

More detail on the factors driving the change in FY 2016-17 rates can be found in Section IV. Table 2 presents the individual FY 2016-17 rate components for the 20-gallon can and 35-gallon roll cart service levels.

Table 2. Rate Components for 20-Gallon Can and 35-Gallon Roll Cart Service

<i>Rate Component</i>	<i>Adopted FY 2016-17 Rates, effective July 1, 2016</i>	<i>FY 2015-16 Rates</i>	<i>Dollar Change</i>
20-Gallon Can Service			
Solid Waste Collection	\$ 2.91	\$ 2.72	\$0.19
Solid Waste Disposal	1.62	1.60	0.02
Recycling Collection	5.25	5.52	(0.27)
Yard Debris/Organics Collection	4.06	4.62	(0.56)
Yard Debris/Organics Disposal	2.86	2.69	0.17
General and Administrative Costs	6.35	6.16	0.19
Operating Margin	2.45	2.45	0.00
Less: Incentive Discount	(2.47)	(2.23)	(0.24)
Less: Sale of Recyclable Material	0.24	(0.02)	0.26
Franchise Fees*	1.23	1.24	(0.01)
Total	\$ 24.50	\$ 24.75	(\$0.25)
35-Gallon Roll Cart Service			
Solid Waste Collection	\$ 3.14	\$ 3.12	\$0.02
Solid Waste Disposal	2.82	2.74	0.08
Recycling Collection	5.25	5.52	(0.27)
Yard Debris/Organics Collection	4.06	4.62	(0.56)
Yard Debris/Organics Disposal	2.86	2.69	0.17
General and Administrative Costs	6.35	6.16	0.19
Roll Cart Depreciation, Interest & Maintenance	0.34	0.40	(0.06)
Operating Margin	2.63	2.65	(0.02)
Less: Incentive Discount	0.00	0.00	0.00
Less: Sale of Recyclable Material	0.24	(0.02)	0.26
Franchise Fees*	1.46	1.47	(0.01)
Total	\$ 29.15	\$ 29.35	(\$0.20)

* Franchise fees are a pass-through expense assessed by the City on hauler gross revenues. Because haulers are allowed to pay franchise fees using revenues collected from customers, they are included as a component of rates. Franchise fees collected from customers are remitted to the City on a quarterly basis. Rates for both FY 2015-16 and FY 2016-17 contain a 5.0% franchise fee component.

II. PROGRAM ATTRIBUTES AND PERFORMANCE

The City of Portland strives to promote high quality solid waste, recycling, and composting collection services while simultaneously maximizing recycling participation and diversion. The following summarizes current program features and performance data.

A. Solid Waste

Solid waste, recycling and composting collection services are provided to City residents under a franchise system that limits the number of haulers authorized to provide service. As part of this franchise system, the City regulates the rates haulers are allowed to charge customers. In 1991, the City awarded franchises to 69 haulers. By December 2015, the number of franchised haulers had

decreased to fifteen. Hauler franchises range in size from fewer than 1,000 to more than 50,000 residential customers. Franchised haulers may also serve commercial customers and many have operations outside the City of Portland. Rates for commercial service within City of Portland are not regulated, whereas many surrounding jurisdictions regulate both residential and commercial rates.

The standard level of residential service in the City of Portland includes every-other-week garbage collection, with weekly curbside collection of recycling and composting. Composting collection includes yard debris and food scraps. Customers also have the option of selecting non-curb service, every-four-weeks garbage service, and/or on-call service. The City sets a variable rate schedule based on the size and number of containers and the frequency of collection. Rates are lower for smaller volume containers and – for a given container size – for fewer containers. This variable rate structure gives customers an incentive to reduce the volume of solid waste destined for landfills, by generating less solid waste and by recycling more of their solid waste stream.

As of December 2015, 8.6% of Portland residential customers subscribed to 20-gallon can or cart service. Overall, 73.7% of the City's residential customers subscribed to 20-gallon can or cart, 32-gallon can, 35-gallon roll cart, recycling-only, composting and recycling, on-call, or every-four-weeks service levels. In 2014, the amount of garbage disposed per household was 816 pounds (sample haulers only), compared to 1697 pounds in 1992.

B. Recycling

The most recent additions to the City of Portland's curbside recycling program were in 2008, when plastic tubs, buckets, and flowerpots were added. At that time, customers were also provided with a 60-gallon roll cart for all materials with the exception of glass and motor oil, which are collected on the side. Plastic bottles, telephone books, aseptic juice and milk cartons, aerosol cans, and scrap paper were added between 1992 and 1996. Other recyclable material includes newspaper, glass, cardboard, aluminum, tin cans, scrap metals, and motor oil. No materials have ever been included in, and subsequently eliminated from, Portland's curbside program.

SW&R staff continues to evaluate new materials and processing capabilities, both for future expansion opportunities, and for opportunities to reduce costs. For more information on the City's recycling efforts refer to the Solid Waste & Recycling section of BPS's website www.portlandoregon.gov/bps/recycle.

In 2015, Portland households recycled an average of 695 pounds (sample haulers only) of material per recycling customer household. Only 226 pounds per household was recycled in 1991, prior to the adoption of the current residential franchise system.

C. Yard Debris / Food Waste

Since October 31, 2011, yard debris and food scraps (sometimes referred to as "composting" or "organics") are collected on a weekly basis, with options for customers to set out yard debris extras for a fee of \$3.75. In mid-2008 the yard debris collection system transitioned from collection via customer-provided cans or yard debris bags, to 60-gallon roll carts for curbside yard debris collection.

Prior to going to biweekly collection in 1993, monthly collection diverted only 100 pounds of yard debris per household annually. The addition of biweekly collection increased yard debris diversion to 230 pounds per household in 1994. In 2010, diversion averaged 523 pounds per household. Average disposal weight per household for 2015 was 1016 pounds per household (sample haulers only), reflecting the combined impact of the addition of food scrap collection and the switch to weekly composting collection.

III. THE RATE REVIEW PROCESS

The franchised residential solid waste, recycling, and composting collection system has been in place since February 1992. The following discussion summarizes critical aspects of the annual rate review process, as established by the Franchise Agreement between the City and franchised haulers.

A. Franchise Agreement Requirements

Under the terms of Section 7 of the Franchise Agreement, the City shall:

“establish a rate schedule for all Service Levels for the residential Solid Waste, Recycling and Compostables collection services ... sufficient for Grantees in aggregate to recover Grantees’ projected Allowable Expenses, Operating Margin and projected Pass-Through Expenses The rate schedules established by the City shall reasonably reflect the distribution of customer Service Levels ... [and] may also include incentives to Residential Customers to reduce their Solid Waste and to reuse and recycle.”

Section 8.2 of the Franchise Agreement specifies the general requirements that the City must address in making rate adjustments. Significant provisions of Section 8 include the following:

- The City must use a customer-weighted random sampling method to select a representative number of residential haulers (sample haulers), “for the purpose of determining the reasonableness of the Allowable Expenses in the preceding rate period, and the projected Allowable Expenses, Operating Margin and Pass-Through Expenses for the next succeeding rate period.” For the FY 2016-17 rate review, the six sample haulers represented 84.5% of all solid waste and yard debris customers.
- The City may – and currently does – contract with an independent CPA to conduct financial reviews of the costs, revenues and income reported by the sample haulers. This independent CPA-reviewed financial information forms the primary basis for calculating rates.

B. Key Rate Review Objectives

The City of Portland seeks to:

- Develop rates that reflect the actual cost of providing service before adding incentives and disincentives.
- Develop rates that provide an incentive for customers to increase recycling and reduce solid waste generation. The City of Portland applies incentives to cost-of-service rates to reduce the rates for service levels with lower garbage capacities. Disincentive premiums are applied

to the rates for 60- and 90-gallon roll carts and all single family multi-can and multi-cart service levels. These disincentive premiums increase the rates paid by customers and partially offset the reduction in hauler revenue caused by the incentive discounts.

- Develop rates for standardized curbside collection service as well as other levels of service, such as 32-gallon can and 35-gallon cart collected every four weeks, recycling-only and on-call service, and service for occasional solid waste and yard debris setouts.
- Develop rates that recover allowable costs and provide haulers with the opportunity to earn an operating margin equivalent to a 9.5% return on revenue.
- Ensure that non-curbside solid waste, recycling, and composting service is provided, at no additional charge, to customers in households where no one is physically able to place containers at the curbside.

C. Unique Elements of the Rate Review Process

In order to comply with the Franchise Agreement and achieve the objectives described above, the City of Portland annual rate review process includes the following unique elements:

1. Annual Rate Review Process Timing

Revised residential solid waste, recycling and composting rates are usually effective on July 1st, at the start of each fiscal year. Rates are based on hauler financial data for the previous twelve-month calendar year ending on December 31st. The six-month lag between the end of the calendar year and the effective date for new rates allows time for the following events to occur:

- Preparation and submittal of calendar year financial data by the haulers;
- Selection of the sample haulers who will have their financial data reviewed by an independent CPA retained by the City;
- Completion of the independent CPA's financial review;
- Calculation of recommended rates by an economic consultant retained by the City;
- Review of the recommended rates by SW&R staff;
- Review of the recommended rates by the Portland Utility Review Board;
- Review and eventual approval of the recommended rates by City Council.

FY 2016-17 rates are based on hauler financial data for the twelve-month calendar year ending on December 31, 2015 (CY 2015).

2. Hauler Reporting Requirements

In early March of each year, all residential franchised haulers are required to file with SW&R a comprehensive financial disclosure known as a Detailed Cost Report (DCR). The DCR requires the haulers to present information regarding their calendar year revenues, costs and income pursuant to extensive City guidelines regarding allowable and non-allowable expenses, Generally Accepted

Accounting Principles, accrual basis versus cash basis accounting, depreciation policies, salvage values, cost allocations and a variety of other financial reporting topics.

In addition to the annual DCR, SW&R collects a variety of other information used in the rate review process, including quarterly customer counts by service level, and extensive labor hour, material weight and curbside setout data. SW&R also collects information on so-called "extra" services for use in the rate review process. These services – such as backyard collection services and additional solid waste and yard debris setouts – are provided to customers upon request for an additional fee. Forecasted revenues from extra services are netted against total hauler costs and thus reduce the rates for primary curbside collection services. In a similar fashion, the incremental cost of providing hilly terrain service is subtracted from total hauler costs to calculate the standard flat terrain rate and the hilly terrain surcharge.

3. Independent CPA Review of Sample Hauler Financial Data

The primary purpose of the independent CPA review of sample financial data is to verify – in line item detail – the cost of providing solid waste, recycling and composting services to the City's residential customers. This reviewed cost data, after adjustments for forecast inflation, provides the primary basis for calculating all solid waste, recycling and composting rates. The independent CPA financial review also verifies sample hauler financial performance during the previous calendar year, especially as it relates to the calculation of the haulers' operating margins.

During the course of its financial review, the independent CPA often makes a variety of recommended adjustments to hauler reported financial data. Some of these adjustments may accrue to the benefit of customers by lowering sample hauler and recycling district allowable costs. Others may increase the amount of allowable costs. Upon review, the economist usually incorporates all of the independent CPA's recommended adjustments for the calculation of rates.

For the FY 2016-17 rate review, all seventeen residential haulers filed their CY 2015 DCRs by March 7, 2016. Six haulers were subsequently selected via a customer-weighted random draw to have their submitted financial data reviewed by the CPA. By April 15, 2016, the independent CPA delivered the results of her financial review, including her recommended adjustments, to the economist. This information was subsequently used as the basis for the FY 2016-17 rate calculation.

4. Application of Inflation Adjustments to Calendar Year Cost Data

Portland's residential solid waste, recycling and composting rates are designed to be forward looking. This means that *currently effective* rates have been designed with the intention of providing franchised haulers with adequate compensation for their *current* costs of providing service. As discussed above, there is a six-month time lag between the end of the calendar year for which cost data is collected and the start of the fiscal year when rates become effective. Once in effect, rates remain unchanged for the entire twelve-month fiscal year. As a result, there is an average eighteen-month period between cost measurement and full cost recovery.

For example, FY 2016-17 rates are based on costs incurred by haulers during the calendar year ending December 31, 2015. The eighteen-month period between December 31, 2015, and June 30, 2017, presents a risk that inflationary pressures will erode hauler profitability. For this reason, the

actual calendar year costs underlying all solid waste, recycling and composting rates are adjusted by an eighteen-month inflation factor. Section IV contains a discussion of specific inflation rates used in the calculation of FY 2016-17 rates.

5. Certain Costs Not Based on Reported Calendar Year Financial Data

A limited number of cost and revenue inputs used in the rate review process are not fully based on hauler reported financial data for the previous calendar year. Recyclable material sales revenue and solid waste disposal costs are the two most notable exceptions.

Recyclable material sales revenue usually lowers the amount of rate revenue required from customers and often has a significant impact on rates. Due to price volatility in the markets for recovered materials, there is often little relationship between the levels of recyclable material sales revenue earned by haulers from one year to the next. Prior to FY 2013-14 rates, the recyclable materials revenue offset included in rates was entirely forward-looking, using a forecast of recyclable materials revenue for the rate year. This tended to add year-to-year volatility to the rates paid by customers. To help moderate these rate swings, the recyclable materials revenue methodology was changed, beginning with FY 2013-14 rates. The recyclable materials revenue offset is now an equally weighted average of actual recycling revenue for each of the two prior calendar years and a forecast of recycling revenue for the rate year.

As an aid to forecasting the price of recovered materials, SW&R staff monitor the market prices for several categories of recyclable materials including various forms of recovered paper, plastics, metals and glass. Paper products are by far the largest proportion and highest value materials recovered by haulers. Therefore, SW&R also retains the services of a consulting firm that prepares comprehensive forecasts of prices for newsprint, magazines, corrugated containers, and mixed paper in the Pacific Northwest regional market for the upcoming fiscal year. Section IV contains a discussion of the FY 2016-17 recyclable materials revenue forecast.

Solid waste disposal costs are a second major rate input not based on the costs reported by haulers. In CY 2015, solid waste disposal costs totaled approximately 39.6% of the sample haulers' total solid waste collection costs. Due to their large magnitude, care is taken to ensure that the solid waste disposal costs included in rates are as accurate as possible. Towards this end, SW&R retains the services of Portland State University (PSU), which has conducted a comprehensive longitudinal study of Portland residential garbage container weights since 1992. Average net container weights calculated from the PSU data are further trued-up via a tonnage reconciliation, whereby haulers' reported tonnage is compared to expected tonnage, based on customer counts by service level and container weights. See Section IV for final can weights for FY 2016-17.

The rates for multiplexes (duplexes, triplexes and four-plexes) are based on adding an "extra unit recycling cost" to the base rate for the same size solid waste can/cart used at a single-family home. This extra unit recycling cost includes additional labor and collection costs, a recycling revenue offset, and costs for additional recycling roll carts. The extra unit charge is \$7.05 per extra unit in FY 2016-17. The multiplex rates are shown in the rate chart in Appendix A.

6. Operating Margin Methodology

Per the Franchise Agreement, rates are designed to allow haulers to recover legitimate costs of providing service and to provide them **the opportunity** to reach an operating margin equal to a

9.5% return on revenue. A simplified version of the operating margin calculation is presented below:

$$\begin{aligned} & \text{Gross Residential Revenues} \\ & + \text{Revenues from the Sale of Recyclable Materials} \\ & - \text{Allowable Expenses} \\ & - \text{Pass Through Expenses} \\ & = \text{Operating Margin} \end{aligned}$$

Although forecast inflation and fluctuations in the recyclable materials market can have a dramatic effect on the need for rate increases, there is generally an inverse relationship between the operating margin earned by haulers in a calendar year and the level of rate increases necessary in the upcoming fiscal year. This occurs because the actual costs experienced by haulers during the previous calendar year serve as the underlying cost basis for the upcoming fiscal year rate revenue requirement.

The use of a fixed operating margin target, coupled with the fact that allowable costs are reset every year, provides haulers with an ongoing incentive to increase operational efficiencies and control costs. This incentive occurs because haulers are allowed to retain all profits in excess of the target 9.5% operating margin used to calculate rates. Conversely, haulers who earn an operating margin below 9.5% have no recourse but to accept this outcome. Therefore, regardless of their individual profitability in past years, all haulers have an incentive to control costs in order to maximize profitability in the current calendar year.

7. Use of Composite Weighted Averages

With the exception of the hilly terrain surcharge, residential customers in the City of Portland pay a uniform citywide rate for each level of service. This occurs despite that fact that residential customers are currently served by eighteen separate franchised haulers, each with unique operational and cost characteristics.

Citywide rate uniformity is achieved by calculating composite weighted average costs using the financial information contained in hauler DCRs. For example, in CY 2015, wages for recycling route drivers totaled \$2,929,644 for all six haulers included in the customer-weighted random sample. This is equivalent to an annual weighted average cost per customer of \$22.57. Netting out the incremental cost of providing service in hilly terrain reduced the cost per customer to \$21.56. Making adjustments for forecast inflation brought the final cost for recycling route drivers to \$22.20 per customer per year.

As illustrated in Appendix B, this same process is followed, on a line item-by-line item basis, for all of the 138 cost categories listed in the DCRs. The total amount of these costs, after adjustments for forecast inflation, operating margins and franchise fees, defines the composite weighted average per customer revenue requirement that must be recovered through rates.

In addition to rate uniformity, the use of a composite weighted average methodology achieves two other critical objectives. First, it allows for the equitable blending of costs from haulers with often disparate operational and financial characteristics. In effect, highly efficient operators with low unit

costs dampen or offset the upward rate pressures caused by inefficient operators with high unit costs. The reverse is also true.

Second, the use of a composite weighted average methodology allows the financial results of a small number of haulers to serve as a proxy for the entire residential franchise system. For FY 2016-17, the DCRs of the six haulers in the customer-weighted random sample served as a proxy for all fifteen haulers in the system. These six haulers still accounted for 84.5% of all solid waste and compost customers in the City. This significantly reduces administrative costs for the franchise review process, especially as it relates to the annual independent CPA review of the DCRs, while still including at least 75% of Portland customers in the sample.

IV. KEY FACTORS AFFECTING FY 2016-17 RATES

A. Recyclable Material Sales Revenue

The recyclable materials revenue offset for 2016-17 is the average of CY 2014 recycling revenues (\$0.18/customer per month), CY 2015 recycling revenues (-\$0.45/customer per month), and a forecast of -\$0.45/customer per month for CY 2016. This gives a weighted average of -\$0.24 per month compared to the FY 2015-16 offset of -\$0.02 per month and CY 2015 actual revenues of -\$0.45 per month. This results in a direct \$0.30 per month increase to rates across all primary service levels. Price forecasts were provided by Moore & Associates, the consultant retained by SW&R to produce annual recovered paper prices forecasts for the Pacific Northwest regional market. Table 3 details the calculation of the CY 2016 recyclable material sales revenue forecast of -\$0.45/customer per month.

Table 3. Calculation of Forecast CY 2016 Recyclable Material Sales Revenue
[Differences in sums are due to rounding]

<i>Material</i>	<i>% of Materials Recovered (by weight)</i>	<i>Forecast CY 2016 Market Price \$ / Ton</i>	<i>Forecast CY 2016 Weighted Revenue \$ / Ton</i>	<i>Source of Forecast Market Price</i>
#7/8 Old Newsprint	13.2%	\$ 6.00	\$ 0.79	Moore & Associates (1), adjusted based on SW&R staff input
Corrugated Cardboard	22.1%	30.00	6.62	Moore & Associates (1), adjusted based on SW&R staff Input
Residential Mixed Paper	29.4%	(8.00)	(2.35)	Moore & Associates (1)
Plastics	5.5%	400.00	21.99	Economist
Tin Cans	2.7%	60.00	1.62	SW&R staff estimate
Other Metals	1.7%	15.00	0.26	SW&R staff estimate
Glass	12.7%	(20.00)	(2.55)	SW&R staff estimate (2)
Other Material	0.0%	0.00	0.00	
Residuals to be Discarded	12.2%	(104.42)	(13.21)	Metro tip fee
Total Weighted Revenue per Ton before Sorting Costs			\$ 13.18	
Estimated Storage and Sorting Costs per Ton			28.75	
Net Revenue Earned by Haulers (\$ / Ton)			(15.57)	
Forecast CY 2016 Recyclable Material Tonnage (Sample Haulers)			45,125	
CY 2015 Recycling Customers (Sample Haulers)			129,816	
Estimated Hauler Revenue (\$ / Customer / Month)			(\$ 0.45)	

Note 1: From Moore and Associates, "*Market Price Forecasts for #7/8 Old Newspaper, Old Magazines, Old Corrugated Containers and Residential Mixed Paper in the Pacific Northwest*", April 1, 2016.

Note 2: The market price for glass is shown as a negative amount because recycling collectors are charged for separated glass delivered to recycling facilities.

B. Forecast Inflation Adjustments

Table 4 shows the inflation adjustments applied to CY 2015 composite costs. These inflation adjustments are applied to all cost line items impacted by inflation, including wages and benefits, vehicle maintenance and repair, fuel, and general and administrative expenses. In aggregate, these inflators are estimated to add an average of \$0.36 per month to a residential bill compared to CY 2015 bills.

Table 4. FY 2016-17 Inflation Adjustments

<i>Cost Category</i>	<i>18-Month Inflation Adjustment</i>	<i>Annual (12-Month) Equivalent</i>	<i>Data Source for Inflation Adjustment</i>
<i>Wages and Other Labor Costs</i>			
Solid Waste – Wages	2.92%	1.94%	Weighted average, using Teamster contract for Waste Management, and Actual and Forecast CPI and PPI Data for other haulers
Solid Waste – Pensions	3.11%	2.06%	
Solid Waste – Health and Welfare Coverage	3.65%	2.42%	
Recycling – Wages	2.95%	1.96%	
Recycling – Pensions	3.19%	2.12%	
Recycling – Health and Welfare Coverage	3.65%	2.42%	
Organics – Wages	2.94%	1.95%	
Organics – Pensions	3.17%	2.10%	
Organics – Health and Welfare Coverage	3.65%	2.42%	
General & Administrative – Health & Welfare Coverage	3.65%	2.42%	
General & Administrative - Wages & Pension	2.78%	1.84%	Actual and Forecast CPI and PPI Data
<i>Non-Labor Adjustments (e.g., office rent; insurance; vehicle repair, maintenance and depreciation; etc.)</i>	2.78%	1.84%	Actual and Forecast CPI and PPI Data
<i>B20 Biodiesel Fuel/CNG combination</i>	-12.20%	-8.31%	U.S. EIA Forecast

C. Solid Waste Disposal Costs

Forecast solid waste disposal costs are driven by two primary factors: the amount of solid waste discarded by customers and the Metro tip fee. For FY 2016-17, the Metro tip fee included in rates is \$96.25 per ton, an increase of 1.34% from the FY 2015-16 amount of \$94.98. The can weights for the FY 2015-16 and FY 2016-17 rates are shown in Table 5.

Table 5. Changes in FY 2015-16 Solid Waste Discard Weights

<i>Type of Service (collected every-other-week from single-family residences)</i>	<i>FY 2016-17 Weights</i>	<i>FY 2015-16 Weights</i>	<i>Percent Change</i>
20 Gallon Can and Cart	15.47 lbs.	15.38 lbs.	0.6 %
32 Gallon Can	24.05 lbs.	23.63 lbs.	1.8 %
35 Gallon Roll Cart	26.75 lbs.	26.33 lbs.	1.6 %
60 Gallon Roll Cart	46.59 lbs.	45.98 lbs.	1.3 %
90 Gallon Roll Cart	71.10 lbs.	70.00 lbs.	1.6 %

The combined impact of these changes, relative to FY 2015-16 rates, are \$0.03 per month for the 20-gallon can and cart, \$0.07 for the 32-gallon can and the 35-gallon roll cart, \$0.12 for the 60-gallon roll cart, and \$0.20 for the 90-gallon roll cart.

D. Organics Disposal Costs

Yard debris and food scraps collected by Portland franchised haulers are taken to one of Metro's two transfer facilities. Similar to solid waste disposal costs, organics disposal costs are driven by the average amount of organics generated per household, and Metro's tip fee. Organics disposal per household is forecast to be 1070 pounds per year, a 2.7% decrease from the 1099 pounds per household assumed in the FY 2015-16 rates. Metro's tip fee is set to increase from \$59.45/ton, plus a \$3.00 fee per transaction to \$63.61/ton, with the same \$3.00/transaction fee, effective July 1, 2016. Assuming an average transaction of six tons per load, the average cost of organics disposal is expected to be \$64.11/ton in FY 2016-17. This is a 6.9% increase above the \$59.95/ton used in the FY 2015-16 rates.

The organics disposal cost incorporated in rates is allocated between the primary levels of service and extra yard debris setouts. For FY 2016-17, the component included in the base rate for all primary service levels increased to \$2.86 per month, a 6.3% increase of \$0.17 from FY 2015-16 rates.

E. Incentives and Disincentives

Several rates are set below cost-of-service through the inclusion of incentive discounts. Since rates are set to make haulers 'whole,' the incentive discounts are offset by disincentive charges on other service levels. Table 6 gives the incentives and disincentives for single can or cart service levels for the FY 2016-17 rates, along with the incentives and disincentives in the FY 2015-16 rates.

Table 6. Incentives and Disincentives in FY 2016-17 and FY 2015-16 rates.

<i>Service level</i>	<i>FY 2016-17 rates</i>	<i>FY 2015-16 rates</i>
20 Gallon Can	(\$ 2.47)	(\$ 2.23)
32 Gallon Can	\$ 0.00	\$ 0.00
35 Gallon Roll Cart	\$ 0.00	\$ 0.00
60 Gallon Roll Cart	\$ 2.76	\$ 3.22
90 Gallon Roll Cart	\$ 5.36	\$ 5.82
32 Gallon Can, Every Four Weeks	(\$ 2.67)	(\$ 2.66)
35 Gallon Roll Cart, Every Four Weeks	(\$ 2.97)	(\$ 3.07)
Composting & Recycling Only	(\$ 0.73)	(\$ 0.96)

Appendix A
FY 2016-17 Residential Solid Waste, Recycling and Composting Rates
(Rates Effective July 1, 2016)

Service Level	FY 2016-17	FY 2015-16
Every-Other-Week Can Services		
One 20 gallon can	24.50	24.75
One 32 gallon can	28.50	28.55
Two 32 gallon cans	38.85	38.90
Two 32 gallon cans at a duplex	39.65	39.65
Two 32 gallon cans at a triplex	46.70	46.80
Three 32 gallon cans	44.90	44.95
Three 32 gallon cans at a duplex	43.80	43.60
Three 32 gallon cans at a triplex	50.85	50.75
Three 32 gallon cans at a four-plex	57.90	57.90
Four 32 gallon cans	49.40	49.45
Four 32 gallon cans at a duplex	48.00	47.60
Four 32 gallon cans at a triplex	55.05	54.75
Four 32 gallon cans at a four-plex	62.10	61.90
Every-Other-Week Roll Cart Services		
One 20 gallon roll cart	24.50	24.75
One 35 gallon roll cart	29.15	29.35
One 35 gallon roll cart at a duplex	36.15	36.50
Two 35 gallon roll carts	38.40	38.85
Two 35 gallon roll carts at a duplex	40.95	41.25
Two 35 gallon roll carts at a triplex	48.00	48.40
Two 35 gallon roll carts at a four-plex	55.05	55.55
Three 35 gallon roll carts	45.90	46.75
Three 35 gallon roll carts at a duplex	45.75	46.00
Three 35 gallon roll carts at a triplex	52.80	53.15
Three 35 gallon roll carts at a four-plex	59.85	60.30
Four 35 gallon roll carts	53.40	54.65
Four 35 gallon roll carts at a duplex	50.55	50.80
Four 35 gallon roll carts at a triplex	57.60	57.95
Four 35 gallon roll carts at a four-plex	64.64	65.10
One 60 gallon roll cart	35.00	35.65
One 60 gallon roll cart at a duplex	39.10	39.40
One 60 gallon roll cart at a triplex	46.15	46.55
Two 60 gallon roll carts	45.00	47.25
Two 60 gallon roll carts at a duplex	46.90	47.10
Two 60 gallon roll carts at a triplex	53.95	54.25
Two 60 gallon roll carts at a four-plex	61.00	61.40
Three 60 gallon roll carts	55.00	57.00
Three 60 gallon roll carts at a duplex	54.65	54.75
Three 60 gallon roll carts at a triplex	61.70	61.90
Three 60 gallon roll carts at a four-plex	68.75	69.05

Appendix A (Continued)
FY 2016-17 Residential Solid Waste, Recycling and Composting Rates
(Rates Effective July 1, 2016)

Service Level	FY 2016-17	FY 2015-16
Every-Other-Week Roll Cart Services		
Four 60 gallon roll carts	\$ 65.00	\$ 67.25
Four 60 gallon roll carts at a duplex	62.40	62.45
Four 60 gallon roll carts at a triplex	69.45	69.60
Four 60 gallon roll carts at a four-plex	76.50	76.75
One 90 gallon roll cart	\$ 41.50	\$ 42.05
One 90 gallon roll cart at a duplex	42.90	43.10
One 90 gallon roll cart at a triplex	49.95	50.25
One 90 gallon roll cart at a four-plex	57.00	57.40
Two 90 gallon roll carts	53.50	55.00
Two 90 gallon roll carts at a duplex	54.40	54.40
Two 90 gallon roll carts at a triplex	61.45	61.55
Two 90 gallon roll carts at a four-plex	68.50	68.70
Three 90 gallon roll carts	65.50	66.80
Three 90 gallon roll carts at a duplex	65.90	65.75
Three 90 gallon roll carts at a triplex	72.95	72.90
Three 90 gallon roll carts at a four-plex	80.00	80.05
Four 90 gallon roll carts	77.50	80.15
Four 60 gallon roll carts at a duplex	77.45	77.10
Four 60 gallon roll carts at a triplex	84.50	84.25
Four 60 gallon roll carts at a four-plex	91.55	91.40
Every-Other-Week Container Services		
One 1 cubic yard container	\$ 84.20	\$ 85.65
One 1 cubic yard container at a duplex	68.35	66.80
One 1 cubic yard container at a triplex	75.40	73.95
One 1 cubic yard container at a four-plex	82.45	81.10
One 1.5 cubic yard container	115.50	118.25
One 1.5 cubic yard container at a duplex	85.80	83.90
One 1.5 cubic yard container at a triplex	92.85	91.05
One 1.5 cubic yard container at a four-plex	99.90	98.20
One 2.0 cubic yard container	146.50	150.75
One 2.0 cubic yard container at a duplex	103.15	100.85
One 2.0 cubic yard container at a triplex	110.20	108.00
One 2.0 cubic yard container at a four-plex	117.25	115.15
Special Services – Solid Waste		
One 32 gallon can every four weeks	\$ 21.60	\$ 21.75
One 32 gallon can on-call (w/o recycling or composting)	9.40	9.20
One 35 gallon roll cart every four weeks	21.60	21.75
Occasional extra can/bag	5.00	5.00
Special Services – Recycling and Organics		
Recycling only – weekly	8.50	8.55
Compost & recycling only	18.10	18.20
Yard debris extra bag/can	3.75	3.75
Extra cart for recycling	3.70	3.55
Extra cart for compost	11.90	11.40

Appendix A (Continued)
FY 2016-17 Residential Solid Waste, Recycling and Composting Rates
(Rates Effective July 1, 2016)

Service Level	FY 2016-17	FY 2015-16
Terrain Differential		
Regular weekly service (single can)	\$ 4.00	\$ 4.20
Regular weekly service (multiple cans/carts)	4.15	4.35
Monthly service	2.70	2.60
Weekly recycling only service	1.45	1.60
Compost & recycling only	2.55	2.75
On-call service	0.80	0.75
Yard debris only service	0.50	0.50
Non-Curb Service Surcharge		
One 20 gallon can	\$ 1.70	\$ 1.70
One 32 gallon can	1.70	1.70
Two 32 gallon cans	3.40	3.40
Three 32 gallon cans	5.10	5.10
Four 32 gallon cans	6.80	6.80
Excess Distance (Greater than 75')		
One 20 gallon can	\$ 0.55	\$ 0.55
One 32 gallon can	0.55	0.55
Two 32 gallon cans	1.10	1.10
Three 32 gallon cans	1.65	1.65
Four 32 gallon cans	2.20	2.20
Multifamily Special Services:		
Recycling surcharge per extra dwelling unit	\$ 7.05	\$ 7.15
Non-curb can service	1.70	1.70
Non-curb roll cart service	3.50	3.50
Excess distance per roll cart	1.15	1.15

Appendix B
CY 2015 Composite Weighted Average Revenues and Costs
(Dollars/Customer/Year)

DCR* Line #	Line item Description	Weighted Average per Customer	Summary Percent
	<i>SUMMARY</i>		
1	Revenues (From Line 21)	\$ 379.13	100.00%
2	Direct Cost of Operations (From Lines 55)	257.11	67.82%
3	Gross Profit (Line 1 Less Line 2)	122.02	32.18%
4	General & Administrative (From Line 94)	75.92	20.02%
5	Income from Operations (Line 3 Less Line 4)	\$ 46.10	12.16%
	<i>ADJUSTMENTS TO ALLOWABLE COSTS:</i>		
6	Route Purchase – Interest (From Line 92)	\$ 0.00	0.00%
7	Route Purchase – Amortization (From Line 90)	0.00	0.00%
8	Contributions (From Line 70)	0.00	0.00%
9	Federal/State/Local Income Taxes (From Line 77 & Anywhere Else Reported)	0.00	0.00%
10	Gain on Sale of Assets (From Line 20)	0.00	0.00%
11	Officers Life Ins. Premium (From Line 61, or Wherever Included)	0.00	0.00%
12	Director's Fees (From Line 61, or Wherever Included)	0.00	0.00%
13	Other Non-Allowable Costs (From wherever included)	0.00	0.00%
14	Office in Home (From Worksheet)	0.00	0.00%
15	Yard at Home (From Worksheet)	0.00	0.00%
16	Total Adjustments to Costs (Total Lines 6-15)	0.00	0.00%
17	Allowable Franchise Costs (Lines 2 + 4 - 16)	\$ 333.03	87.84%
	NET FRANCHISE EARNINGS	\$ 46.10	12.16%
	RETURN ON REVENUES	12.66%	
	<i>REVENUE</i>		
18	Collection Revenues	\$ 383.80	101.23%
19	Recyclable Material Sales	(5.40)	-1.42%
20	Other Revenues	0.74	0.19%
21	TOTAL REVENUES	\$ 379.13	100.00%

* DCR = Detailed Cost Report, submitted annually by all franchisees

Appendix B (Continued)
CY 2015 Composite Weighted Average Revenues and Costs
(Dollars/Customer/Year)

DCR Line #	Line item Description	Weighted Average per Customer, as Reported	Percent of Revenue	Weighted Average per Customer Net of Terrain Surcharge	Adjustments	Inflation Adjustment	Final Cost Used in Rates
	<i>SOLID WASTE - DIRECT COST OF OPERATIONS</i>						
22	Wages - Route Drivers	\$ 17.07	4.50%	\$ 15.96		2.92%	\$ 16.43
23	Wages – Mechanic	1.95	0.51%	1.82		2.78%	1.87
24	Payroll Tax Expense	1.84	0.49%	1.72		2.92%	1.77
25	Medical Insurance	3.53	0.93%	3.30		3.65%	3.42
26	Pension Plan Expense	1.72	0.45%	1.61		3.11%	1.66
27	Workers Compensation Insurance	0.63	0.17%	0.59		2.78%	0.61
28	Other Benefits	0.09	0.02%	0.08		2.92%	0.09
29	Training and Worker Safety	0.06	0.02%	0.06		2.78%	0.06
30	Fuel	2.67	0.70%	2.49		-12.20%	2.19
31	Repairs & Maintenance - Vehicles	3.12	0.82%	2.91		2.78%	3.00
32	Repairs & Maint. - Containers & Carts	0.42	0.11%	0.42	(0.42)	Rates based on forecast costs	
33	Repairs & Maintenance - Other Equipment	0.01	0.00%	0.01		2.78%	0.01
34	Repairs & Maintenance - Yard/Buildings	0.09	0.02%	0.09		2.78%	0.10
35	Depreciation - Vehicles	5.34	1.41%	4.99	0.65	0.00%	5.64
36	Depreciation - Containers & Carts	2.91	0.77%	2.91	(2.91)	Rates based on forecast costs	
37	Depreciation - Other Equipment	0.11	0.03%	0.11		2.78%	0.11
38	Depreciation - Yard/Buildings	0.12	0.03%	0.12		0.00%	0.12
39	Disposal Fees	42.98	11.34%	42.98	(42.98)	Rates based on forecast costs	
40	Recycling Co-op Payments	0.00	0.00%	0.00		0.00%	0.00
41	Recycling Bins	0.00	0.00%	0.00		0.00%	0.00
42	Supplies	0.08	0.02%	0.08		2.78%	0.08
43	Yard Rent	0.59	0.16%	0.59		2.78%	0.61
44	Vehicle Rent	0.00	0.00%	0.00		2.78%	0.00
45	Other Equipment Rent	0.04	0.01%	0.04		2.78%	0.04
46	Insurance	0.90	0.24%	0.84		2.78%	0.86
47	PUC /Licenses / Fees	0.61	0.16%	0.57		2.78%	0.59
48	Franchise Fees	20.19	5.32%	20.19	(20.19)	0.00%	0.00
49	Surcharges	0.00	0.00%	0.00	0.00	0.00%	0.00
50	Interest - Vehicles	1.09	0.29%	1.01	0.13	0.00%	1.15
51	Interest - Containers & Carts	0.12	0.03%	0.12	(0.12)	Rates based on forecast costs	
52	Interest - Other Equipment	0.00	0.00%	0.00		2.78%	0.00
53	Interest - Yard/Buildings	0.03	0.01%	0.03		2.78%	0.03
54	Other Operational Expenses	0.31	0.08%	0.31		2.78%	0.32
55	TOTAL - SOLID WASTE	\$ 108.63	28.65%	\$ 106.00	(\$ 65.85)		\$ 40.76

Appendix B (Continued)
CY 2015 Composite Weighted Average Revenues and Costs
(Dollars/Customer/Year)

DCR Line #	Line item Description	Weighted Average per Customer	Percent of Revenue	Weighted Average per Customer Net of Terrain Surcharge	Adjustments	Inflation Adjustment	Final Cost Used in Rates
	<i>RECYCLING - DIRECT COST OF OPERATIONS</i>						
22	Wages - Route Drivers	\$ 22.57	5.95%	\$ 21.56		2.95%	\$ 22.20
23	Wages - Mechanic	2.62	0.69%	2.50		2.78%	2.57
24	Payroll Tax Expense	2.46	0.65%	2.35		2.95%	2.42
25	Medical Insurance	5.19	1.37%	4.95		3.65%	5.13
26	Pension Plan Expense	2.40	0.63%	2.29		3.19%	2.37
27	Workers Compensation Insurance	0.85	0.22%	0.81		2.78%	0.83
28	Other Benefits	0.11	0.03%	0.11		2.95%	0.11
29	Training and Worker Safety	0.08	0.02%	0.08		2.78%	0.08
30	Fuel	3.41	0.90%	3.26		-12.20%	2.86
31	Repairs & Maintenance - Vehicles	4.45	1.17%	4.25		2.78%	4.37
32	Repairs & Maint. - Containers & Carts	0.37	0.10%	0.37		2.78%	0.38
33	Repairs & Maintenance - Other Equipment	0.02	0.01%	0.02		2.78%	0.02
34	Repairs & Maintenance - Yard/Buildings	0.12	0.03%	0.12		2.78%	0.13
35	Depreciation - Vehicles	10.34	2.73%	9.88	1.01	0.00%	10.89
36	Depreciation - Containers & Carts	2.76	0.73%	2.76		0.00%	2.76
37	Depreciation - Other Equipment	0.15	0.04%	0.15		2.78%	0.15
38	Depreciation - Yard/Buildings	0.20	0.05%	0.20		0.00%	0.20
39	Disposal Fees	0.00	0.00%	0.00		0.00%	0.00
40	Recycling Co-op Payments	0.00	0.00%	0.00		0.00%	0.00
41	Recycling Bins	0.01	0.00%	0.01		2.78%	0.01
42	Supplies	0.12	0.03%	0.12		2.78%	0.12
43	Yard Rent	0.78	0.21%	0.78		2.78%	0.80
44	Vehicle Rent	0.00	0.00%	0.00		2.78%	0.00
45	Other Equipment Rent	0.06	0.02%	0.06		2.78%	0.06
46	Insurance	1.36	0.36%	1.30		2.78%	1.33
47	PUC/Licenses/Fees	0.77	0.20%	0.74		2.78%	0.76
48	Franchise Fees	0.00	0.00%	0.00		0.00%	0.00
49	Surcharges	0.00	0.00%	0.00		0.00%	0.00
50	Interest - Vehicles	1.89	0.50%	1.81	0.18	0.00%	1.99
51	Interest - Containers & Carts	0.21	0.05%	0.21		2.78%	0.21
52	Interest - Other Equipment	0.00	0.00%	0.00		2.78%	0.00
53	Interest - Yard/Buildings	0.04	0.01%	0.04		2.78%	0.04
54	Other Operational Expenses	0.23	0.06%	0.23		2.78%	0.23
55	TOTAL - RECYCLING	\$ 63.55	16.76%	\$ 60.94	\$ 1.19		\$ 63.02

Appendix B (Continued)
CY 2015 Composite Weighted Average Revenues and Costs
(Dollars/Customer/Year)

DCR Line #	Line item Description	Weighted Average per Customer, as Reported	Percent of Revenue	Weighted Average per Customer Net of Terrain Surcharge	Adjustments	Inflation Adjustment	Final Cost Used in Rates
	ORGANICS - DIRECT COST OF OPERATIONS						
22	Wages - Route Drivers	\$ 18.10	4.78%	\$ 17.35		2.94%	\$ 17.86
23	Wages - Mechanic	2.13	0.56%	2.04		2.78%	2.10
24	Payroll Tax Expense	1.96	0.52%	1.88		2.94%	1.93
25	Medical Insurance	4.25	1.12%	4.07		3.65%	4.22
26	Pension Plan Expense	1.93	0.51%	1.85		3.17%	1.91
27	Workers Compensation Insurance	0.72	0.19%	0.69		2.78%	0.71
28	Other Benefits	0.10	0.03%	0.09		2.78%	0.09
29	Training and Worker Safety	0.06	0.02%	0.06		2.78%	0.06
30	Fuel	2.88	0.76%	2.76		-12.20%	2.43
31	Repairs & Maintenance - Vehicles	3.79	1.00%	3.63		2.78%	3.73
32	Repairs & Maint. - Containers & Carts	0.37	0.10%	0.37		2.78%	0.38
33	Repairs & Maintenance - Other Equipment	0.02	0.00%	0.02		2.78%	0.02
34	Repairs & Maintenance - Yard/Buildings	0.10	0.03%	0.10		2.78%	0.10
35	Depreciation - Vehicles	7.33	1.93%	7.02	0.07	0.00%	7.09
36	Depreciation - Containers & Carts	1.87	0.49%	1.87		2.78%	1.92
37	Depreciation - Other Equipment	0.14	0.04%	0.14		2.78%	0.14
38	Depreciation - Yard/Buildings	0.15	0.04%	0.15		2.78%	0.16
39	Disposal Fees	34.32	9.05%	34.32	2.44	0.00%	34.32
40	Recycling Co-op Payments	0.00	0.00%	0.00		0.00%	0.00
41	Recycling Bins	0.00	0.00%	0.00		0.00%	0.00
42	Supplies	0.09	0.02%	0.09		2.78%	0.09
43	Yard Rent	0.63	0.17%	0.63		2.78%	0.65
44	Vehicle Rent	0.00	0.00%	0.00		2.78%	0.00
45	Other Equipment Rent	0.04	0.01%	0.04		2.78%	0.05
46	Insurance	1.25	0.33%	1.20		2.78%	1.23
47	PUC/Licenses/Fees	0.68	0.18%	0.65		2.78%	0.67
48	Franchise Fees	0.00	0.00%	0.00		0.00%	0.00
49	Surcharges	0.00	0.00%	0.00		0.00%	0.00
50	Interest - Vehicles	1.57	0.42%	1.51	0.02	0.00%	1.52
51	Interest - Containers & Carts	0.15	0.04%	0.15		2.78%	0.16
52	Interest - Other Equipment	0.00	0.00%	0.00		2.78%	0.00
53	Interest - Yard/Buildings	0.03	0.01%	0.03		2.78%	0.03
54	Other Operational Expenses	0.28	0.07%	0.28		2.78%	0.29
55	TOTAL YARD DEBRIS	\$ 84.93	22.40%	\$ 82.98	\$ 2.53		\$ 83.84

Appendix B (Continued)
CY 2015 Composite Weighted Average Revenues and Costs
(Dollars/Customer/Year)

DCR Line #	Line item Description	Weighted Average per Customer	Percent of Revenue	Weighted Average per Customer Net of Terrain Surcharge	Inflation Adjustment	Final Cost Used in Rates
	<i>GENERAL AND ADMINISTRATIVE</i>					
56	Management Salaries	\$ 16.24	4.28%	\$ 16.21	2.78%	\$ 16.66
57	Management Payroll Tax Expense	1.55	0.41%	1.55	2.78%	1.60
58	Management Medical Insurance	2.38	0.63%	2.38	3.65%	2.46
59	Management Workers Compensation	0.08	0.02%	0.08	2.78%	0.08
60	Management Pension Plan Expense	1.01	0.27%	1.01	2.78%	1.04
61	Management Other Benefits	0.00	0.00%	0.00	2.78%	0.00
62	Administrative Salaries	18.59	4.90%	18.55	2.78%	19.07
63	Administrative Payroll Tax Expense	2.24	0.59%	2.24	2.78%	2.30
64	Administrative Medical Insurance	4.37	1.15%	4.37	3.65%	4.53
65	Administrative Workers Compensation	0.06	0.02%	0.06	2.78%	0.06
66	Administrative Pension Plan Expense	0.51	0.14%	0.51	2.78%	0.53
67	Administrative Other Benefits	0.01	0.00%	0.01	2.78%	0.01
68	Office Rent	3.79	1.00%	3.79	2.78%	3.89
69	Advertising and Public Education	1.14	0.30%	1.14	2.78%	1.17
70	Contributions	0.00	0.00%	0.00	2.78%	0.00
71	Professional Fees	1.36	0.36%	1.36	2.78%	1.39
72	Training & Worker Safety	0.06	0.02%	0.06	2.78%	0.06
73	Insurance	0.54	0.14%	0.54	2.78%	0.56
74	Telephone	1.90	0.50%	1.89	2.78%	1.95
75	Utilities	1.55	0.41%	1.54	2.78%	1.59
76	Property Taxes/Licenses/Fees	1.55	0.41%	1.54	2.78%	1.59
77	Federal/ State/Local Income Taxes	0.29	0.08%	0.29	-9.50%	0.26
78	Dues & Subscriptions	0.49	0.13%	0.49	2.78%	0.50
79	Depreciation - Office Building	0.23	0.06%	0.23	2.78%	0.23
80	Depreciation - Office Equipment	0.20	0.05%	0.20	2.78%	0.21
81	Repairs & Maintenance - Office	1.05	0.28%	1.04	2.78%	1.07
82	Cleaning and Maintenance	0.38	0.10%	0.38	2.78%	0.39
83	Equipment Rental	0.11	0.03%	0.11	2.78%	0.11
84	Office Supplies	1.64	0.43%	1.64	2.78%	1.69
85	Postage & Freight	1.58	0.42%	1.58	2.78%	1.62
86	Miscellaneous Expense	1.72	0.45%	1.72	2.78%	1.77
87	Travel/Meals/Lodging	0.67	0.18%	0.67	2.78%	0.68
88	Professional Meetings and Seminars	0.00	0.00%	0.00	2.78%	0.00
89	Bad Debts	0.57	0.15%	0.57	-11.64%	0.50
90	Amortization - Route & Intangibles	0.00	0.00%	0.00	0.00%	0.00
91	Amortization - Other	0.00	0.00%	0.00	0.00%	0.00
92	Interest - Route	0.00	0.00%	0.00	0.00%	0.00
93	Interest - Other	0.82	0.22%	0.82	2.78%	0.84
94	Corporate Overhead	7.24	1.91%	7.23	2.78%	7.43
94	TOTAL - G & A	\$ 75.92	20.02%	\$ 75.78		\$ 77.83



Budget Equity Assessment Tool

CITY POLICY

This Budget Equity Assessment Tool is a general set of questions to guide city bureaus and their Budget Advisory Committees in assessing how budget requests benefit and/or burden communities, specifically communities of color and people with disabilities. As noted in Portland’s 25-year strategic plan, the Portland Plan, Goal-Based Budgeting, and page 102:

When fully implemented, the new budget approach will direct City of Portland bureaus and offices to:

- Use an asset management approach to achieve more equitable service levels across communities and geographies.
- Track and report on service levels and investments by community and geography, including expanding the budget mapping process
- Assess the equity and social impacts of budget requests to ensure programs, projects and other investments to help reduce disparities and promote service level equity, improve participation and support leadership development.
- Identify whether budget requests advance equity, represent a strategic change to improve efficiency and service levels and/or are needed to provide for basic public welfare, health and/or meet all applicable national and state regulatory standards.

It is the policy of the City of Portland that no person shall be denied the benefits of, or be subjected to, discrimination in any City program, service, or activity on the grounds of race, color, national origin, English proficiency, sex, age, disability, religion, sexual orientation, gender identity, or source of income. Additionally, the City’s Civil Rights Title VI program guidelines obligate public entities to develop systems and procedures that guard against or proactively prevent discrimination, while simultaneously ensuring equitable impacts on all persons. Therefore, City bureaus may find this tool helpful when evaluating equitable impacts on all residents.

The Office of Equity and Human Rights is also available for discussion/training/consultation regarding the use of this document.

In compliance with Civil Rights laws, it is the policy of the City of Portland that no person shall be excluded from participation in, denied the benefits of, or be subjected to discrimination in any City program, service, or activity on the grounds of race, color, national origin, or disability. To request accommodations, translation and/or interpretation, to file complaints, or for additional information or services, please contact us at 503-823-4433, City TTY 503-823-6868, or Oregon Relay Service: 711.

Budget Equity Assessment Tool

BPS/Planning and Urban Design

SECTION ONE: BASE BUDGET

1. How have you maximized considerations of equity in your base budget?

In recent years, BPS has made substantial progress in integrating equity considerations into outreach programs, service delivery, planning projects and policy development, much of which is reflected in the bureau's budget request.

- An Equity Audit conducted by the Center for Diversity and the Environment led to a series of mandatory all staff trainings (e.g., emotional intelligence, dismantling racism) and listening sessions as well as the creation of a dedicated Equity Specialist position in the bureau. Through these efforts, BPS has increased the capacity of staff to integrate equity into plans, programs and projects.
- The bureau has completed the citywide Racial Equity Roadmap and Assessment with each BPS staff team developing a roadmap to equity for outreach programs, services and planning projects. All bureau staff participated in the process and the results are informing team and project workplans.
- BPS has developed an Equity Toolkit to help staff integrate and maximize equity in their work. The Equity Toolkit contains equity lens questions, a power assessment, stakeholder analysis, etc., and has been integrated into the bureau's Community Engagement Program and Manual. Two major sustainability team projects continue to use several of the resources in the BPS Equity Toolkit to inform their work and the bureau's budget request, including multifamily waste reduction program and Sustainability at Work.
- In early 2017 BPS managers and many staff will participate in a two-day facilitation training focused on building the capacity of staff to manage charged conversations and present sensitive information to a wide range audience. The training will focus on enabling staff to engage effectively with diverse cultures and people, and will cultivate the ability to address cultural tensions and conflict, including entitlement and microaggressions.

BPS Planning programs include both on-going and one-time funded projects. To meet the budget instructions to identify proposals for 5 percent reductions in on-going General Fund, the FY17-18 budget proposes on-going cuts in BPS' policy research, corridor planning, central city and comprehensive planning functions.

The FY17-18 budget also includes request for one-time General Fund support for three planning projects:

1. Residential Infill Project
2. Better Housing By Design
3. SW Corridor Equitable Housing Strategy

BPS also will continue grant-funded projects that have relevance to equity issues. These projects include:

- Affordable housing and economic development strategies for the Powell/Division transit corridor.
- Revising the design and development standards for new multi-family housing with particular attention to the issues encountered in East Portland.
- Study of the development barriers and opportunities related to alternative designs for 82nd Avenue being studied by ODOT.

Specific findings using the Budget Equity Assessment Tool are included for each of the cut and add packages. When findings refer to “equity communities”, they are referring collectively to communities of color, immigrant and refugee communities, and/or people living with a disability.

- An Equity Audit conducted by the Center for Diversity and the Environment led to a series of mandatory all staff trainings (e.g., emotional intelligence, dismantling racism) and listening sessions as well as the creation of a dedicated Equity Specialist position in the bureau. Through these efforts, BPS has increased the capacity of staff to integrate equity into the bureau’s budget request.
- The bureau has completed the citywide Racial Equity Roadmap and Assessment with each BPS staff team developing a roadmap to equity for outreach programs, services and planning projects. All bureau staff participated in the process, and the results are informing team and project workplans.
- BPS has developed an Equity Toolkit to help staff integrate and maximize equity in their work. The Equity Toolkit contains equity lens questions, a power assessment, and stakeholder analysis, and is being integrated into the bureau’s new Community Engagement Guide.
- The Comprehensive Plan is the State-mandated guide for growth and development in Portland. The Comprehensive Plan process and the plan itself treat equity and the reduction of disparities as a core principle.

A. Community Involvement Committee (CIC)

- The Comprehensive Plan was prepared with oversight of a 16-member Community Involvement Committee charged to help hold the Comprehensive Plan process accountable for including the perspectives of ALL Portlanders are reflected in the Comprehensive Plan.
- The CIC is made up of one Planning and Sustainability Commissioner and 15 community-at-large positions. Current CIC members represent the following diverse organizations including:
 - Centennial School District Governing Board
 - North Northeast Business Association
 - Portland African American Leadership Academy (PAALF)
 - Portland State University’s Undergraduate Executive Committee
 - Regional Disaster Preparedness Organization (RDPO)
 - Sisters of the Road

B. Targeted Comp Plan outreach to communities of color

C. Equity policy in the Comprehensive Plan

- Equity as defined in the Portland Plan is included as an overarching policy in the Comprehensive Plan.
- Equity was explicitly included in the discussion and development of all major Comprehensive Plan policy areas.
- A group of six independent consultants on equity issues were engaged to review and critique different sections of the draft Comprehensive Plan and map. These were used to development amendments to the plan or responses related to the equity reasoning behind a particular policy or map designation.
- For the first time, Environmental Justice policies were added to the Comprehensive Plan.
- Citizen Engagement chapter was totally rewritten with explicit direction on increasing involvement of member of communities of color.

2. Are there specific realignments in your base budget that either advance or inhibit equity?
3. Are there specific realignments in your base budget that would advance or inhibit your achievement of equity goals outlined in your bureau's Racial Equity Plan?
BPS is making no major realignments in its base budget for FY17-18. Beginning in FY14-15, BPS built funding for a dedicated Equity Specialist position into its bureau overhead model, integrating the position into its core funding. While implementation of BPS' equity work is instrumental in all of its programs, allocating resources to a position whose sole focus is to advance equity has been a powerful force both in the bureau's external work and in developing and carrying out the BPS Racial Equity Plan.
4. What funding have you allocated for translation, interpretation and ADA (American's with Disability Act) accommodation including ASL (American Sign Language) interpretation and video captioning?
In FY15-16 BPS spent approximately \$22,000 on these services, and the same amount is budgeted for FY17-18. BPS is developing internal protocols around phone interpretation, translation of materials and offers interpretation at all events. Beginning in 2016, all meetings of the Planning and Sustainability Commission are now live-streamed and rebroadcast, both with captioning.
5. Are there deficiencies in the on-going funding of your base budget that inhibit your bureau's achievement of equity or the goals outlined in your Racial Equity Plan?
As noted above, BPS has maintained funding for its equity specialist position in its on-going base budget, and the bureau is as committed as ever to integrating equity into all of its programs and policy development efforts.

However, the continued use of one-time funding (either General Fund or one-time allocations of land use fee revenue) to carry out planning projects with significant equity components undermines the bureau's ability to implement its equity priorities. This is illustrated by the Decision Package BPS is requesting to complete the Better Housing By Design project, for example, which will improve the design and livability of new multi-family buildings. This project has a particular focus on improving this type of housing in East Portland. Unfortunately, BPS does not have the resources to carry out this project within its base budget.

More generally, staff often experience that the budget resources for outreach and engagement challenge their achievement of equity goals on their projects. On some projects, few resources are available for any outreach/engagement efforts, let alone the time and funding essential to successfully engage with low-income communities and communities of color. The Equity Working Group that contributed to the development of the 2015 Climate Action Plan illustrates the type of engagement BPS has had success with, and it's indicative that this effort was possible because BPS secured outside grant funding for the Equity Working Group. BPS is committed to making equitable public engagement a foundation of its work, but it continues to be difficult to do so given the volume and pace of workload to respond to community and Council priorities.

SECTION TWO: DECISION PACKAGES

Decision Package equity assessments are included with the decision package narratives.

SECTION THREE: EQUITABLE ENGAGEMENT AND ACCESS

1. How has community engaged with your requested budget, including this tool?
 The formal mechanism for community engagement in the BPS budget development process is the Budget Advisory Committee, which includes community members as well as bureau staff. However, the BPS budget is fundamentally about prioritizing the bureau’s workplan and identifying which projects BPS can undertake given the resources available. Input to the workplanning priorities is gathered through all of the bureau’s community engagement work throughout the year, not only during the formal budget development process. The District Planning program, for example, dedicates staff to serving as expert liaisons between communities and the City on planning and development issues, and the community input the District Planners receive feeds into the bureau’s identification of workplanning priorities. All BPS programs with direct community interaction serve as similar conduits.

2. How does this budget build the bureau’s capacity to engage with and include communities most impacted by inequities? (e.g., improved leadership opportunities, advisory committees, commissions, targeted community meetings, stakeholder groups, increased outreach, etc.)
 This budget maintains the bureau’s funding of a dedicated equity specialist position, and one key component of that position’s work is to build the knowledge, skills, and experience of BPS staff in addressing equity. Beginning in FY15-16, BPS has allocated \$10,000 - \$15,000 annually for “all-staff” training focused on equity, and the 17-18 budget request protects this funding despite the obligation to identify funding cuts. (This training funding is in addition to other content-specific training staff may attend that is funded at the program level.) The intent of the all-staff training is to develop a common language and familiarity with tools and techniques that help equip staff to address inequities.

BPS programs and projects are informed by the geographic distribution of communities of color across Portland, as reflected in the following table:

DISTRICT	Total Population	Community of Color Population	% Total
EAST	64,543	18,373	28.5%
NORTH	102,741	26,831	26.1%
NORTHEAST	25,489	4,505	17.7%
NORTHWEST	146,160	23,221	15.9%
SOUTHEAST	75,654	9,107	12.0%
SOUTHWEST	147,040	45,028	30.6%
CENTRAL CITY	32,672	5,853	17.9%
Total	594,299	132,918	22.4%

3. How does this budget build community capacity and power in communities most impacted by inequities? (e.g., improved leadership opportunities within BAC, community meetings, stakeholder groups, increased outreach, etc.)

BPS is working to integrate community capacity building into many of its programs. Specific examples from Planning and Urban Design programs include:

The initial implementation of the Comprehensive Plan and the Central City 2035 Plan (CC2035). For the first time, the equity foundation of the Portland Plan has been as explicitly and thoroughly incorporated into these core long-range development plans.

In addition, the FY17-18 Planning work plan includes:

- Initiation of a new Community Involvement Committee and process to provide ongoing critique and improvement of BPS community involvement practices.
- Update of the BPS/BDS program of trainings for community organizations. These trainings are to broaden and improve the effectiveness of public participation in city land use and development decision making processes.
- Initiation of engagement with Brentwood Darlington neighborhoods on a community defined strategy to fill gaps in the their complete community assets.
- Initiation of actions to increase community capacity for influence over how transit improvements and development on the SW Corridor transit line will be shaped and leveraged to meet community equitable housing needs and objectives.
- Development of on-line tools to file and track testimony. This is to increase transparency of BPS and City Council decision-making processes.

Identifying Impacts Worksheet

Once you have identified the populations/communities impacted, use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Lower-income households	<ul style="list-style-type: none"> • Increased options for housing in single-dwelling neighborhoods to meet broader range of household types and incomes. • Increased supply of housing and affordable housing options. • Increased quality and livability in the design of new multi-family housing. • Maintenance of land supply and infrastructure meet the needs of forecast job growth. 	<ul style="list-style-type: none"> • While BPS work should help increase the range of housing options, sizes, locations and costs, it is unlikely, in the near term, to mitigate the market driven increase of housing costs overall.
Disabled residents	<ul style="list-style-type: none"> • Policies that promote increased housing options for broader range of household types and incomes. • Policies promote the development of new housing according to universal design accessibility principles. • Targeting of growth around centers promotes greater local accessibility to meet household needs. 	
Communities of Color	<ul style="list-style-type: none"> • Increased influence over decisions related to major transit investments and redevelopment on the SW Corridor. • Ability to hold BPS accountable for the meeting equity objectives through its public involvement practices. 	<ul style="list-style-type: none"> • While BPS work increase housing options and supply overall, it may not be able to ensure mitigation of displacement pressures in hot markets.
Current and prospective single dwelling housing residents	<ul style="list-style-type: none"> • Increased compatibility of new infill development in single-dwelling neighborhood. 	<ul style="list-style-type: none"> • Reduced ability to meet housing demand for very large homes in single-dwelling neighborhoods. • Reduced ability to expand single-dwelling structures.

Susan Anderson
Name of Bureau Director

January 30, 2017
Date

Budget Equity Assessment Tool

BPS/Sustainability Programs

SECTION ONE: BASE BUDGET

1. How have you maximized considerations of equity in your base budget?
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 - In early 2017 BPS managers and many staff will participate in a two-day facilitation training focused on building the capacity of staff to manage charged conversations and present sensitive information to a wide range audience. The training will focus on enabling staff to engage effectively with diverse cultures and people, and will cultivate the ability to address cultural tensions and conflict, including entitlement and microaggressions.
 - The 2015 Climate Action Plan is the primary strategy document that informs the sustainability teams' workplans and associated budget requests. As part of updating the plan, BPS created a Climate Action Plan Equity Working Group made up from representatives from six community-based organizations. The Equity Working Group reviewed the proposed climate actions to identify potential impacts (positive and negative) for communities of color, low-income populations and other marginalized groups.
 - To support community-based organizations' work on climate action, since FY15-16 BPS has been partnering with PSU's Institute for Sustainable Solutions to place and support interns at community-based and non-profit organizations to add capacity to advance climate-related initiatives. The interns are part of a cohort that engages online and in person around climate justice and equity issues.

Advancing equity is a core component of sustainability, together with improving economic prosperity and environmental quality. BPS seeks to align its sustainability programs with the goal of advancing equity not only in which programs and services are delivered, but how that work is implemented. Examples of how the various BPS sustainability programs and services promote equity include:

- Multifamily Recycling program offers technical assistance to improve access to a quality garbage, recycling and composting collection system for 25,000 units. Multifamily housing in Portland has a higher proportion of communities of color,

immigrants and refugees and low-income communities than the city average demographics.

- Sustainability community engagement team uses a combination of traditional and grassroots engagement strategies to address institutional, technical and social constructs that keep communities of color and low income communities from participating in sustainability efforts and include their world view and lifestyles in the vision of sustainability.
 - Fix-It Fairs offer access to free community resources and information to save energy and stay healthy to 1,700 low- to middle-income residents who are racially and culturally diverse. A Spanish track provides about five workshops conducted in Spanish at each fair, and sponsorship by Univisión and KBOO increases awareness of these events while free lunch and child care removes barriers to participation. In compliance with ADA Title II, the brochure that is mailed to over 30,000 households includes the language, “The City of Portland is committed to providing meaningful access. For accommodations, modifications, translation, interpretation or other services, contact 503-823-4309, the TTY at 503-823-6868 or the Oregon Relay Service at 711.”
 - Web and materials translate information to core services in twelve languages
 - Information booths are staffed in community events that have a high portion of communities of color, resulting in about 180,000 touches in the community.
 - Training locations for the Master Recycler sessions are held in communities that have historically had no or minimal participation in the program.
- Sustainability community engagement contributes to community wealth by building partnerships that are mutually beneficial, leveraging and highlighting community sustainability efforts and fostering ongoing relationships with community leaders.
 - Bright Spot utilizes the high exposure of the Sunday Parkways events to make visible community features that we see every day (but hide in plain sight) and represent City and community efforts to create healthy, vibrant, sustainable neighborhoods.
 - The Master Recycler Program works with 40 community partners to increase volunteer hours on their missions that have shared sustainability values.
 - Fix-it Fairs procure services from minority- or women-owned businesses.
 - Resourceful PDX promotes sharing, reuse and repair community resources through blogs, tabling and presentations and staffs community repair events with staff and volunteers.
- Sustainability at Work has:
 - Prioritized continued community engagement in the minority-owned businesses community – attending over two dozen community events and one-on-one meetings with community leaders in FY15-16 and nearly two dozen more by end of Q2 in FY16-17.
 - Prioritized entrepreneurs of color in our top three audiences for program development and assistance. In service to this we have continued a partnership with Micro Enterprise Services of Oregon (MESO) to empower MESO advisors to bring sustainability best practices, services and incentives to their business clients in a way that acknowledges their constraints. This pilot included technical assistance to MESO clients in FY15-16, and has expanded in FY16-17 to include a workshop, office hours and SAW resources in MESO program participant binders.
- BPS engaged equity stakeholders as part of developing the home energy score ordinance passed by City Council in December 2016. Organizations included tenant and renter advocates, housing and homeownership experts, low-income housing providers, communities of color and energy efficiency practitioners that serve low- and

moderate-income populations. These stakeholders will be closely involved in developing the program to implement the policy over the next fiscal year.

- BPS is also undertaking new strategic planning work around the deployment of neighborhood-scale solar plus battery storage systems. These are systems that can provide renewable backup power in the event of a long-term electricity outage. This work is consistent with Portland Bureau of Emergency Management’s newly adopted Mitigation Action Plan. BPS expects to work collaboratively with a range of community-based organizations, low-income populations and communities of color to identify appropriate sites for resilient power system installations.
- The Green Building Program is implementing the deconstruction policy passed by City Council in 2016. The focus is to recover materials for reuse and reduce the impacts of traditional demolition on air quality and neighborhood safety. In addition, BPS is working with community partners to prioritize workforce training for women, minorities and other disadvantaged populations.
- In FY17-18, the Green Building Program will continue to support implementation of the City’s commercial building energy performance reporting policy. Since the requirement now applies to smaller buildings, BPS is prioritizing technical assistance to owners and operators that may have fewer resources to track energy use or where language or the use of technology poses a barrier to compliance.
- BPS has facilitated the use of City-owned property for food production with a focus on community benefits and equity, including the garden at City Hall which grows food for local non-profits that feed hungry people, the Lents Community Orchard and a new food forest in Southeast Portland. BPS also promotes food gleaning and donation of unused and excess food to organizations that feed hungry people.
- BPS developed the City’s recently adopted Electric Vehicle Strategy, which includes a significant focus on ensuring that the electrification of Portland’s transportation system creates benefits, opportunities and improved access for low-income people and communities of color (e.g., locating charging infrastructure within these communities, a mobility needs assessment, and incentives and pilot projects that focus on underserved communities).
- The City’s *Climate Change Preparation Strategy* prioritizes actions in communities expected to be most vulnerable to the impacts of climate change, including low-income populations and communities of color. Many of the actions in the strategy focus on reducing the potential health impacts these communities will face as the climate changes, including increased temperatures (heat waves, urban heat islands) and flooding. BPS is responsible for implementing many of these actions and is actively working with other implementing partners to ensure a focus on vulnerable populations. In addition, BPS is working with researchers at Portland State University to better define vulnerability to heat and reduced air quality to help inform and prioritize workplan tasks for BPS and other partner bureaus.
- As noted above, the 2015 update to the *Climate Action Plan* includes a significant focus on maximizing equity through its vision, clearly articulated equity commitments, actions prioritized for communities of color and low-income populations, equity considerations (lens), an equity implementation guide for staff, and climate-equity metrics to measure progress. This *Climate Action Plan* guides the development of workplans for the bureau’s sustainability teams.

Geography and Demographics of Sustainability Programs Service Delivery

- Fix-It Fairs have been offered in NE, East and North Portland for the last four seasons in neighborhoods where there is a larger than average population of lower-income households and communities of color. Over 30,000 residents in homes and apartments receive the brochure.

- Sustainability at Work has identified North and East Portland as likely areas of focus for minority-owned business outreach.
- Climate change preparation efforts will be prioritized in areas already facing impacts associated with heat (urban heat islands) including East and Northeast Portland, as well as along major roadways including Martin Luther King, Jr. Blvd, Sandy Blvd and 82nd Avenue.
- Most of the *Climate Action Plan* actions are of a citywide nature; however, initial implementation actions are likely to target communities of color and low-income populations in East and NE Portland. In other cases, actions related to policy development (e.g., statewide renewable energy requirements, building energy disclosure) are not specific to a geographic region, but will be developed while considering potential impacts and unintended consequences for people of color and low-income people.

2. Are there specific realignments in your base budget that either advance or inhibit equity?

Are there specific realignments in your base budget that would advance or inhibit your achievement of equity goals outlined in your bureau's Racial Equity Plan?

BPS is making no major realignments in its base budget for 17-18. Beginning in FY14-15, BPS built funding for a dedicated Equity Specialist position into its bureau overhead model, integrating the position into its core funding. While implementation of BPS' equity work is instrumental in all of its programs, allocating resources to a position whose sole focus is to advance equity has been a powerful force both in the bureau's external work and in developing and carrying out the BPS Racial Equity Plan.

3. What funding have you allocated for translation, interpretation and ADA (American's with Disability Act) accommodation including ASL (American Sign Language) interpretation and video captioning?

In FY15-16 BPS spent approximately \$22,000 on these services, and the same amount is budgeted for FY17-18. BPS is developing internal protocols around phone interpretation, translation of materials and offers interpretation at all events. Beginning in 2016, all meetings of the Planning and Sustainability Commission are now live-streamed and rebroadcast, both with captioning.

4. Are there deficiencies in the on-going funding of your base budget that inhibit your bureau's achievement of equity or the goals outlined in your Racial Equity Plan?

As noted above, BPS has maintained funding for its equity specialist position in its on-going base budget, and the bureau is as committed as ever to integrating equity into all of its programs and policy development efforts.

However, the continued use of one-time funding (either General Fund or one-time allocations of land use fee revenue) to carry out planning projects with significant equity components undermines the bureau's ability to implement its equity priorities. This is illustrated by the Decision Package BPS is requesting to complete the Better Housing Through Design project, for example, which will improve the design and livability of new multi-family buildings. This project has a particular focus on improving this type of housing in East Portland. Unfortunately, BPS does not have the resources to carry out this project within its base budget.

More generally, staff often experience that the budget resources for outreach and engagement challenge their achievement of equity goals on their projects. On some projects, few resources are available for any outreach/engagement efforts, let alone the time and funding

essential to successfully engage with low-income communities and communities of color. The Equity Working Group that contributed to the development of the 2015 Climate Action Plan illustrates the type of engagement BPS has had success with, and it's indicative that this effort was possible because BPS secured outside grant funding for the Equity Working Group. BPS is committed to making equitable public engagement a foundation of its work, but it continues to be difficult to do so given the volume and pace of workload to respond to community and Council priorities.

SECTION THREE: EQUITABLE ENGAGEMENT AND ACCESS

1. How has community engaged with your requested budget, including this tool?
 The formal mechanism for community engagement in the BPS budget development process is the Budget Advisory Committee, which includes community members as well as bureau staff. However, the BPS budget is fundamentally about prioritizing the bureau's workplan and identifying which projects BPS can undertake given the resources available. Input to the workplanning priorities is gathered through all of the bureau's community engagement work throughout the year, not only during the formal budget development process. The District Planning program, for example, dedicates staff to serving as expert liaisons between communities and the City on planning and development issues, and the community input the District Planners receive feeds into the bureau's identification of workplanning priorities. All BPS programs with direct community interaction serve as similar conduits.

2. How does this budget build the bureau's capacity to engage with and include communities most impacted by inequities? (e.g., improved leadership opportunities, advisory committees, commissions, targeted community meetings, stakeholder groups, increased outreach, etc.)

This budget maintains the bureau's funding of a dedicated equity specialist position, and one key component of that position's work is to build the knowledge, skills, and experience of BPS staff in addressing equity. Beginning in FY15-16, BPS has allocated \$10,000 - \$15,000 annually for "all-staff" training focused on equity, and the 17-18 budget request protects this funding despite the obligation to identify funding cuts. (This training funding is in addition to other content-specific training staff may attend that is funded at the program level.) The intent of the all-staff training is to develop a common language and familiarity with tools and techniques that help equip staff to address inequities.

BPS programs and projects are informed by the geographic distribution of communities of color across Portland, as reflected in the following table:

DISTRICT	Total Population	Community of Color Population	% Total
EAST	64,543	18,373	28.5%
NORTH	102,741	26,831	26.1%
NORTHEAST	25,489	4,505	17.7%
NORTHWEST	146,160	23,221	15.9%
SOUTHEAST	75,654	9,107	12.0%
SOUTHWEST	147,040	45,028	30.6%
CENTRAL CITY	32,672	5,853	17.9%
Total	594,299	132,918	22.4%

3. How does this budget build community capacity and power in communities most impacted by inequities? (e.g., improved leadership opportunities within BAC, community meetings, stakeholder groups, increased outreach, etc.)

BPS is working to integrate community capacity building into many of its programs.

Specific examples from Sustainability programs include:

- Fix-It Fairs result in increased access to communities of color and linguistically isolated residents as demonstrated by the door prize demographics form: 62 percent White, 9 percent Hispanic or Latino, 15 percent Asian, 4 percent Black or African American and 4 percent American Indian. Ten percent of respondents speak Spanish at home, 3 percent speak Chinese and 2 percent speak Vietnamese.
- Sustainability at Work has established long-term relationships with the minority-owned business community to create opportunities for both BPS and for the businesses that extend beyond this immediate work.
- The Climate Action Plan Equity Working Group (discussed above) helped to build the capacity and leadership in communities and organizations serving low-income populations and communities of color to advance climate work. Participating organizations included: Upstream Public Health, Coalition of Communities of Color, Groundwork Portland, Wisdom of the Elders, OPAL and APANO. Each organization received a grant to support their participation organized by BPS and Multnomah County’s Office of Sustainability. BPS continues to foster these partnerships and continues to build the capacity of the organizations and communities to engage in climate action policy and program development, and to implement community-driven climate projects. BPS’ Climate Interns partnership with PSU, which places climate interns in many of these organizations, is an example of this continued capacity building.

Identifying Impacts Worksheet

Once you have identified the populations/communities impacted, use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Single- and multi-dwelling renters	<ul style="list-style-type: none"> • Increased knowledge about required garbage and recycling service level provided to renters and who to call if service is not adequate. Improved services. • Increased responsiveness to tenants when their service is shut off due to landlord non-payment of service. 	<ul style="list-style-type: none"> • Because landlords pay the garbage and recycling bill, the bureau opted to begin enforcing the minimum standards of service. This has the benefit of ensuring that tenants at least receive an adequate level of service. However, renters will not have the same range of options and services as owner-occupied homes.
Low- to middle-income residents who are seeking information about healthy homes and energy savings	<ul style="list-style-type: none"> • Access to 60 community resources at the Fix-It Fairs to answer questions and provide resources. 	

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Minority-owned businesses	<ul style="list-style-type: none"> • Sustainability at Work will improve access to the benefits and minimize the barriers to these businesses with the new approaches. 	
Low-income households who are hungry	<ul style="list-style-type: none"> • Will have more information and access to gleaning programs and food shelters will have access to more healthy sustainable foods. 	
Populations vulnerable to the impacts of climate change, especially heat and flooding	<ul style="list-style-type: none"> • Reduced exposure to impacts from heat and reduced air quality (asthma, heat stroke, etc.). • Deeper understanding of the factors that contribute to vulnerability to climate change impacts, and the alignment of those factors with other community priorities. 	<ul style="list-style-type: none"> • Climate change preparation actions are not likely to meaningfully impact the underlying social determinants of health (income, education, etc.).
Underserved communities that have not historically benefited from climate actions such as active transportation infrastructure, tree planting, solar, energy efficiency incentives, etc.	<ul style="list-style-type: none"> • Improved access to such amenities and the associated cost savings and quality of life improvements. 	<ul style="list-style-type: none"> • Increased gentrification and displacement pressures.
Low-income households who have limited access to transportation options	<ul style="list-style-type: none"> • Improved local air quality and greater access to affordable electrified transportation choices, including new and used electric vehicles, electric buses and electric bikes. 	

Susan Anderson
Name of Bureau Director

January 30, 2017
Date

Budget Equity Assessment Tool

BPS/Waste Reduction & Recycling

SECTION ONE: BASE BUDGET

1. How have you maximized considerations of equity in your base budget?

In recent years, BPS has made substantial progress in integrating equity considerations into outreach programs, service delivery, planning projects and policy development, much of which is reflected in the bureau's budget request.

- An Equity Audit conducted by the Center for Diversity and the Environment led to a series of mandatory all staff trainings (e.g., emotional intelligence, dismantling racism) and listening sessions as well as the creation of a dedicated Equity Specialist position in the bureau. Through these efforts, BPS has increased the capacity of staff to integrate equity into plans, programs and projects.
- The bureau has completed the citywide Racial Equity Roadmap and Assessment with each BPS staff team developing a roadmap to equity for outreach programs, services and planning projects. All bureau staff participated in the process and the results are informing team and project workplans.
- BPS has developed an Equity Toolkit to help staff integrate and maximize equity in their work. The Equity Toolkit contains equity lens questions, a power assessment, stakeholder analysis, etc., and has been integrated into the bureau's Community Engagement Program and Manual. Two major sustainability team projects continue to use several of the resources in the BPS Equity Toolkit to inform their work and the bureau's budget request, including multifamily waste reduction program and Sustainability at Work.
- In early 2017 BPS managers and many staff will participate in a two-day facilitation training focused on building the capacity of staff to manage charged conversations and present sensitive information to a wide range audience. The training will focus on enabling staff to engage effectively with diverse cultures and people, and will cultivate the ability to address cultural tensions and conflict, including entitlement and microaggressions.
- The 2015 Climate Action Plan is the primary strategy document that informs the sustainability teams' workplans and associated budget requests. As part of updating the plan, BPS created a Climate Action Plan Equity Working Group made up from representatives from six community-based organizations. The Equity Working Group reviewed the proposed climate actions to identify potential impacts (positive and negative) for communities of color, low-income populations and other marginalized groups.
- To support community-based organizations' work on climate action, since FY15-16 BPS has been partnering with PSU's Institute for Sustainable Solutions to place and support interns at community-based and non-profit organizations to add capacity to advance climate-related initiatives. The interns are part of a cohort that engages online and in person around climate justice and equity issues.

Advancing equity is a core component of sustainability, together with improving economic prosperity and environmental quality. BPS seeks to align its sustainability programs with the goal of advancing equity not only in which programs and services are delivered, but how that work is implemented. Examples of how the various BPS Solid Waste and Recycling programs and services promote equity include:

- BPS conducted a review of its public place garbage and recycling collection program using an equity lens and began to implement an expansion of the program that will result in more equitable provision of the service.

- The Waste Reduction and Recycling workplan for the upcoming year again includes an increased emphasis on recycling and composting in multifamily buildings. BPS is participating in a regional effort to improve service to multifamily residents and is planning a new method for systematically reaching out to multifamily communities across the city to ensure awareness and appropriate levels of service rather than relying on vulnerable communities to reach out for help. Action 11F in the Climate Action Plan directs BPS to prioritize and customize outreach efforts to engage under-represented and under-served populations with a goal of reaching 50 percent of multifamily households annually. The multifamily program continues to provide technical assistance and resources to disadvantaged and underserved populations, specifically targeting non-profit housing and service providers to vulnerable populations. The program continues to work closely with communities of immigrants and refugees, restricted income households, senior and disabled individuals and other at-risk populations, all of which are found in greater proportion in multifamily housing.
- Garbage, recycling, and yard debris/food scraps collection is offered across the city as consistently as possible. All garbage and recycling companies must adhere to the same service standards.
- BPS seeks to use a variety of mechanisms to provide program information to customers:
 - During 2016, the Curbside Hotline for residential garbage and recycling questions responded to 10,538 calls and emails from residents, an average of 37 calls per day. Maintaining a live person to answer the phone ensures that residents without internet access will receive a prompt response to their question or resolution for their concern.
 - BPS recently conducted a demographic analysis of Curbside Hotline contacts and found that in general, the customers who call and email the Hotline are representative of the city's overall demographics. Customers who contacted the hotline tended to be slightly more racially diverse, have slightly larger household sizes, and have higher income. All neighborhoods were represented, though four out of the top five neighborhoods with the most contacts were in East Portland.
 - BPS offers many ways for customers to receive information about their garbage and recycling service options. Information is available on the web, the *Curbsider* newsletter is sent out twice a year to all single family through fourplex households, and other brochures and informational materials increase access to information, resources and services. Materials are printed in five languages, and the website includes information for renters and translates information to core services into Russian, Chinese, Somali, Spanish and Vietnamese.

Geography and Demographics of Solid Waste and Recycling Program Service Delivery

- Uniform collection services for residential and commercial garbage, recycling and composting are offered throughout the city.
- For residential collection, the same services, service standards, and rates are provided across most of the city. In some areas of Northwest and Southwest Portland, a terrain surcharge is added to rates to address the higher costs of providing service in an area with less street connectivity and narrower, winding roads. This terrain surcharge applies to an area of Portland that has a lower percentage of people of color and vulnerable populations than the city as a whole.
- For commercial collection, the same services and service standards are provided across the city. Rates are not set by the City; prices paid by businesses are typically not shared publicly but are understood to vary considerably.

- Public garbage and recycling collection is currently provided downtown and in six additional business districts throughout the city. Over the next five years, BPS plans to expand public garbage collection to all high pedestrian use areas in the city.
- BPS scored and ranked all centers designated in the Comprehensive Plan to determine which areas will receive service first. BPS plans to pilot public collection in the first new center by end of June 2017 and also expand provision of public collection in three neighborhoods that are currently paying for service on their own. The goal is to start expanding into areas east of I-205 in the early part of FY17-18.
- BPS ratemaking policy requires haulers to provide non-curb service for garbage, recycling and composting at no additional charge to disabled residents.
- In compliance with Civil Rights Title VI and ADA Title II, the *Curbsider* newsletter, mailed twice yearly to all 150,000+ single family through fourplex households, includes a statement offering special accommodation, interpretation, or translation at the following numbers: 503-823-4309, the TTY at 503-823-6868 or the Oregon Relay Service at 1-800-735-2900.

2. Are there specific realignments in your base budget that either advance or inhibit equity?

As a result of a Decision Package in FY16-17, BPS' base budget now includes funding to expand public garbage collection to neighborhood centers across the city. BPS is currently analyzing demographic, economic and development factors to determine the order in which service will be expanded, and it is expected that the first new area to be served will be the Jade District.

3. Are there specific realignments in your base budget that would advance or inhibit your achievement of equity goals outlined in your bureau's Racial Equity Plan?

None of the budget changes affect our ability to achieve our bureau's equity goals.

4. What funding have you allocated for translation, interpretation and ADA (American's with Disability Act) accommodation including ASL (American Sign Language) interpretation and video captioning?

In FY15-16 BPS spent approximately \$22,000 on these services, and the same amount is budgeted for FY17-18. BPS is developing internal protocols around phone interpretation, translation of materials and offers interpretation at all events.

5. Are there deficiencies in the on-going funding of your base budget that inhibit your bureau's achievement of equity or the goals outlined in your Racial Equity Plan?

BPS continues to shift resources in its base budget to improve its programs and services to the growing number of residents of multifamily buildings. This is an on-going process and needs to continue in order to achieve the bureau's equity goals.

SECTION THREE: EQUITABLE ENGAGEMENT AND ACCESS

1. How has community engaged with your requested budget, including this tool?

The formal mechanism for community engagement in the BPS budget development process is the Budget Advisory Committee, which includes community members as well as bureau staff. However, the BPS budget is fundamentally about prioritizing the bureau's workplan and identifying which projects BPS can undertake given the resources available. Input to the workplanning priorities is gathered through all of the bureau's community engagement work throughout the year, not only during the formal budget development process. The District Planning program, for example, dedicates staff to serving as expert liaisons

between communities and the City on planning and development issues, and the community input the District Planners receive feeds into the bureau's identification of workplanning priorities. All BPS programs with direct community interaction serve as similar conduits.

2. How does this budget build the bureau's capacity to engage with and include communities most impacted by inequities? (e.g., improved leadership opportunities, advisory committees, commissions, targeted community meetings, stakeholder groups, increased outreach, etc.)

This budget maintains the bureau's funding of a dedicated equity specialist position, and one key component of that position's work is to build the knowledge, skills, and experience of BPS staff in addressing equity. Beginning in FY15-16, BPS has allocated \$10,000 - \$15,000 annually for "all-staff" training focused on equity, and the FY17-18 budget request protects this funding despite the obligation to identify funding cuts. (This training funding is in addition to other content-specific training staff may attend that is funded at the program level.) The intent of the all-staff training is to develop a common language and familiarity with tools and techniques that help equip staff to address inequities.

3. How does this budget build community capacity and power in communities most impacted by inequities? (e.g., improved leadership opportunities within BAC, community meetings, stakeholder groups, increased outreach, etc.)

BPS is working to integrate community capacity building into many of its programs. Specific examples include:

- Fix-It Fairs result in increased access to communities of color and linguistically isolated residents as demonstrated by the door prize demographics form: 62 percent White, 9 percent Hispanic or Latino, 15 percent Asian, 4 percent Black or African American and 4 percent American Indian. Ten percent of respondents speak Spanish at home, 3 percent speak Chinese and 2 percent speak Vietnamese.
- Sustainability at Work has established long-term relationships with the minority-owned business community to create opportunities for both BPS and for the businesses that extend beyond this immediate work.

Identifying Impacts Worksheet

Once you have identified the populations/communities impacted, use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Underserved, vulnerable, and displaced multifamily residents	<ul style="list-style-type: none"> • Receive consistent access to high-quality garbage and recycling service, regardless of where they live • Standards enforced equitably across the City through random site checks rather than relying on resident complaints 	<ul style="list-style-type: none"> • Higher costs for improved service and active enforcement may be passed on to residents in the form of higher rents

Susan Anderson
Name of Bureau Director

January 30, 2017
Date

Budget Equity Assessment Tool

BPS Add Package: Housing

1. How does this program or service align with the goal of advancing equity? Identify all Citywide Goals and/or Strategies you are using.
 In FY15-16, the bureau started a project to respond to three issues related to recent concerns about the scale of infill housing in single-dwelling zones. Part of this project is to find ways to increase the range of types, sizes, cost and density of housing options in single-dwelling zones.

The goal is to make high opportunity neighborhoods more accessible to lower income households. This strategy to increase housing opportunities in high opportunity neighborhoods was originally adopted by the city to increase equity. The current project is finding ways that can zoning flexibility encourage innovative housing types and development.

This add package was given priority in part because it increases the range of housing opportunities in high opportunity single-family neighborhoods. It also can be implemented in ways that helps meet anti-displacement objectives.

This project will be informed by the Equity Toolkit that BPS has developed to help staff integrate and maximize equity in their work. The Equity Toolkit contains equity lens questions, a power assessment, stakeholder analysis, etc., and has been integrated into the bureau’s Community Engagement Program and Manual.

2. What areas of the city will be impacted by your program or service and is there a larger than average population of people of color in those areas?
 The Residential Infill Project has the potential to increase the supply of smaller less expensive housing across the city. It should increase the options for lower income households to have access to housing in higher opportunity neighborhoods. For instance, a higher proportion of the housing supply in SE Portland is in single family housing. This is also a high opportunity area. Increasing the supply of smaller and therefore less expensive units on single-dwelling lots could open the area to a wider range of incomes.

	Single-Dwelling Residential Zoned Lots	% of Total	Multi-Dwelling Zoned Land (acres)	% of Total	Total Pop.	Comm. of Color Pop.	% Total
EAST	30,341	20%			64,543	18,373	28.5%
NORTH	16,937	11%	646		102,741	26,831	26.1%
N.E.	30,253	20%	1386		25,489	4,505	17.7%
N.W.	5,798	4%	210		146,160	23,221	15.9%
S.E.	41,703	28%	2243		75,654	9,107	12.0%
S.W.	22,989	16%	582		147,040	45,028	30.6%
C.C.			93		32,672	5,853	17.9%
Total	148,021	100%			594,299	132,918	22.4%

The Better Housing by Design Project impacts areas with greater amount of land in multi-dwelling zoning. In East Portland there is more of this zoning and more of it is used for workforce and lower income housing. This project is focused on improving the livability of this type of development and how it benefits outcomes for residents, which are often lower income households and/or members of communities of color.

The SW Corridor Equitable Housing Strategy is entirely in SW. This area has a concentration of members of communities of color. It also has fewer housing options for lower income households.

3. Identify potential impacts on people living with a disability.

The Residential Infill Project will evaluate incentives or requirements to increase the supply of physical accessible units among the supply of new infill duplexes, triplexes and ADUs. The Better Housing by Design project will be looking at providing incentives for physically-accessible housing units in the multi-dwelling zones. The SW transit project will expand transit access in the SW corridor. The housing strategy represents an opportunity to set targets for new accessible housing near new transit stations.

4. Identify impacts on workforce demographics.

This decision package request converts a total of 4.7 FTE. Loss of 4.7 FTE would result in layoffs at BPS that, due to bumping, could affect two staff of color.

5. Identifying Impacts Worksheet

Once you have identified the populations/communities impacted, use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Low- to middle-income residents and other populations vulnerable to the impacts of gentrification	<ul style="list-style-type: none"> • More options for smaller, less expensive housing units in high opportunity complete communities. • Reduced household costs due to decreased automobile dependency through housing in locations with better nearby services and transit. • Allowing greater density of units in single-dwelling zones as an incentive for affordable cluster home developments. • Improved health outcomes through better designed and built multi-family housing and increased access to healthy complete neighborhoods and transit. • Increased influence on transit project plans due to expanded engagement of tenants and other vulnerable populations. 	<ul style="list-style-type: none"> • For SW Corridor: Chance for increased housing costs due to higher property values and demand for transit-accessible housing in excess of supply. • For the BHTD project: chance that increased development of better designed multi-family housing can have be associated with localized gentrification and displacement.
Persons with disabilities	<ul style="list-style-type: none"> • Opportunity for additional accessible housing close to transit. • Opportunity for more accessible units in new housing on single-family lots. 	<ul style="list-style-type: none"> •
All of the above groups	<ul style="list-style-type: none"> • For SW Corridor: A housing strategy will set targets and increase accountability for positive outcomes. 	

Susan Anderson
Name of Bureau Director

January 30, 2017
Date

BPS Budget Equity Assessment: Housing Add Package

Budget Equity Assessment Tool

BPS Add Package: Smart Cities

1. How does this program or service align with the goal of advancing equity or achieving goals outlined in your bureau's Racial Equity Plan? Identify all Citywide Goals and/or Strategies you are using.

A primary focus of this Add Package is the application of smart technologies to address the City's equity goals. By establishing a shared Citywide Smart Cities approach and priorities, this funding will ensure consistency in prioritizing smart city initiatives that support the needs of all Portland citizens, with a particular focus on projects addressing current inequities.

For example, initial local projects are collecting data about how various populations are using civic infrastructure, measuring how city decisions impact vulnerable populations in terms of environmental impacts, affordability, safety, and risk for displacement, and exploring smarter mobility options that supplement existing and future transit infrastructure. The requested funding would also serve to inform and guide private investment through public-private partnerships in smart technologies that address the needs of those who would not have access to these services should profit be the only determining factor in their distribution.

In designing and implementing Smart Cities initiatives, City staff must be vigilant to ensure new opportunities are available to and address the needs of low-income households and communities of color. In some respects, mobile technology can be an important part of an equity strategy. The Pew Research Center, for example, has found that people of color are more dependent on smartphones for access to information than whites: "12% of African Americans and 13% of Latinos are smartphone-dependent, compared with 4% of whites" ("US Smartphone Use in 2015," <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/>). But other households do not have or are not comfortable with online services at all, and new initiatives must be designed to provide access to these residents as well.

City equity goals 2 and 3 will therefore be key goals of the smart cities work, as will all of the Citywide equity strategies.

2. What areas of the city will be impacted by your program or service and is there a larger than average population of people of color in those areas?

Two of the initial projects that this position will help support and coordinate are the implementation of smart technologies on 122nd Avenue and in the SE Powell-Division corridor in conjunction with coming transit investments. These are among the most demographically diverse areas of the City, and areas at a high risk of gentrification and displacement. The eastern portion of the Powell-Division corridor is one of Portland's most racially diverse and is now home to many residents who have moved from other areas of the City that have become less affordable, such as North and NE Portland.

Portland has a unique opportunity to use the corridor as a smart cities “laboratory” – a test bed for emerging technologies – and both to assess the positive/negative impacts of these technologies on a racially and economically diverse population, and to focus investment on technologies that meet the needs of these residents.

3. Identify impacts on how resource allocation includes improving ADA accessibility for people with disabilities. Identify potential impacts on people living with a disability. Smart mobility – technologies to address the needs of people to get to and from transit, shopping, work, childcare, etc. – has the potential to greatly benefit those with disabilities. Many technologies focus on accessible first/last mile options to get people to and from transit stations, for example.
4. Identify impacts on workforce demographics.
This request will result in two new Management Analysts position, and BPS will work to recruit a diverse pool of candidates.

5. Identifying Impacts Worksheet

Once you have identified the populations/communities impacted, use the following chart to name the potential burdens and benefits.

Populations Impacted	Potential Positive Impacts	Potential Negative Impacts
Residents with limited access to the internet	Technologies such as internet connected public kiosks allow residents without connected devices to access information and services that they currently cannot access easily.	As valuable information becomes increasingly available on-line and in real-time, residents who do not access the internet will be at a disadvantage in accessing services, opportunities, and amenities.
People of color with smart phones	As noted in the narrative, people of color are more likely to rely on smart phones as their primary information source than whites. Tailoring new information or applications to take full advantage of the real-time opportunities of smart phone users, therefore, has the potential to disproportionately benefit people of color.	
People living and working in the 122 nd Ave and SE Powell-Division Corridors	Greater access to data about the place that they live and work; improved mobility, access to transit; greater engagement with the City; opportunity to test new technologies not yet deployed elsewhere	

Susan Anderson
Name of Bureau Director

January 30, 2017
Date