

May 9, 2017

The Honorable Ted Wheeler
City of Portland
1221 SW Fourth Avenue, Suite 340
Portland, Oregon 97204

RE: Proposed Budget FY 2017-2018

Dear Mayor Wheeler:

We have reviewed your proposed fiscal year 2017–2018 budget and appreciate your thoughtful consideration of the services most critical to Portlanders at this time.

We recognize that there are always competing interests when making careful budget decisions but urge that housing and homelessness, jobs and the economy, transportation and public safety remain top priorities for the city of Portland during this budget cycle.

We understand growing public employee retirement costs impact the city's budget, much like the state, and we are advocating for PERS and other overhead cost reforms at the state legislature this session so that revenues can be focused on the programs and services provided by government. We also realize that local governments may face declines in federal funding and programs that are proposed to be cut, including but not limited to, small starts, new starts and TIGER grant funding for infrastructure and community block grant programs for affordable housing.

With these comments in mind, we would like to make the following detailed recommendations regarding other elements in your proposed budget:

Joint Office of Homeless Services

We could not agree more that housing and homelessness should remain a top budget priority for the city of Portland this budget cycle. We, therefore, are pleased to see that your proposed budget not only meets the baseline annual funding level of \$15 million from the city for the Joint Office of Homeless Services but that your budget dedicates additional resources, meeting the county's proposed joint office general fund contribution of \$25 million. The total city and county contributions in the amount of \$50.1 million for the Joint Office will ensure that supportive housing, homelessness diversion, rapid rehousing and emergency shelter are provided for the most vulnerable populations in our community.

As you know, we always look for coordination and alignment between the city and county on delivering services. As a result, we are very supportive of the Joint Office and request that the city and county continue to work together to maximize public services in the most efficient manner possible. We want to ensure that the city and county both maintain their budget commitments from last year to help fund efforts to address our housing and homelessness crisis.

Bureau of Development Services

Over the last several years, numerous Alliance members have faced hurdles with the Bureau of Development services especially as it relates to the land use review process and permitting delays. We are, therefore, pleased to see that BDS added permanent fee-supported positions through the 2017 spring budget monitoring process to expedite filling these positions in order to better keep up with workload demands. In addition, we appreciate that you are working to ensure the permit and development review process is streamlined for affordable housing.

Office of Management & Finance

We appreciate that your proposed budget includes \$1,051,472 to make permanent programs to respond to and reduce the impacts of homelessness. We support the use of this funding for a reserve fund that is dedicated to fast turnaround campsite cleanups and a permanent position that would serve as a centralized point of contact to manage ongoing campsite cleanups. We appreciate that these dollars would also fund a contract with Central City Concern for three rapid response cleanup crews.

Office of Neighborhood Involvement

We are pleased to see that your proposed budget includes one-time General Fund resources of \$440,000 for a one-time expansion of the Graffiti Abatement Program to proactively remove graffiti instead of merely rely on a complaint-driven approach. We strongly support this budget allocation to help strengthen livability and public safety in the city.

Portland Bureau of Transportation

The Alliance is committed to improving the city's transportation infrastructure to ensure a strong multimodal network that promotes livability and prosperity. We were instrumental in helping shape the local .10 cent fuel tax and the heavy vehicle use tax that in total are expected to provide an estimated \$74 million over four years for transportation maintenance and safety projects. We are, therefore, very interested in how this funding is allocated and participate on the city of Portland's Fix Our Streets Oversight Committee. In general, this revenue should be additive and in no way serve as a substitute for general funds dollars dedicated to transportation.

We are dismayed that the Downtown Marketing Initiative (DMI) is proposed to receive \$250,000, a fraction of what was previously committed to and short of the \$500,000 needed to run an effective program. As we have explained, the downtown business community made an agreement with the city that, in exchange for supporting increased parking fees and meter hours, the city would reinvest a small portion of the funds generated to the revitalization of downtown, including funding DMI. The retailers that would benefit from this program provide \$1.5 million annually in SmartPark validations, far in excess of the dollars to support the program to promote downtown vitality and use of the SmartPark garages. In the spirit of this partnership, we urge you restore full funding of DMI immediately. It is critical to ensuring that downtown remains a healthy economic engine for our region, especially as we face growing public safety and livability concerns in the central city and increased suburban competition and e-commerce. We believe that \$250,000 falls extremely short of what is needed to run a successful marketing campaign program for downtown Portland.

We support your realignment of the Portland Bureau of Transportation's (PBOT) annual allocation of \$1.98 million of utility license fees from ongoing General Fund resources to fund Build Portland debt service starting in FY 2018-19. This will enable PBOT to make significant infrastructure investments

in the future. Finding ways to boost much needed spending on infrastructure, particularly transportation infrastructure that is in a significant state of disrepair, is a prudent long-term investment.

Finally, we understand that \$9.4 million may be available in one-time discretionary resources for programs of citywide importance. We are aware of the \$2.8 million request for adequate winter weather response, some of which we understand are additional FTE that could also be used for potholes and street repair and urge additional funding over the \$330,000 proposed.

Portland Development Commission

We strongly support Portland Development Commission's (PDC) \$188.4 million general fund budget request. The budget request is critical to implementing PDC's 2015 -2020 Strategic Plan. We appreciate that the plan focuses on inclusive economic development and traded-sector growth.

We are pleased to see that your proposed budget includes one-time funding to continue the operation of the Portland Film Office which has helped to cultivate a local television and film industry with new job opportunities. We are glad to see that you seek non-General Fund sources for future funding of this office.

Doing so, will enable the PDC to focus on healthcare as its fifth cluster industry, which we strongly support. A 2014 Value of Jobs Report on Portland-Metro's health care industry showed that the health care industry is one of the fastest growing sectors of our economy. In fact, Portland-metro's health care sector employs more people and pays more payroll than any other sector, including retail, trade, wholesale, manufacturing, construction and finance. The health care sector also offers an opportunity for much needed middle-income job growth for the Portland-metro. The same Value of Jobs report found that health care is an industry that is actually adding important middle-wage jobs at a rate faster than the Portland-metro economy as a whole. Additionally, our region's health care industry is responsible for 16,000 traded-sector jobs and \$1.9 billion in revenue.

We appreciate that there is an emphasis on small business development within PDC's budget through the Microenterprise and Small Business Program but would like to revisit the city's long-time commitment to increase the Owners' Compensation Deduction to \$125,000. We believe this change is critical to the current and future success of small businesses and will greatly add to the city's economic vitality.

Portland Parks Bureau

We strongly oppose your proposal to include \$152,148 in ongoing General Fund discretionary resources and 5.0 FTE to convert the existing security contract for central city parks during evening hours into permanent positions within the Ranger Program. Unfortunately, the rangers do not provide adequate oversight and security of the parks. Instead, they function more as park ambassadors, which, while a nicety, does not serve as a substitute for security in the parks. We are concerned that the condition of our parks has deteriorated. We still have a homeless crisis and are expecting an influx of summer travelers in the warmer months including the "Rainbow Gathering" which will only exacerbate livability and public safety concerns. We need to ensure that our public spaces, including parks, remain safe for all to use, and therefore do not support the replacement of security by rangers.

While we appreciate that you seek to better manage the Springwater Corridor and East Portland parks, we do not believe that this is best done with additional park rangers. We would rather see

your proposed budget allocation to convert limited-term ranger positions into permanent ranger positions fund proper security and oversight that, again, is not provided by park rangers.

Portland Police Bureau

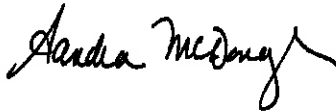
We strongly support your realignment of \$2,374,958 in General Fund resources with projected revenue of \$3 million from the 3 percent tax on the sale of recreational marijuana. We understand that a portion of that realignment supports the Service Coordination Team and DUI training and enforcement within the Traffic Division. Doing so, helps decrease the Portland Police Bureau's (PPB) reliance on general fund resources.

We understand that there will be reductions to the new body-worn camera program and eliminations to the mounted patrol unit. While we normally support these programs, given budget constraints and community priorities we are not in opposition of these budget reductions and adjustments for FY 2017-2018 and hope that they will be reevaluated and restored at full service levels in future years.

Meantime, we are pleased to see that your proposed budget includes an additional 13 FTE for a total of 1,246.67 FTE for PPB especially at a time when we are experiencing population growth. We are also encouraged by your proposal for a Community Service Officer (CSO) pilot program to improve direct and proactive community policing work, which is critical to providing the street level interactions necessary to maintain livability on our streets.

Thank you for the opportunity to comment on your proposed budget for FY 2017-2018.

Sincerely,



Sandra McDonough
President & CEO

cc: Portland City Council