



COMMUNITY AND NEIGHBORHOOD INVOLVEMENT:

Accountability limited,
rules and funding model outdated

November 2016

Mary Hull Caballero
City Auditor

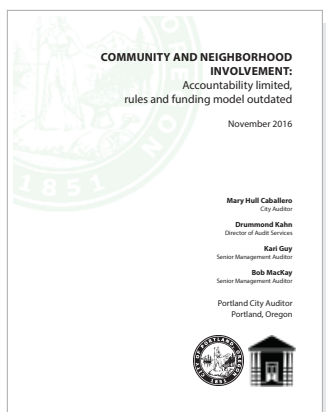
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November 16, 2016

TO: Mayor Charlie Hales
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Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman
Amalia Alarcon de Morris, Director, Office of Neighborhood Involvement

SUBJECT: Audit Report – *Community and Neighborhood Involvement: Accountability limited, rules and funding model outdated*

In this audit we found a lack of accountability for how community engagement funds are spent and an outdated City Code and funding model. The Office of Neighborhood Involvement can take immediate action to improve its oversight of grant-funded programs and better plan and prioritize their own work. But ensuring that all Portlanders have equal access to City decision-making and City capacity building grants will require the attention of the full Council.

We will follow up in one year with the Commissioner-in-Charge and the Director of the Office of Neighborhood Involvement for a status report detailing steps taken to address our audit recommendations.

We appreciate the assistance we received from the Office of Neighborhood Involvement and Commissioner Fritz's office as we conducted this audit.

Mary Hull Caballero
City Auditor

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Glossary

Business district association: A nonprofit organization formed by people in business within a defined geographic area to promote the well-being of their business community. Business district support is provided by Venture Portland.

Community Connect: A workgroup convened to update and strengthen Portland's community involvement system to meet the needs of a changing City. The result was the Five Year Plan to Increase Community Involvement in Portland.

District coalitions: Five nonprofit and two City-run organizations funded by the Office of Neighborhood Involvement to support neighborhood associations and everyone within a defined geographic area.

Diversity and Civic Leadership organizations: Six nonprofit organizations funded by the Office of Neighborhood Involvement to build capacity for communities of color, immigrants, and refugees to participate in the civic governance of the City.

Elders in Action: A nonprofit group funded by the Office of Neighborhood Involvement to advocate on issues relating to older adults and involve elders in City decision-making process.

Neighborhood associations: Volunteer-run organizations officially recognized by the Office of Neighborhood Involvement to represent neighborhood interests, facilitate communication and action on local issues, and organize community-building events. Portland has 95 neighborhood associations.

Office of Neighborhood Involvement: The City bureau charged with facilitating community participation and improving communication among residents, neighborhood associations, district coalitions, City agencies, and other entities.

Standards for Neighborhood Associations, District Coalitions, Business District Associations, and the Office of Neighborhood Involvement: Standards adopted by City Council in 2005 with requirements for recognition, operations, communication, dispute resolution, and record keeping for subject organizations.

Venture Portland: A nonprofit organization funded by the Portland Development Commission to build capacity of business district associations through grants, training, and technical assistance.

Summary

For more than 40 years, Portland's formal community involvement system has engaged residents in City governance, safety and livability. The Office of Neighborhood Involvement was created as a vehicle for communication between City Hall and Portland neighborhoods, and now supports community building, leadership development, and technical assistance for residents. City community engagement programs are budgeted at almost \$5 million per year, including funding for seven neighborhood district coalitions, six Diversity and Civic Leadership organizations, and Elders In Action.

In 2008, the Mayor sought to reinvigorate the City's community involvement system by strengthening the work of neighborhood associations and increasing the number and diversity of Portlanders engaged with their community. While the Office of Neighborhood Involvement has made progress expanding community engagement programs to underrepresented groups, residents are increasingly pessimistic about their ability to influence City decisions. We identified three issues that limit the Office of Neighborhood Involvement's progress toward their community involvement goals:

- The Office of Neighborhood Involvement does not hold grantees accountable to performance and contract requirements
- Core tasks assigned to the Office of Neighborhood Involvement remain incomplete
- The roles and responsibilities of the City and community organizations depend on outdated City Code, standards, and funding model

Office of Neighborhood Involvement managers provided multiple reasons they have not made more progress: inadequate funding; the complexity of advancing racial equity priorities; the challenge of reaching agreement among community groups; and the lack of national models for measuring performance for civic engagement. To better align its activities to the Community Connect goals, the office needs a clear framework defining roles and responsibilities of City and community organizations and a focus on accountability.

Background

In the 1970s, City Council created a system of neighborhood associations as the officially recognized channel for community involvement in City decision-making. Council granted neighborhood associations a formal role determining neighborhood needs, advising the City on budget decisions, and representing neighborhoods' interests in land use and development decisions. The City's Office of Neighborhood Involvement is charged with facilitating participation and improved communication among the public, neighborhood associations, business district associations, district coalitions, and the City.

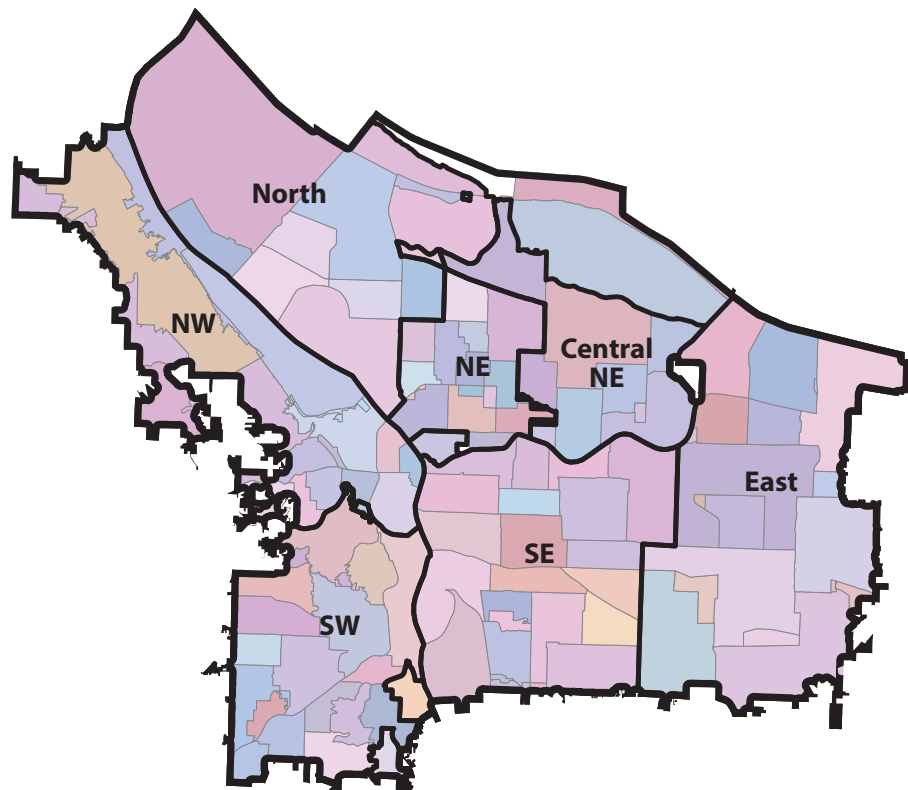


PORTLAND NEIGHBORHOODS

*"We the citizens are
the government."*

Mayor Bud Clark

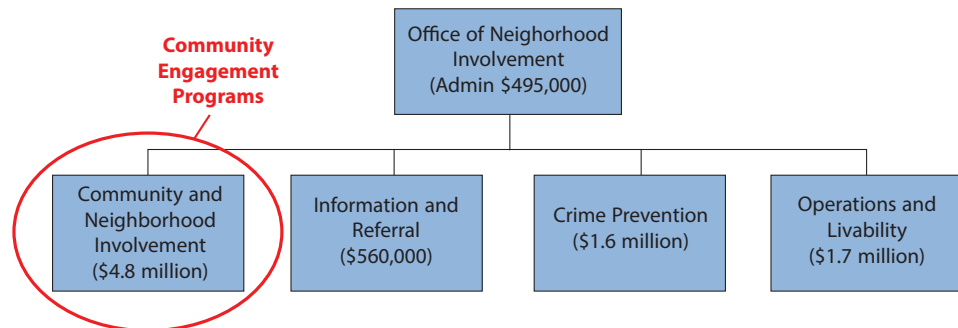
Figure 1 City district coalitions and neighborhood associations



**Office of
Neighborhood
Involvement has
expanded beyond
original mission**

Over time, City Council expanded the office's role beyond its original support for the neighborhood system. These additional programs include information and referral, crime prevention, and a number of livability programs such as graffiti abatement and the new marijuana program.

Figure 2 Office of Neighborhood Involvement structure and FY 2015-16 funding



Source: City budgets

Managers said that for much of the 1970s and 1980s, Portland's community and neighborhood engagement system was seen as a national model. But by the 2000s, the City had abandoned a number of neighborhood programs, such as the neighborhood needs assessment. Portland's system struggled with declining membership in neighborhood associations and volunteer burnout. As Portland grew and became more diverse, more residents participated in community groups that were not based on where they lived but on shared interests or shared identity. Some residents described not feeling welcome at neighborhood meetings. Both neighborhood associations and other community groups reported that they felt their opinions were not being heard by City Hall.

**Community Connect
formed to reinvigorate
community
involvement**

To address these challenges, Mayor Tom Potter convened a volunteer work group to study the community engagement system and recommend changes. The work group solicited input from neighborhood leaders, underrepresented groups, City government, and the general public. The result was a *Five-Year Plan to Increase Community Involvement in Portland*, referred to as "Community Connect." The report was

accepted by the City Council in 2008, but was not formally adopted as City Policy. *Community Connect* guides the work of the Community and Neighborhood Involvement Program.

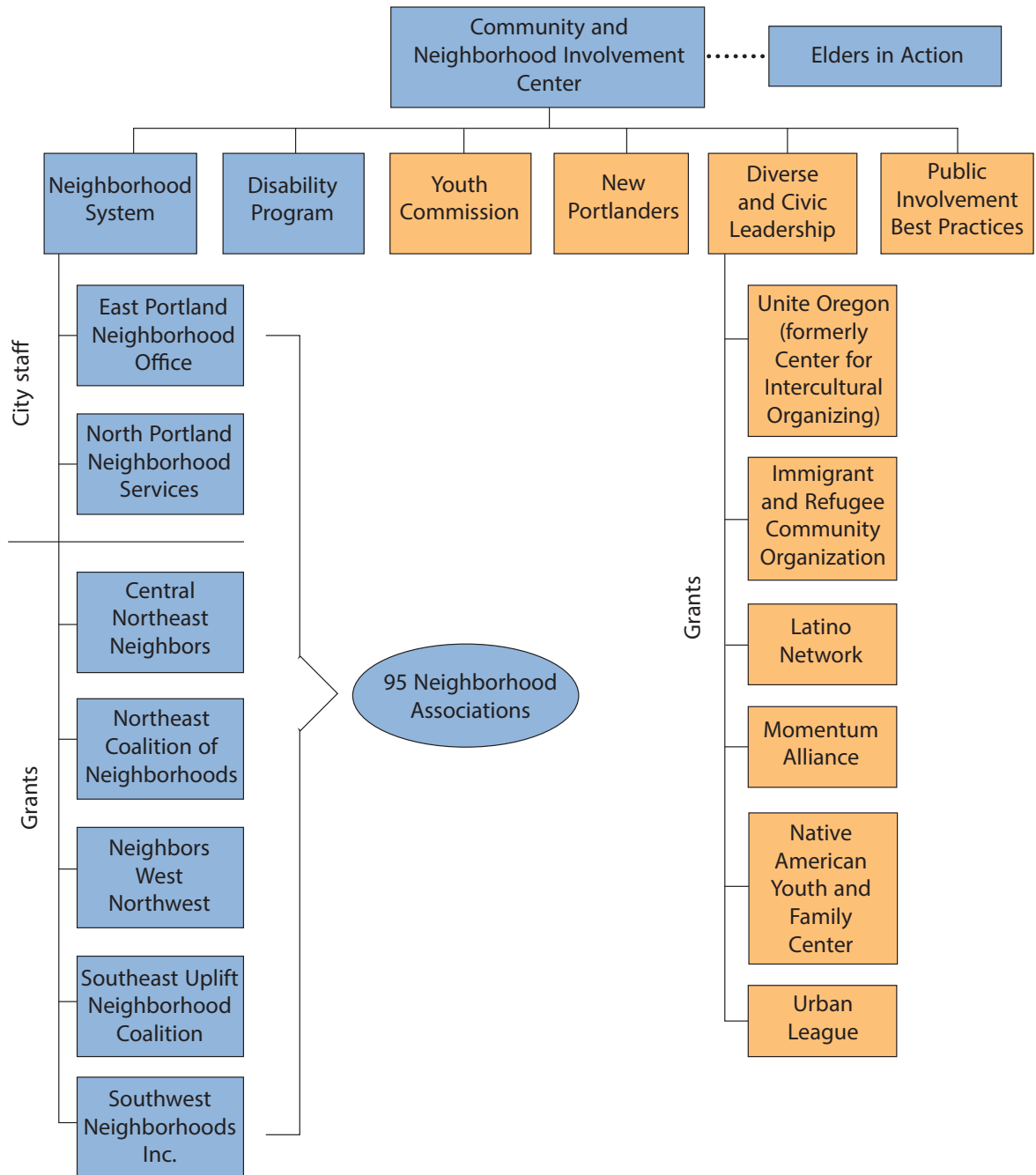
Community Connect made a series of recommendations based on the principles of strengthening the work of neighborhood associations and broadening the system to engage diverse communities. The report included three broad goals:

1. Increase the number and diversity of people involved in their communities;
2. Strengthen community capacity to take action and move forward on its priorities;
3. Increase community impact on public decisions.

Community Connect recommended many strategies that required action by a wide range of players, including City Council, the Office of Neighborhood Involvement and City bureaus. Since the completion of *Community Connect*, City Council and the Office of Neighborhood Involvement started or revised a number of programs to increase opportunities for Portlanders belonging to groups that are under-represented in civic affairs. The range of organizations supported by the Office of Neighborhood Involvement is shown in Figure 3, with programs started or revised since *Community Connect* shaded orange.

We conducted this audit of the office's Community and Neighborhood Involvement Center to assess progress since Community Connect. We reviewed implementation of the Community Connect recommendations with the office as lead, as well as compliance with City Code, standards, and grant agreements.

Figure 3 Community and neighborhood involvement organization, (with new or revised programs since *Community Connect* shaded orange)



Source: Audit Services

Audit Results

The Office of Neighborhood Involvement has made progress in meeting the goals of *Community Connect* by developing new programs to increase support to underrepresented groups. Despite these new programs, City residents report a decreasing ability to influence public decisions. We found that further progress toward the Community Connect goals is limited by three issues:

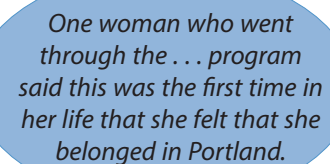
- The office does not hold grantees accountable to performance and contract requirements
- Core tasks assigned to the office remain incomplete
- The roles and responsibilities of the City and community organizations depend on an outdated City Code, standards, and funding model

Progress made engaging diverse communities

Diversity and Civic Leadership Program created

City Council authorized a Diversity and Civic Leadership grant program that funds organizations representing communities of color, immigrants, and refugees. These organizations each have unique programs to strengthen community capacity. For example, the Latino Network funds the “Academia de Lideres,” a grassroots leadership program for residents interested in learning how to become more engaged with their

City. The Native American Youth and Family Center uses their grant funds to support the Portland Youth and Elders Council, focused on strengthening the quality of life for Portland’s American Indian and Alaskan Native Community by encouraging local leadership, community development, and the practice of culture, values, and traditions.



One woman who went through the . . . program said this was the first time in her life that she felt that she belonged in Portland.

Diversity program leader

Over the last few years, City Council increased funding and added a sixth grantee, with annual funds divided equally among each Diversity and Civic Leadership organization. Including costs to employ a dedicated Office of Neighborhood Involvement staff member, the City budgeted nearly \$900,000 for this program in FY 2015-16. Grants to each organization have grown from \$75,000 in 2011 to \$131,000 in 2016.

New Portlander Program reaches out to immigrant communities

The New Portlander Program helps City bureaus better reach immigrant and refugee communities. Most recently, the program has formalized 'Community Engagement Liaisons,' City-trained civic activists, fluent in English as well as their primary languages, who are available to assist City public involvement programs with interpretation and facilitation services.

Both the Diversity and Civic Leadership Program and the New Portlander Community Engagement Liaison program have been recognized nationally as innovative.

Some neighborhoods also expanding participation

While programs unrelated to geography expanded, many neighborhoods continued active neighborhood associations. Some neighborhood associations and district coalitions are working within the existing neighborhood model, while also expanding outreach to diverse communities. For example, the East Portland Neighborhood Office expanded its advisory committee to include representation from community groups beyond the neighborhood associations. While neighborhood associations are still represented, the committee now includes representatives from the Immigrant and Refugee Community Organization, the Community Alliance of Tenants, and the County Fair, among others.

Similarly, the Cully Association of Neighbors has worked to connect with all residents, nonprofits, and business districts in their area. They adopted an inclusion policy statement and publish neighborhood information in English and Spanish. Most recently, the Association worked with a coalition of neighbors, volunteers, and nonprofit groups to address air quality issues.

In both of these examples, residents adapted the existing neighborhood structure in ways that help move toward the *Community Connect* goal of increasing the number and diversity of residents involved in their community.

The expertise of the Community and Neighborhood Involvement staff is valued

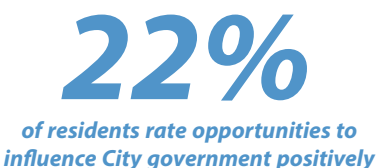
Representatives of the grant recipients consistently noted that they valued the expertise and technical assistance provided by the Community and Neighborhood Involvement program staff. In addition,

84 percent of respondents in a survey of neighborhood association leaders for this audit said they receive the technical assistance and support they need from the Office of Neighborhood Involvement and district coalition offices.

Residents report decreasing ability to impact public decisions

In response to *Community Connect*, the Auditor's Office added two questions to its annual community survey. Over a third of residents – 38 percent in 2015 – report having been involved in a community project or attending a public meeting at least once in the previous year. This participation level has remained mostly constant since the question was first asked in 2009.

During the same period, residents' ratings of their opportunities to influence government decisions have declined significantly. In 2015, only 22 percent rated their opportunities as good or very good, down from 32 percent in 2009.



The Office of Neighborhood Involvement notes that many factors may affect residents' responses to those two survey questions, and the questions are not a direct measure of the office's effectiveness. But as the City bureau charged with facilitating participation and improving communication between residents, community groups, and City government, these measures are one barometer of the state of community engagement in Portland.

Neighborhood association leaders also report challenges getting the attention of City officials on neighborhood issues. For this audit, we surveyed neighborhood association leaders and asked whether City Council is responsive to their concerns. While some respondents noted that Council's responsiveness varied by issue and by Commissioner, only 46 percent of the leaders said City Council is responsive to input from their neighborhood association (See Appendix for a summary of neighborhood survey results).

The City of Portland seems unconcerned about the perspectives of residents as reflected through their neighborhood associations.

Neighborhood leader

**City grant recipients
not held accountable
for results**

More than half of the office's community engagement funding is passed through as grants to community groups. Ensuring these groups are accountable for completing contract requirements and meeting program goals is critical to the success of the City's program. And funding without corresponding oversight may lead to a perception that the funds are an entitlement rather than payment for specific services or results.

Accountability was a strong theme underlying *Community Connect*, with a recommendation to promote accountability of grant recipients to ensure fairness and provide effective support to neighborhoods and communities throughout the City. We found that the office does not provide adequate oversight of grant recipients.

The office has 12 ongoing grantees and two coalition offices staffed by City employees. While the *Community Connect* report included recommendations related to neighborhood business districts, support for them was moved to the Portland Development Commission and Venture Portland.

No annual plans required

District coalition and Diversity and Civic Leadership contracts require grantees to develop annual action plans with activities, benchmarks, and work that will be completed. The office has not required grantees to submit these annual plans. Similarly, it has not required Elders in Action to complete the annual goal-setting or benchmarking specified in its grant. Without an annual plan, it is difficult for staff to verify that grantees are using public funds as intended or align core services with the corresponding funding. The lack of planning is also a missed opportunity for the various programs that receive City funds to coordinate or collaborate. During our audit, the office began to require annual plans from district coalitions, but not from Diversity and Civic Leadership Organizations or Elders In Action.

A lack of oversight by the Office of Neighborhood Involvement does not mean that funded work wasn't completed. But without adequate oversight it does not have assurance services were provided, could not intervene if there were financial problems, and may not have information needed to determine whether grant funding should continue.

As nonprofit organizations grow and change, programs initiated many years ago may no longer be priorities. Staff we spoke with at one organization said that their Diversity and Civic Leadership program had languished because of staffing changes and burnout. The City continues to fund the organization, even though a required annual plan is not completed and grant activities are not defined, and the program no longer appears to be a priority for the organization.

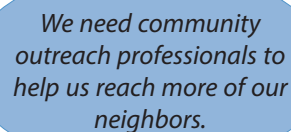
Managers said they have a long history of working with grant recipients, stepping in when organizations run into problems fulfilling grant obligations, as in the example above. They note that the programs are purposefully designed with a broad and flexible framework allowing for communities to focus on issues and projects of importance to them. However, this approach is not consistent with the contract requirements to provide a plan, benchmarks, and deliverables. The office's approach to grant management should align with its contract requirements.

Performance measures reported by grant recipients are not meaningful

While Diversity and Civic Leadership organizations and district coalitions submit performance measures quarterly, there is no methodology defining the measures. For example, one organization may interpret a measure of "partnerships" narrowly, and report only active partners with ongoing work. Another grantee may list every partner they worked with over the course of the year. The lack of consistent definitions means the measures cannot be compared across grantees, or even quarter-to-quarter for a single grantee. Grant recipients told us they didn't think the measures were useful for themselves or the City.

Measures also do not address key goals of the funding. For example, the contracts with district coalitions seek to increase the number and diversity of people who are involved and volunteer in their communities and neighborhoods. Yet there is no reporting on the demographics of participants in neighborhood meetings and activities.

Performance reporting is important not only to ensure accountability of grant recipients, but also to provide useful information to the office to help manage programs and allocate resources. A lack of progress in



We need community outreach professionals to help us reach more of our neighbors.

Neighborhood leader

increasing the number and diversity of people involved in their communities may point to a need for additional technical assistance or resources to those groups. Demonstrated successes could be shared across grant recipients to improve programs.

The office recognized these concerns in 2008 and produced a draft report on performance measurement with a long list of potential measures. While the office adopted some measures, including the addition of questions to the City Auditor's community survey, it deemed many measures too complicated to implement. We agree that tasking neighborhood volunteers with complicated reporting is not reasonable. A solution may be to more clearly define a limited number of measures that are both within the capacity of grant recipients to collect, and that provide information to help improve programs.

City Council provided funds to hire an additional staff member this year to focus on performance measurement and contract management. This staff person should focus on developing these new performance measures that align with contract requirements.

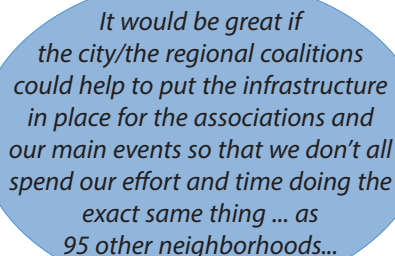
In contrast to the Office of Neighborhood Involvement, Venture Portland and the Portland Development Commission rely extensively on performance measurement to measure effectiveness of business district programs. Venture Portland established performance measures for all neighborhood business districts and requires them to report on the number of members, nonprofit management, and whether their boards reflect the diversity of the district's business owners and residents. Venture Portland also measures its own performance, tracking training evaluations and the rate of volunteer retention. It has an annual work plan and reports quarterly to the Venture Portland Board, the City Council liaison, and the Portland Development Commission.

Core program requirements not completed

City Code, *Community Connect*, and the office's own standards all assign program responsibilities to the Office of Neighborhood Involvement. We found that many of the assigned tasks are incomplete.

The office has not completed an annual plan

Since Council adoption in 2005, *The Standards for Neighborhood Associations, District Coalitions, Business District Associations, and the Office of*



It would be great if the city/the regional coalitions could help to put the infrastructure in place for the associations and our main events so that we don't all spend our effort and time doing the exact same thing ... as 95 other neighborhoods...

Neighborhood leader

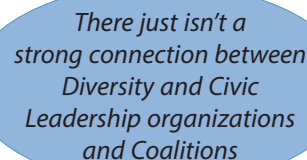
Neighborhood Involvement (standards) have required that the office create an annual action plan in coordination with an advisory committee and district coalitions. No plan has ever been completed. Together with the annual work plans from City grant recipients, developing an annual plan could be an opportunity to coordinate and prioritize work and set achievable milestones.

Without a plan, staff struggle to accomplish tasks and much remains incomplete. We noted many projects that were started, but years later their documents remained in draft form. Management consistently said staff members are overworked. Many staff members said they were hindered by a lack of strategic planning or priority setting. This could be helped if the office completes its required annual plan.

Key recommendations in *Community Connect* not completed

Areas where the office has fallen short include:

- *Foster networking, collaboration, and information sharing among neighborhoods, business districts, and other community organizations.* With the exception of one community-wide summit in 2015, the office has created few opportunities for organizations to work together. Staff at some community organizations said they were unsure what peer organizations did, or how to contact them. Both staff and organizations said that the various programs operate in separate siloes in the office and in the community.
- *Promote dialogue and communication through new technology.* While many neighborhood associations and Diversity and Civic Leadership Organizations are using new technologies such as Facebook, Nextdoor, or Twitter to promote outreach, the Office of Neighborhood Involvement web site remains difficult to navigate and often contains outdated links and information. For example, the Public Involvement Advisory Committee web site has posted no record of meetings since 2014, and the links



There just isn't a strong connection between Diversity and Civic Leadership organizations and Coalitions

Diversity program leader

to public involvement best practices are broken. Information on the Office of Neighborhood Involvement's website about specific neighborhood associations is often outdated, and may duplicate or differ from information found on the district coalition websites.

- *Develop citywide training in leadership and advocacy for neighborhoods, communities, and business districts.* There is no central citywide training program, but Diversity and Civic Leadership organizations, some district coalitions, Elders In Action, and Venture Portland all provide periodic leadership training for their members. However, surveyed neighborhood leaders identified a need for more training. A recurring concern was the complexity of the issues community members are being asked to respond to – comprehensive plans and zoning changes, transportation planning – and the difficulty of finding volunteers with the expertise to respond.

.. It's also important to support leadership training activities at the neighborhood level . . . Practical, hands-on training on effective advocacy and being productive participants in the public process.

Neighborhood leader

In our review of other cities' community engagement programs, providing leadership training was a core function. Other cities' programs ranged from online webinars to a 12-week leadership institute and were available to any community member.

Office of Neighborhood Involvement management noted that these Community Connect tasks were not completed because of changing priorities and direction from their Budget Advisory Committee and City Council. They pointed to successes in other areas, such as use of the PortlandOregon.gov blog to share information, and work with the Office of Equity and Human Rights to develop a "Racial Equity Toolkit" for use by City bureaus. These changing priorities again demonstrate the need for a clear work plan to help staff and the community understand how the office's resources will be spent. Periodic reporting to Council could also ensure that City Council supports the work and direction of the office.

Lack of clear structure limits effectiveness

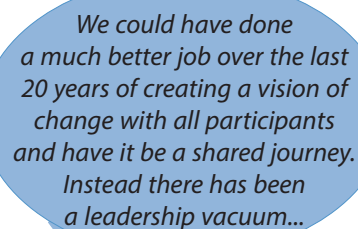
Community Connect charged the Office of Neighborhood Involvement with creating the infrastructure to support the plan's goals and recommendations, including providing formal recognition for a range of community organizations, and updating the office's structure. None of these steps have been taken.

Multiple programs added, with no vision of how they fit together

Over the last 20 years, Council has layered numerous programs over – or removed them from – the Community and Neighborhood Involvement Center. In some cases, the programs existed elsewhere in the City before being moved to the office. Below is a timeline based on when programs were added or removed from the office's budget:

1996	Business District Associations added
2002	Elders in Action added
2005	Disability program added
2006	Diversity and Civic Leadership program added
2008	Public Involvement Advisory Committee added
2008	Business District Associations support moved to Portland Development Commission and Venture Portland
2013	Multnomah Youth Commission added
2015	New Portlanders program added

Each program operates independently. For example, Diversity and Civic Leadership grant recipients meet monthly with Diversity and Civic Leadership staff, and district coalitions meet with Neighborhood Program staff. The office's Community and Neighborhood Involvement Center does not have staff working with Elders In Action, despite Elders in Action's community engagement and advocacy focus. While there are examples of grant recipients working with each other or with neighborhoods in certain circumstances, the office does not have a system to encourage this collaboration.



We could have done a much better job over the last 20 years of creating a vision of change with all participants and have it be a shared journey. Instead there has been a leadership vacuum...

Neighborhood leader

In addition, many neighborhood associations are working to ensure their membership better reflects the demographics of their area. About half of the neighborhood leaders in our survey reported that their participants reflect the demographics of their neighborhood. Many identified challenges with attracting younger or more diverse participants, and the steps they are taking to broaden participation. Office of Neighborhood Involvement managers said they don't expect one structure to be all things to all people, so they created the Diversity and Civic Leadership program to build capacity in communities of color. Defining the expectations and roles of neighborhood associations and all community groups could help clarify how groups can work together.

We have worked hard to recruit more renters and people of color, and we have been very successful in having the neighborhood board and membership reflect the neighborhood demographics.

Neighborhood leader

City Code reflects an outdated view of community engagement

Many community engagement programs are either not included or not accurately described in City Code. For example, business district associations are subject to the Code implemented by the Office of Neighborhood Involvement and may seek formal acknowledgement. No business district has sought this acknowledgement, and Venture Portland now provides support to business districts. The Diversity and Civic Leadership program, which has seen the largest growth since Community Connect, is not included in City Code.

The Diversity and Civic Leadership organizations have become an integral part of ONI's outreach and should be formalized.

Diversity program leader

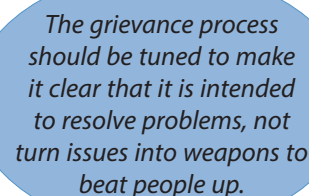
Similarly, City Code describes the benefits of neighborhood association recognition, such as notification of land use, planning and policy matters. Under City Code, these benefits do not apply to business districts, Diversity and Civic Leadership organizations or other community organizations, creating the risk that some organizations or residents do not have the same access to City decision-making.

Standards are outdated

The Standards for Neighborhood Associations, District Coalitions, Business District Associations, and the Office of Neighborhood Involvement

(standards) provide operational requirements, including recognition, communication, record-keeping, and grievances. The 2005 standards state that the office will organize a committee to review them four years after adoption. In 2016, there is still no process for review, and no review committee has been organized.

The standards are prescriptive, specifying when meeting notice must be posted and how records should be kept, among other things. Yet neither the Office of Neighborhood Involvement or district coalitions are responsible for enforcing the standards, and instead violations are addressed through a grievance process.



The grievance process should be tuned to make it clear that it is intended to resolve problems, not turn issues into weapons to beat people up.

Neighborhood leader

Some district coalitions report that residents are driven away from volunteering with their neighborhood association by the tasks of focusing on bylaws and procedures rather than community needs. Coalitions also report an increase in formal grievances that allege rules have not been followed. Emerging issues, such as using email to make board decisions or disclosing potential conflicts of interest, have not been addressed in the standards. Key provisions related to notice of City activities and opportunities to provide input apply only to neighborhood associations, not to other community groups such as Diversity and Civic Leadership organizations.

Similarly, the requirements for transparency and record-keeping apply only to neighborhood associations and coalitions, contrary to the goal of increasing accountability and fairness across all organizations. With the loss of the neighborhood needs process and other original functions, there is a disconnect between what the City requires of neighborhood associations through the standards and the benefits the City provides. Maintaining standards that are not enforced and may deter participation seems contrary to the *Community Connect* goal of increasing the number of residents involved in their communities.

Funding is not equitable

Office of Neighborhood Involvement grant funding for the district coalition offices is based on a historical formula of unknown origin. Base funding to coalitions and other grantees has not been updated to re-

spond to annexations, development, demographic changes, increases in population, or workload.

The inequities are particularly pronounced at the coalition level. The office provided \$2.1 million to district coalitions in FY 2015-16, ranging from \$264,000 in Central Northeast to \$456,000 in Southeast.

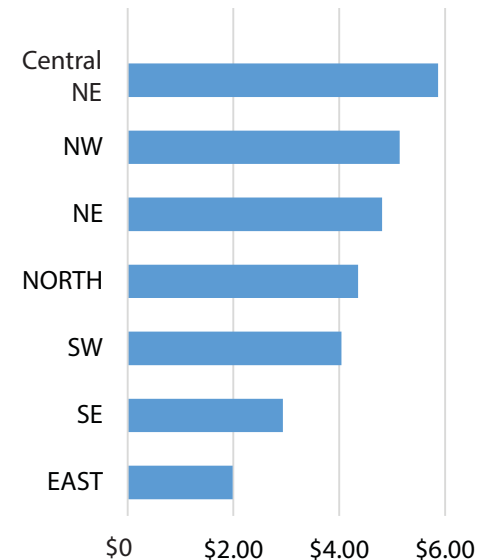
While East Portland's population has increased significantly through growth and annexation, funding for its coalition office has not grown relative to the other coalitions. The East Portland Neighborhood Office is funded at the lowest level of all of the coalitions on a per person basis, as shown in Figure 4. Council has also

provided funds to East Portland for the East Portland Action Plan, but that activity is separate from the general community support of the East Portland Neighborhood Office.

The Diversity and Civic Leadership organizations, which are not tied to a specific geographic area, are funded at a lower level than any neighborhood coalition. Funding is not linked to community need or the services to be provided for any of the office's grant recipients.

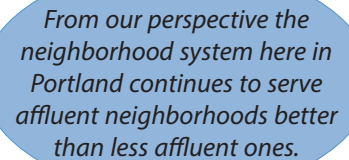
The funding issue has been studied repeatedly for more than 20 years without resolution. This includes both staff reports and, more recently, a consultant contracted to develop a methodology for determining an equitable funding allocation among all grant recipients. No methodology was produced. During the 2017 budget process, the office's Budget Advisory Committee developed core values that state the office will not take money from one coalition or organization to fund another, so will not attempt to resolve inequities until City Council opts to provide more funding for all community engagement programs. This approach effectively locks current disparities in place.

Figure 4
FY 2015-16 Coalition funding per resident



Source: Audit Services

Many community groups may not have access to any community engagement funding, other than intermittent small grant opportunities. While the 2012 City Council ordinance authorizing the Diversity and Civic Leadership program grants stated that they would be for one year, the office later opted to make them recurring. District coalition grants are also automatically renewed.



From our perspective the neighborhood system here in Portland continues to serve affluent neighborhoods better than less affluent ones.

Neighborhood leader

Unless Council appropriates new funds, other groups are locked out under the current model, including communities of color not represented by the existing Diversity and Leadership organizations, any of the many active immigrant and refugee mutual assistance groups in the City, or other underrepresented groups such as renters or low-income families.

Office of Neighborhood Involvement's authority in the City is unclear

The office initially was envisioned as the vehicle for communication between residents and City Hall. But today, residents have many routes for communication with the City, and most bureaus have staff and expertise dedicated to public involvement. For example, the Bureau of Planning and Sustainability has dedicated liaisons to each geographic area of the City. In addition, some of the office's programs are mirrored in other bureaus, and the division of responsibilities is not clear. For example, disability programs are split between the Office of Neighborhood Involvement and the Office of Equity and Human Rights.

Managers note that the office's purpose has evolved since it was created, and they are now largely focused externally on building community capacity to affect change. Better definition of the office's role would help focus limited City resources on the highest priority activities, and provide clarity for the many neighborhood and community volunteers who work with the office and other City bureaus.

Office of Neighborhood Involvement staff have worked on clarifying roles

Program staff members recognize the outdated structure and inequities in funding. In 2012, they prepared a proposal to define the types of partnerships available with the office. The proposal includes various levels of community group agreement with corresponding benefits from the City in terms of notification, funding, and technical assistance. The proposal also identifies the responsibilities of the community group. Partnerships ranged from basic, which involves inclusion on the City's list of community organizations, to full partner, which assumes a long-term grant relationship and defined contract responsibilities. The proposal remains in draft form, but could be used as a starting point to clarify the City's community engagement framework.

Conclusion

Portland has dedicated volunteers in neighborhoods, business districts, Diversity and Civic Leadership organizations, and many other community groups. These volunteers give significant time and effort on projects ranging from advocating for improved City services to responding to land use proposals to hosting movie nights in local parks. Improving accountability and updating the code and funding models would help ensure their work leads to meaningful results and that the City's funding is well spent.

A strong neighborhood system means a stronger and more resilient Portland

Neighborhood leader

Recommendations

We recommend that the Commissioner-in-charge and the Office of Neighborhood Involvement:

1. Update the office's framework for engagement, and corresponding City Code, to identify:
 - Engagement needs of community and City
 - Priorities within current funding level
 - Role and responsibilities of the office
 - Methods to formally recognize community groups
 - Equitable funding opportunities for community groups and an achievable methodology for allocating funds
 - Benefits to recognized and funded community groups, such as notification and technical assistance
 - Expectations of funded community groups.

As part of the code review, assess whether standards are needed, which groups standards should apply to, and how to simplify the update process.

2. Hold funded community groups accountable by updating contracts as needed, requiring annual plans, and simplifying performance reporting.
3. Develop a realistic annual work plan for the Office of Neighborhood Involvement community engagement programs to complement and build on plans of grant recipients. Use the planning process to prioritize community engagement program requirements within available funding and assign staff to highest priority activities.
4. Provide a periodic report to Council on the activities and outcomes of the City's community engagement programs.

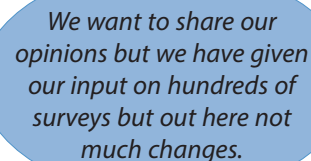
Objective, Scope and Methodology

The objective of this audit was to evaluate progress made by the Office of Neighborhood Involvement towards meeting the goals of Community Connect. To meet this objective, we reviewed the Office of Neighborhood Involvement's implementation of assigned tasks in the Five-Year Plan to Increase Community Involvement, City Code, standards, and grant agreements.

We researched City Code, policy documents, published articles, and program documentation. We reviewed budgets and budget requests. Budget information in this audit is from FY 2015-16. We interviewed Office of Neighborhood Involvement management and staff from the Community and Neighborhood Involvement Center. We also interviewed all grant recipients, including Diversity and Civic Leadership Organizations, district coalitions, and Elders in Action. We interviewed Venture Portland management. In addition, we interviewed staff at other City bureaus for information on their community engagement programs.

We reviewed online agendas and minutes from neighborhood associations and district coalitions. We did not review each neighborhood association for compliance with Office of Neighborhood Involvement standards. We also reviewed agendas and minutes from meetings led by the office with district coalition chairs and directors, Diversity and Civic Leadership organizations, and the Public Involvement Advisory Committee. We also requested documentation related to the office's work planning. We reviewed quarterly reports submitted by grant recipients, and the overall performance management system.

We sent an online survey to leaders of the neighborhood associations. We received responses from 62 of the 95 neighborhoods (66 percent). Quotes attributed to 'neighborhood leader' throughout the report are from this survey.



We want to share our opinions but we have given our input on hundreds of surveys but out here not much changes.

Neighborhood leader

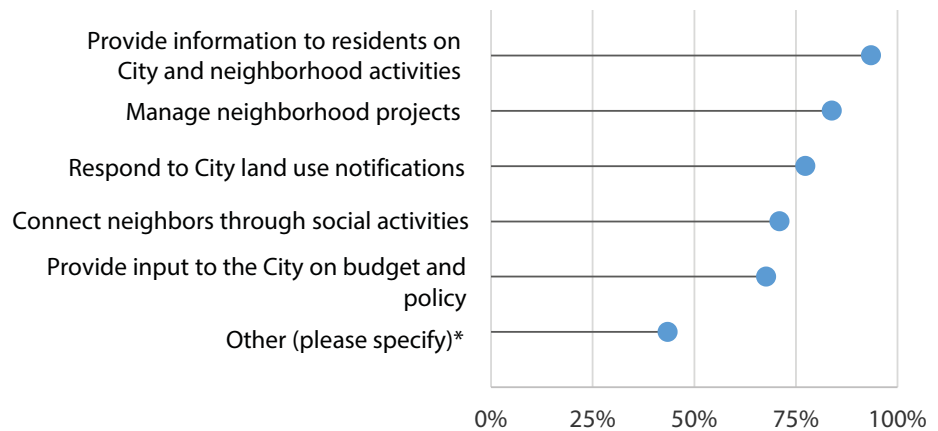
We researched community engagement best practices, and reviewed community engagement practices in other cities.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix

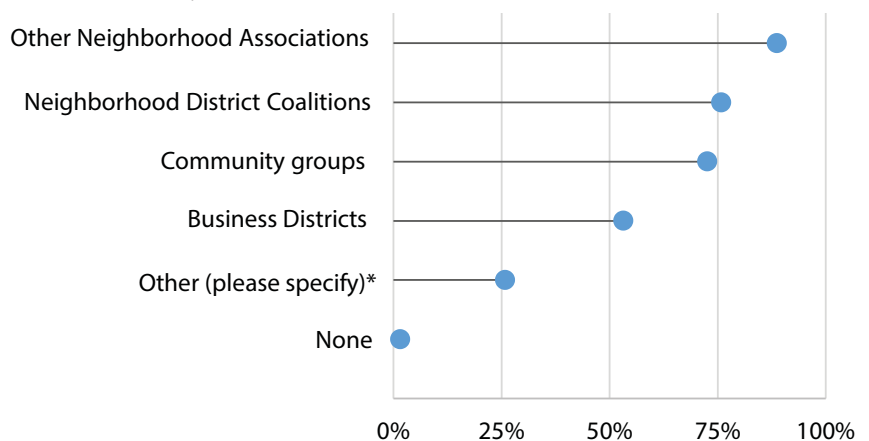
We sent an online survey to neighborhood leaders in June 2016. We received 62 responses from the 95 neighborhood associations. The intent of the survey was to determine the perspective of neighborhood leaders on their association's role in the City. We appreciate the many thoughtful comments and insights from those completing the survey. The following is a summary of the responses.

What are the primary purposes of your neighborhood association?



* In the "Other" category, the most common response related to advocating for the neighborhood to the City on neighborhood needs

Does your neighborhood association coordinate with other community groups?



* Responses in the "Other" category for this question ranged from Venture Portland, to various City bureaus, to local schools

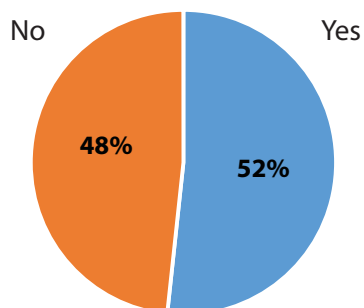
Does your neighborhood association receive the technical assistance and information it needs from City government?



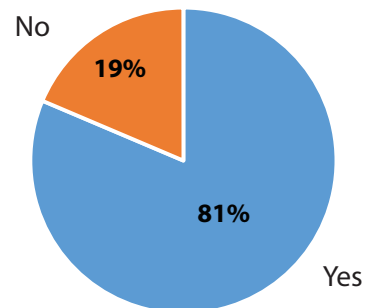
Is City government responsive to input from your neighborhood association?



Do your neighborhood association participants reflect the demographics of your neighborhood?



Do you use the Office of Neighborhood Involvement standards for neighborhood associations?



RESPONSE TO THE AUDIT



CITY OF

PORTLAND, OREGON

AMANDA FRITZ, COMMISSIONER

Amalia Alarcón de Morris, Bureau Director

OFFICE OF NEIGHBORHOOD INVOLVEMENT **Community & Neighborhood Involvement Center**

Promoting a culture of civic engagement

November 8, 2016

TO: Mary Hull Caballero, City Auditor
FR: Commissioner Amanda Fritz
RE: Audit of the Office of Neighborhood Involvement (ONI) community engagement programs

Thank you for performing the audit of ONI's Community and Neighborhood Involvement Center (CNIC). The report's recommendations focus on more clearly defining roles and responsibilities of our community engagement programs, holding grantee organizations accountable for performance and contract requirements, and following through on core tasks ONI has committed to achieve. Your recommendations can help improve our City's nationally-recognized community engagement programs, and have a real impact on Portlanders' lives.

Community Connect, the strategic plan approved by the City Council in 2008, continues to guide ONI's work to increase the number and diversity of people involved in their communities, strengthen community leaders' capacity to take action and move forward on their priorities, and increase community impact on public decisions. I am proud of how much has been accomplished in the past eight years on a limited budget, while recognizing that there is much work to be done. I was particularly pleased to see the Audit's findings that 52% of respondents say that their Neighborhood Association (NA) participants reflect the demographics of their neighborhood. In visiting more than 25 NA meetings over the past two months to discuss how less affluent Portlanders can be encouraged to engage in City election campaigns, I saw evidence of this diversity in person. While we must do more to encourage communities of color, renters, youth and new Portlanders to participate in NA work, it is evident we are making progress.

Other successes recognized in the audit include that 84% of respondents to a survey of Portlanders active in NAs agree they have received the technical assistance and support they need from ONI. In addition, those respondents state that 50% to 85% of their organizations are coordinating efforts with other NAs, District Coalitions, other community organizations and Business District Associations. This shows the functionality of grassroots advocates working to get things done in their community.



Only 22% of residents rate their opportunities to influence City government positively, a measure highlighting the need for systemic citywide improvement. City Council, all bureaus, and ONI can and must do a better job of working together to implement the Council's adopted principles of public involvement. I note that ONI's favorable review is at 84%, other City Bureaus at 60%, and the Council worst of all at 46%. Clearly, the Council and our office staff have work to do.

It is important to differentiate between people's dissatisfaction with their ability to influence City governance and their actual engagement. Indeed, the number of people participating in activities and events organized by ONI's CNIC programs and grantees has risen by 140% from 32,971 in 2010 to 79,171 in 2015. The number of individuals trained on leadership and organizational development skills increased by 595% from 982 in 2009 to 6,834 in 2015.

Much more needs to be done to achieve the systemic culture change we seek in how the City engages the community in the governance of the City. For example, ONI's Public Involvement Best Practices Program, staffed by one FTE, is tasked with providing strategic consultation to 26 City agencies. To succeed in implementing the Audit's recommendations, more resources will be needed than are currently budgeted for this program.

I agree with the identified need to establish a more equitable funding structure, and better measures of the effectiveness of CNIC programs. Our Bureau Advisory Committee (BAC) has been guided by core values that have intentionally shifted new resources to close the gap on building up programs engaging people with historically limited access to power including youth, immigrants and refugees, communities of color, and individuals with disabilities. ONI's request to Council for a Strategic Plan for Equitable Funding last year was not funded. The BAC is likely to repeat this request in the upcoming budget process, given the Audit's findings.

I recognize the need to hold CNIC programs and grantees accountable. At my request, Council funded three administrative positions for ONI in the 2016-17 Budget, including a Management Analyst whose duties include this crucial task. ONI is open to changes on how to measure the effectiveness of our grantees and programs. I will appreciate guidance from the Auditor's Office on best practices for measuring civic engagement services. ONI's grant agreements are purposefully designed with broad and flexible outcome criteria, within the bureau's mission and goals framework. This allows community partners to self-identify and focus on issues and projects of importance to the communities they serve, rather than deliverables being dictated by a City government that has only recently begun addressing its own historical inequities and systemic racism.

I commit ONI to work closely with the ONI BAC to prioritize and follow through on the following recommendations in the audit over the next several years, as funding allows:

- **Update ONI's code language** to incorporate the broad range of community engagement programming prioritized by the ONI BAC with clearly defined methods for recognizing

organizations, roles, responsibilities, and benefits to recognized and funded organizations.

- **Develop a long-term Strategic Plan for a more equitable funding strategy** for our community engagement grantees and programs, including the coalitions, Diversity and Civic Leadership program, communities of color including the New Portlanders program, the Disability program, the Multnomah Youth Commission, Elders in Action and the Public Involvement Best Practices program. All these programs work together to achieve the goals of community engagement.
- **Transform the performance measurement system** to define clear benchmarks that are within the capacity of grant recipients to collect, and provide information to help improve programs.
- **Begin process of updating the ONI Standards**, first addressing whether the Standards are needed, which groups the standards should apply to, and how to simplify the update process.
- **Develop an annual work plan** guided by the ONI BAC's budget recommendations and Council's funding decisions.

Thank you to staff in the Auditor's office and in the Office of Neighborhood Involvement for this careful analysis of performance and opportunities in ONI's Community Neighborhood Involvement Center.

Sincerely,

A handwritten signature in black ink that reads "Amanda Fritz". The signature is written in a cursive, flowing style.

Amanda Fritz

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*Community and Neighborhood Involvement:
Accountability limited, rules and funding model outdated*

Report #484, November 2016

Audit Team: Kari Guy, Bob MacKay

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandoregon.gov/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

Mary Hull Caballero, City Auditor
Drummond Kahn, Director of Audit Services

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