

Mayor's Proposed Budget Speech

May 4, 2022

Good afternoon. Portlanders reach out every single day to share their experiences with the challenges we face, especially regarding homelessness, community safety, livability, and economic recovery. They also share their perspectives on paths to address these issues as well as their expectation that we act effectively and in ways that align with our equity and climate goals. I hear their concerns. Their frustrations. Their hopes. Their ideas.

This input, whether received by email, call, letter, in a meeting or via council testimony, is heard and embraced by me and my administration. What unite these messages is a want for meaningful and immediate action.

Today, I am answering Portlander's call for meaningful and immediate action by sharing my proposed 2022-2023 fiscal budget. An annual budget is a city government's funded plan-of-action, determining both the policies we pursue and actions that we take.

That is what we need—actionable investments in each priority area, rooted in equity and conscious of environmental impact. And to better ensure these investments have a lasting impact, each element of this plan needs to be evaluated through the lens of high-performance government.

High performance government is data driven, meaning it is informed by the experiences and feedback of our community. Good data is the key to meaningful actions— putting money into what we know is working and looking for more ways to be both innovative and effective.

Only then can we preserve, support, and grow what people love, while changing what isn't working.

Our community is not alone in their sense of urgency and want for action – that was made evident in both the number of funding asks that came from City bureaus as well as dollar amounts bureaus requested.

In fact, bureaus requested two to four times over the forecasted available resources for every revenue stream within the discretionary budget.

- This included:
 - \$210.7 million in federal American Rescue Plan Act (ARPA) requests with \$104 million available
 - \$30 million in capital-set aside requests with \$15 million available
 - \$38.5 million for one-time general funds with \$14 million available
 - And \$27.8 million for on-going general funds with only \$200,000 available

As such, I allocated one-time and ongoing general fund, capital set aside, and cannabis dollars as well as the second tranche of federal American Rescue Plan Act dollars. Even with the second tranche of ARPA dollars, which allowed us to balance the upcoming fiscal budget, I had to make strategic, data-informed decisions about how to allocate these funds.

I have worked alongside my team to meet with every bureau and council office many times over to select packages that will improve service levels and deliver critical programs to the community.

We were fortunate to receive an additional \$34.8M in one-time general fund resources via our April forecast, which was comprised primarily of business license tax revenue. That surplus allowed my team to reconsider some important projects that could not be included in the initial balance.

Due to the late timing of this forecast, those allocations are not included in the proposed budget documents that I filed. Instead, I will bring those allocations as an amendment to the approved budget session on May 11th and will mention many of the items funded with that revenue source in my remarks today.

With the time I have left today, I will step through each of Council's shared priority areas and how those investments connect to and overlap with our three lenses: equity, climate goals, and high-performance government.

SHARED PRIORITY AREA HIGHLIGHTS

HOMELESSNESS

My budget invests over \$85M, a record amount, into homeless services. It also includes strategies to preserve and grow our affordable housing stock across the city.

With regard to **Homelessness**:

- We are maintaining our investments for the Joint Office of Homeless Services with over \$47 million, which will fund a variety of programs including:
 - 10 shelter programs including low-barrier, congregate, village style, and severe weather – with a combined total of nearly 600 beds that serve thousands of people a year.
 - This investment places over 1,000 people into permanent housing out of shelters.
 - It provides recovery-focused transitional housing to a projected 235 people.
 - It funds support for 130 apartments at the Bud Clark Commons and a mobile permanent supportive housing team to provide wrap-around services to 90 households.

- It supports operations of approximately 200 motel room shelters for people who are older and have underlying health conditions, including one culturally specific motel shelter program focused on serving the African American community.
 - Lastly, it funds programming to help get 185 people onto Supplemental Security Income and provides employment services for over 360 people.
- We have allocated \$36.2 million for Streets to Stability, which includes funding for six Safe Rest Villages and two other alternative shelter sites for two years.
 - This investment includes capital costs for site development, the purchasing of approximately 300 sleeping units and pods, and operational funding for wrap-around services.
 - We are estimating that we will have served between 1,050 to 1,575 participants by December of 2024 across the six Safe Rest Village sites.

The fragmented nature of City bureaus has impeded our ability to get people off the streets and connected to services for years. I opted to cut through the red tape and created the **Street Services Coordination Center** to streamline connecting local agencies and service providers with homeless Portlanders.

The Center was activated last month and has since made 76 shelter referrals, resulting in 71 people being successfully placed into shelter and 4 people being placed into treatment facilities. We now also have dedicated accessible transportation to take people to shelters.

This budget puts \$1 million into expanding these operations for the Streets Services Coordination Center to ensure more people on our streets have access to shelter to receive necessary services and the ability to move into housing faster.

With regard to Affordable Housing:

- To address homelessness, we must continue to increase our affordable housing availability. The investments in the Joint Office and Safe Rest Villages must be paired with the expansion of affordable housing units. In addition to the Portland Housing Bureau's base budget, I have added \$5.8 million for land banking.
 - This land will be used to develop affordable housing units for 216 to 432 Portlanders.
- A separate Housing bureau package in my budget puts \$5.2 million to preserve approximately 100 affordable housing units that could not be easily replaced.

COMMUNITY SAFETY

My proposed budget continues my commitment to refocus, reform, and restaff our community safety response by strengthening our diverse network of crisis prevention and intervention tools.

Our 911 system has seen an increase in call numbers, receiving about 1 million calls in 2021, 45% of which are non-emergency calls. This budget **refocuses** our communication systems by putting an additional \$2.9 million to expand the hours of our 311 non-emergency call center to provide 24/7 coverage.

We anticipate this expansion will shift up to 180,000 non-emergency calls from 911 dispatchers to the 311 call line. In addition to the heightened coverage provided by 311, the Bureau of Emergency Communication (BOEC) will receive funding to expand staffing to reduce 911 wait times.

As part of our **reform** efforts, we funded the citywide expansion of Portland Street Response during the Spring BMP. This budget allocates \$11.5 million to ensure that Portland Street Response is not only operational citywide but 24/7.

Hiring patrol officers has been challenging for police departments across the nation, but I remain committed to my **restaffing** plan of adding 300 officers, which includes 100 unarmed Public Safety Specialists or PS3s, to the bureau over 3 years.

I am proposing \$3.9 million for an additional 28 Public Safety Support Specialists (PS3)*, in addition to \$700,000 in ongoing resources to convert 8 limited term PS3s into permanent positions.

This will increase the total number of PS3's at the Police Bureau to 70 full-time employees, a three-fold increase since the program was first funded in the FY17-18 Adopted Budget. I have also invested in **reform** with a historic \$13 million for gun violence prevention.

- This builds on April 2021 Gun Violence ordinance, as well as the investments in creating the Focused Intervention Team and Enhanced Community Safety Team.
- \$10.2 million will go to Office of Violence Prevention to provide intensive case management to high-risk individuals, hospital-based violence prevention, wraparound services to violence impacted families, and more.
- \$1.8 million will go to the expansion of the Park Ranger program, creating 24 full time positions to continue supporting our safety goals as they patrol 11,000 acres of parks land citywide.
- And \$1 million will go toward summer ceasefire programs* to be added to the \$1.4 million I allocated toward these efforts during the Spring BMP. This will provide needed resources for summer engagements and intervention work as well as an expansion of the Mt. Scott gun violence reduction pilot project.

\$3.9 million will continue our investments in community-led policing and accountability.

These funds will support the Portland Committee on Community-Engaged Policing (PCCEP), the implementation of body worn cameras, and staffing for the Focused Intervention Team Community Oversight Group (FITCOG).

LIVABILITY

Portlanders continue to see trash and graffiti across their neighborhoods and business districts across the city. My budget invests in stronger connections between City bureaus and community groups to provide coordinated trash clean-up and graffiti abatement.

I am directing \$2.2 million toward the graffiti abatement program, which will be used to provide graffiti removal services to approximately 12,500 businesses citywide.

We have also re-upped our commitment with SOLVE through a budget transfer. This provides them with additional staff to do more clean-ups in Portland. In the past year SOLVE hosted 481 events where nearly 15,000 volunteers removed over 430 tons of trash.

I will touch more on this coordinated effort, between city services, neighborhood associations and business districts, in my speech at the State of the City.

My budget also makes large capital investments in key park and transportation facilities to ensure these can be enjoyed by generations to come.

- One of these investments is at the Mt. Scott Community Center which we've identified as an important resiliency site for our community. It not only provides recreational programming for youth but also functions as a shelter for over 100 people during extreme weather events.
- This budget allocates capital set-aside dollars to repair the roof of the facility, continue the work for seismic retrofitting, and supports the expansion of space for recreational programming.

ECONOMIC RECOVERY

We know that investments in addressing homelessness, community safety and improving livability issues like trash and graffiti all help in economic recovery. But that is not enough. We are also making direct investments to local businesses and neighborhood districts across our city.

We know that the pandemic has not impacted local businesses equally and our economy is progressing slowly and with uncertainty. Some small businesses have seen an increase in revenue over the past few months, while others continue to face challenges.

This budget supports economic recovery and the promotion of small businesses with a heightened focus on minority-owned emerging businesses. More specifically, I have invested in cultural and affinity group organizations to provide assistance with marketing, capacity building, technical and professional services, activation and re-tenanting, and re-careering the workforce.

We are continuing to fully fund the Portland Bureau of Transportation's Healthy Business Program at a little over \$5M. You have most likely seen this project in action – it allows for restaurants and cafes to expand into parking areas with creative and unique outdoor seating – and it is very popular with Portland and visitors alike, especially in the summer months. This existing program has served over 1,000 businesses, 20% of which are owned by Black, Indigenous and other people of color.

Through Prosper Portland, we are investing \$4.5 million toward grants for eviction prevention and operational support for between 150 to 300 place-based small businesses, with a focus on those located in Old Town, East Portland and the Central Eastside.

We are providing \$2.5 million for a variety of re-tenanting support and commercial activations, like My Peoples Market, in neighborhood districts citywide. For those of you who have taken part in previous promotional events we've done like "Shop Small, Shop Now" or "Share the Love," this funding will create 20 new events throughout our downtown and neighborhood corridors. I am personally looking forward to visiting these activations in the months to come.

The cannabis industry is also supported within this budget in various packages including:

- Nearly \$500,000 will be allocated to a Cannabis Emergency Relief Fund. This program will provide grants to eligible cannabis businesses and workers and will serve up to 50 individuals and 22 businesses.
- There is also funding for various initiatives within the Inclusive Business Resource Network that serves 1,000 to 1,200 new and existing businesses.

We are also supporting Venture Portland's business districts program, which provides financial support to events like the Spirit of Foster tasting tour and other events in the Midway, Gateway, Lents, Foster, Williams, Vancouver, and St. Johns neighborhoods.

My office is also allocating funding to establish a citywide Events Office to better coordinate services for local non-profit events, and we've proposed \$350,000 in rent support for Arts and Culture organizations that have been hard hit by the pandemic.

Finally, we are fully funding Commissioner Ryan's package to streamline the City's development permitting system, which is being led by the permitting task force.

LENS HIGHLIGHTS

The actionable investments I've discussed today and those detailed within my proposed budget were evaluated, in part, by their impact in fostering greater equity and climate consciousness as well as how they contribute to high-performance government.

In deploying an **equity** lens, my budget focuses \$100 million in investments to support vulnerable populations. This includes funding holistic community safety interventions, like the \$11.5 million investment for the 24/7 expansion of Portland Street response and nearly \$4 million to improve police accountability through police oversight bodies and implementing body worn cameras. Many of my economic recovery investments are focused on supporting small businesses, especially those that are minority-owned.

It lays the groundwork for meaningful **climate action**, with over \$4 million in funding – the City's most significant investment of resources in climate work since the Climate Emergency was declared in the beginning of the pandemic two years ago. This includes fully funding the Bureau of Planning and Sustainability's requests to lead climate resiliency and climate emergency work. It provides staff for the Clean Air Protection program as well as staff for the new Climate Sustainability Officer to establish metrics, polices and practices to hold the City accountable to achieving our climate goals.

Finally, the City cannot deliver on its priorities if we are not a **high-performing government**. My proposed budget provides over \$30 million in investments to improve government services via new service delivery models (311), improved processes and systems (permitting/zoning), more timely response to community inquiries (public records), and prioritizing the use and sharing of data.

You can read more about this in the full Mayor's FY2022-23 Proposed Budget which will be posted on the Portland City Budget Office website at 9:30AM on May 5, 2022.

CONCLUSION

Each of the packages within this proposed budget aligns with Council's shared priority areas and advances at least one the City's pursuits to be more equitable, mitigate climate change, and function as a high-performance government.

Through our annual budget, our plan-of-action, we are providing the resources needed to work quickly, compassionately, and creatively to meet the needs of the Portland community.

Thank you – I look forward to bringing my proposed budget to Council at tomorrow's work session. I also hope to hear from Portlanders on these investments at tomorrow's evening hearing.

I'll open it up for questions – Director Kinard from the City Budget Office is also here for technical items. Her team has done exceptional work and I thank them for their efforts.