



OFFICE OF  
**Community  
& Civic Life**

COMMUNITY & NEIGHBORHOOD  
INVOLVEMENT CENTER

Chloe Eudaly *Commissioner*

Suk Rhee *Director*

4747 E. Burnside

Portland, OR 97215

Phone: 503-823-4519

[portlandoregon.gov/civic](http://portlandoregon.gov/civic)



## REPORT TO COUNCIL

**DATE:** November 26, 2018  
**TO:** City Council  
**FROM:** Suk Rhee, Director  
**SUBJECT:** Accept report on distribution of district coalition resources for FY 19-20 budget.

---

On page 431 of the Adopted City Budget for FY 2018-19, Council requested a plan for implementation of a methodology to equitably distribute existing resources among the neighborhood district coalitions without additional funding. This plan was to be submitted in time for FY 2019-20 budget development and report back to Council by December 2018.

I am pleased to submit for your consideration and acceptance this report on activities taken toward the budget note. The report addresses steps taken in FY 18-19 toward these goals and considerations for distribution of funding in FY 19-20. The approach for FY 19-20 shifts the emphasis from a distribution formula based on demographics alone and assuming the smallest district coalition office as the starting point for operations to a deeper analysis of the equitable outcomes we seek to achieve as a city and bureau, and the unique contributions of district coalitions in achieving these outcomes. To illustrate the latter, district coalition directors will share current examples of working toward equitable outcomes in the area of housing affordability and homelessness as part of our presentation to Council on December 12, 2018.



OFFICE OF  
**Community  
& Civic Life**



**DECEMBER 2018**

# **District Coalitions FY 18/19 Budget Note**

## REPORT ON FY 18-19 BUDGET NOTE ON DISTRICT COALITIONS PRESENTED TO CITY COUNCIL ON DECEMBER 12, 2018

### BACKGROUND

During the fiscal year 2018/19 budget development process, the long-standing issue of inequities in funding levels between district coalitions within the Community and Neighborhood Involvement Center of the then-Office of Neighborhood Involvement was again discussed. The crux of the situation was captured in the 2016 audit of the bureau:

“This 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 (fiscal year 2016)/2017 budget process, the office’s Budget Advisory Committee developed core values that state that the office would 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.*”

Source: Office of the City Auditor, *Community and Neighborhood Involvement: Accountability limited, rules and funding model outdated*, November 2016.

On page 431 of the [Adopted City Budget for FY 2018-19](#), City Council directed then-Office of Neighborhood Involvement “to work with relevant stakeholders to develop a methodology to equitably distribute existing resources among the neighborhood coalitions without additional funding. ONI shall also provide a plan for implementation in time for FY 2019-20 budget development and report back to Council by December 2018.”

This report provides an update on:

- **Actions taken by Civic Life in the fiscal year 2018/19 budget to increase investment in East Portland from \$2 per person in fiscal year 2015/16 and \$1.97 per person in fiscal year 2017/18 to \$3.12 per person in this fiscal year, an increase of 52 percent.** This is the same rate as Southeast Uplift (\$3.14 per person).
- Factors shaping the distribution of funding in fiscal year 2019/20 that represent **a multi-year process to focus on *delivering equitable outcomes* as a result of funding investment.**

## FISCAL YEAR 2018/19

The grant funding for district coalition offices has been based on a historical formula of unknown origin. In previous years the focus of “funding equity” discussions has been on the investment of resources using a per-person measure within district boundaries. The most obvious form of disparity is represented by East Portland. On a per person basis, East Portland Community Office (EPCO) was funded at the lowest level of all the district coalitions. The 2016 City Audit identified that in fiscal year 2015/16, EPCO received approximately \$2 for each community member while Central Northeast received nearly \$6 dollars for each community member. In fiscal year 2017/18, this level was \$1.97 per person.

In 2017, new leadership took the helm at all levels of the bureau. In the fiscal year 2018/19 budget process, the bureau proposed \$201,980 in additional ongoing general fund and one-time resources for East Portland. This request was to increase staffing levels from 2.275 to 4.0 full-time equivalent and for program activities and rent.

**The fiscal year 2018/19 budget adopted by City Council included \$30,000 in additional ongoing general funds for East Portland. As this fell short of the requested amount, the bureau initiated a plan to re-direct \$120,865 in bureau and district coalition resources to ensure that EPCO is staffed at 3.7 FTE in fiscal year 2018/19. This represented an increase of 52% in base funding over the previous year for EPCO and was accomplished through the following:**

- Redirecting \$44,388 in existing bureau general fund dollars to EPCO.
- Redirecting \$76,477 from the other six neighborhood coalitions to EPCO. After examining several approaches, it was determined to use the percentage of the district coalition’s budget relative to the total to determine the amount to be redirected.

In addition to the approved budget by City Council, the Office of Commissioner Eudaly was able to redirect \$6,861 from their fiscal year 2017/18 budget as one-time transitional support to help fill the gap for fiscal year 2018/19.

The distribution of neighborhood small grant funds remained the same as fiscal year 2017/18.

**The chart on page three** presents the difference between fiscal year 2017/18 and 2018/19 by district coalition. The columns represent the base funding for district coalitions in those fiscal years and the effect of additional general fund dollars, rebalancing of funds between district coalitions, addition of one-time support, and neighborhood small grant funds.

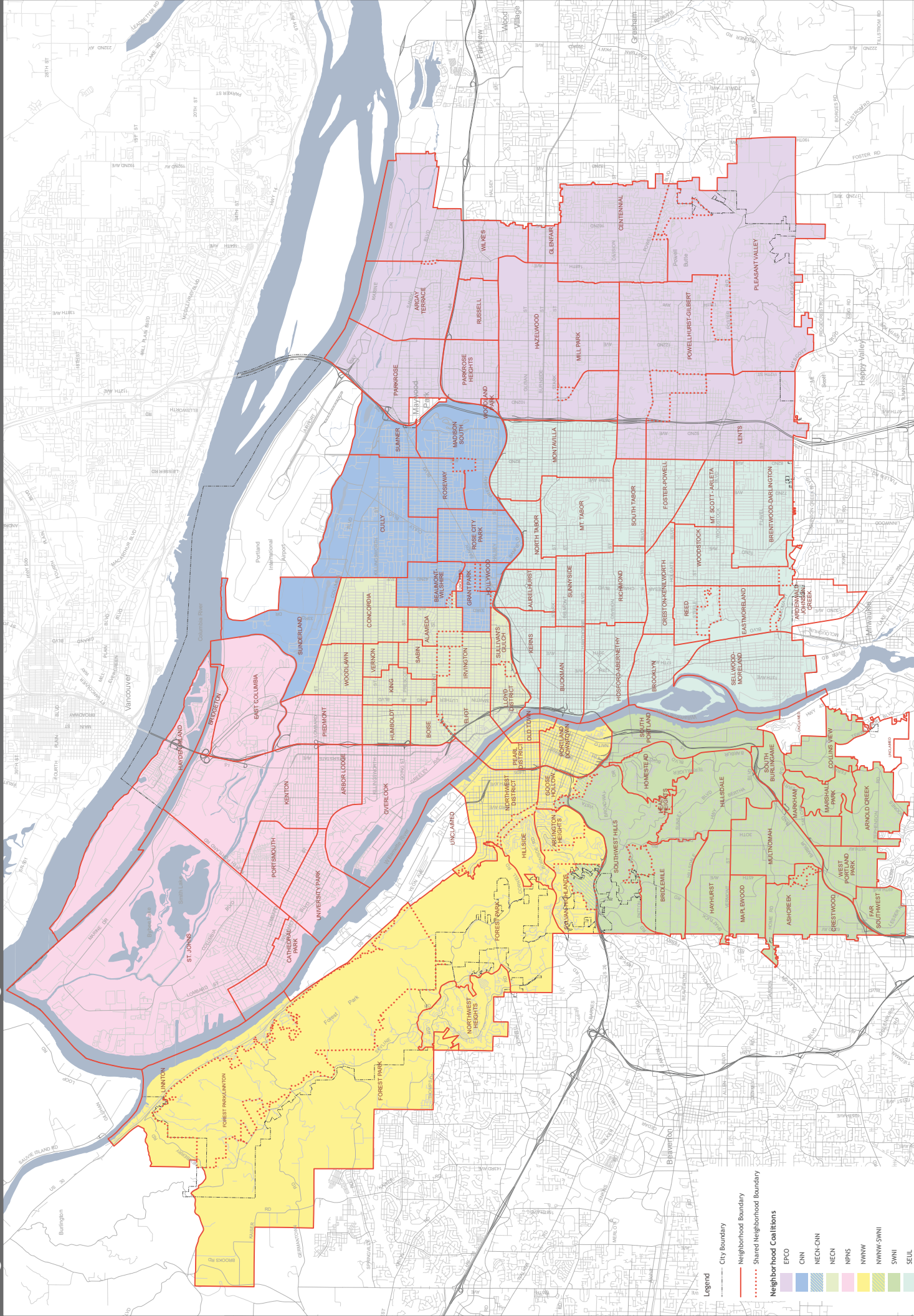
**The map on page four** reflects the boundaries of the district coalitions.

FUNDING DISTRIBUTION TO DISTRICT COALITIONS  
FISCAL YEARS 2017/18 AND 2018/19

COALITION	FY 17-18 Base Funding	FY 18-19 Adjusted Base Funding	Change from FY 17-18 Base due to rebalancing	% Change	Addt'l one-time funding from Comm Eudaly's office	Change from FY 17-18 Base with addt'l one-time funding	% Change with addt'l one- time funding	FY 18-19 Neighbor- hood Small Grants Funding	<b>FY 18-19 Base, Neighbor- hood Small Grants, One-time Total Funding</b>	COALITION
Central Northeast Neighbors	\$ 281,260	\$ 278,631	\$ (2,629)	-0.93%	\$ 993	\$ (1,636)	-0.58%	\$ 8,940	<b>\$ 288,564</b>	CNN
East Portland Community Office	\$ 309,708	\$ 469,864	\$ 160,156	51.71%		\$160,156	51.71%	\$ 20,822	<b>\$ 490,686</b>	EPCO
Northeast Coalition of Neighbors	\$ 298,125	\$ 295,338	\$ (2,787)	-0.93%	\$ 1,052	\$ (1,734)	-0.58%	\$ 13,375	<b>\$ 309,766</b>	NECN
North Portland Neighborhood Services	\$ 290,349	\$ 287,634	\$ (2,715)	-0.94%	\$ 1,025	\$ (1,690)	-0.58%	\$ 12,266	<b>\$ 300,926</b>	NPNS
Neighbors West- Northwest	\$ 289,714	\$ 287,005	\$ (2,709)	-0.94%	\$ 1,023	\$ (1,686)	-0.58%	\$ 13,423	<b>\$ 301,451</b>	NWNW
Southeast Uplift	\$ 484,965	\$ 480,431	\$ (4,534)	-0.93%	\$ 1,712	\$ (2,822)	-0.58%	\$ 27,165	<b>\$ 509,308</b>	SEUL
Southwest Neighborhoods Inc	\$ 299,155	\$ 296,359	\$ (2,796)	-0.93%	\$ 1,056	\$ (1,740)	-0.58%	\$ 13,598	<b>\$ 311,012</b>	SWNI
<b>TOTAL</b>	<b>\$2,253,276</b>	<b>\$2,395,262</b>	<b>\$141,986</b>		<b>\$ 6,861</b>	<b>\$ 148,847</b>		<b>\$109,590</b>	<b>\$2,511,713</b>	<b>TOTAL</b>

This was a first step toward a more fair investment in East Portland in terms of increasing the level of investment per person. As a result, our best data (using 2017 population data) reflects that EPCO is now receiving \$3.12 per person compared to \$2 per person in fiscal years 2015/16 and 2017/18. This is the same rate as Southeast Uplift (\$3.14 per person). The East and Southeast districts serve 157,446 and 162,451 community members, respectively—roughly 50% of the total population of Portland and 40% of the total district coalition budget in this fiscal year. The highest per-person rate is \$5.48 for Central Northeast Neighbors to serve 52,696 community members.





## FISCAL YEAR 2019/20

The directors and key staff of all seven district coalition offices met with Civic Life staff in October and November 2018 to examine funding formula scenarios and discuss next steps for fiscal year 2019/20. With the benefit of experience, we have come to agree that formulas based solely on per person measures (such as population counts, numbers of individuals in poverty, speaking another language, etc.) are a first but limited step. That is, if we do not know what equitable outcomes we seek to deliver, then no methodology for distribution of resources will achieve those ends.

**Civic Life and district coalitions agree that the critical step in developing a methodology to equitably distribute existing resources is to ask, “What are the *equitable outcomes* we envision for all Portlanders?” Then we can ask, “What will it take (bureau-, community- and city-wide) to achieve this, and what is the contribution or value that district coalitions can uniquely deliver?” And then we ask, “How do we invest existing and future resources toward that end?”**

**Civic Life and district coalitions also agreed that *this will be a process*** that will require us to work both separately and together in articulating equitable outcomes and aligning with the bureau’s and city’s equity policies and goals. We acknowledge that this is the beginning of an iterative and longer-term conversation that is long overdue. This is a substantive re-framing of the “funding equity” conversation from previous conversations of distributing resources on a per person basis with emphasis on the disparity between East Portland and other districts.

The conversation going forward must also be placed within the Office of Community & Civic Life’s mission, big-picture goals, and long-term (10-year) bureau-wide metrics:

*Mission:* Promoting a culture of civic engagement by connecting and supporting all Portlanders working together and with government to build inclusive, safe and livable neighborhoods and communities.

*Big-picture goals:* Inclusive structures; Adaptive governance; and Fulfilled and empowered Portlanders.

*10-year bureau-wide metrics:* Increasing trust and confidence in local government; Increasing voting and participation in activities related to local elections; Equitable distribution of city investments/spending and service provision; and Access to “Healthy, Connected, and Equitable Communities.”

**As of the timing of this report, the bureau and the City are at the beginning of the fiscal year 2019/20 budget development process. The factors we are considering in the coming year include but are not limited to:**

- Presenting a budget request for district coalitions that is 99% of the current allocation level.
- Developing and funding toward agreed-upon outcomes that reflect district coalitions’ unique contribution to the bureau’s long-term goals.
- Identifying and implementing the next steps **within a multi-year process** for:
  - Increased efficiencies within existing district coalition budgets.
  - Developing shared goals, strategic collaborative efforts and shared resources resulting in equitable outcomes within and across district coalition boundaries. The complexity

of this conversation is reflected in the areas we identified for further exploration, including:

- What are existing shared, core functions of district coalitions where we can share capacity and possibly staffing?
- What are neighbor-level resources we can develop in common to share and re-direct existing staff capacity?
- How will we leverage the unique ability of coalitions to work at the district level and to partner with other organizations and networks on *policy, systems change and citywide issues*? Could district coalitions function as hubs within a wider civic engagement infrastructure within and across districts and geographies?
- What are other models of collaboration or different structures to consider? How can we better work with and consider other geographies that do not neatly match district borders—such as school districts, “centers and corridors,” police precincts, fire management areas, and others—*in order to better serve community members in the ways that they experience their daily lives*?
- Developing a deeper analysis of our collective and coordinated ability to serve populations that are displaced from and/or migrate to one part of the city to another.
- Developing a plan to address the differences between city- and community-staffed offices. Civic Life has already adopted an objective to explore the question of how, when and under what conditions city-staffed district coalitions will eventually be returned to community structures.

**Equity is not achieved through siloed strategies.** Disparate outcomes and communities do not neatly fit within the lines on the maps we have drawn. We have reflected upon our experiences working within set boundaries and working across boundaries in addressing community conditions.

In fiscal year 2019/20, one area for shared analysis and coordinated effort *across district boundaries and toward more equitable outcomes* is the role of district coalitions in serving communities in addressing housing affordability, houselessness and diversity in housing options. As we know from our recent and historical past, many communities are displaced from one part of the city to another and beyond. If we were to use only a per person measure, that would result in shifting dollars between districts reflecting the consequences of displacement and migration but without the deeper analysis of the underlying forces, or of the roles district coalitions can play in addressing those larger dynamics with other community and issue groups. Shifting funding between districts using only population measures would result in funding that is largely reactive, chasing symptoms and not necessarily equipping district coalition partners to develop advocacy, policy and systems strategies benefitting all Portlanders.

Whether with limited, more, or less funding, Civic Life and district coalition partners are changing the discussion toward delivering equitable outcomes and service and funding models that adapt to rapidly changing community conditions. As referenced above, this is the start of a longer-term discussion with district coalitions as well as with all programs within the bureau. The next steps in fiscal year 2019/20 will build on the steps undertaken in fiscal year 2018/19. More specific proposals for the levels of investment will be forthcoming with budget submission in January 2019.



Agenda No.

**REPORT**~~Equitable Distribution of District Coalition Resource for FY19-20 Budget~~Accept ~~and approve~~ district coalition plan for FY 19-20 budget (Report).for equitable distribution  
of resources

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Chloe Eudaly</b>	CLERK USE: DATE FILED <u>DEC 04 2018</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration - Wheeler Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Hardesty Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland  By: <u>Susan Parsons</u> Deputy
<b>BUREAU APPROVAL</b> Bureau: Community & Civic Life Bureau Head: Suk Rhee	<b>ACTION TAKEN:</b> DEC 12 2018 Rescheduled to JAN 16 2019 10:25am Time Certain JAN 16 2019 <b>ACCEPTED</b>
Prepared by: Shuk Arifdjanov Date Prepared: 11/26/2019	
<b>Impact Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date <b>12/12/18</b>	

<b>AGENDA</b>  <b>TIME CERTAIN</b> <input checked="" type="checkbox"/> Start time: <u>09:45</u>  Total amount of time needed: <u>30 min</u> (for presentation, testimony and discussion)	<b>FOUR-FIFTHS AGENDA</b>	<b>COMMISSIONERS VOTED AS FOLLOWS:</b>		
<b>CONSENT</b> <input type="checkbox"/>  <b>REGULAR</b> <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)				
	1. Fritz	1. Fritz	YEAS	NAYS
	2. Fish	2. Fish	✓	
	3. Hardesty	3. Hardesty	✓	
	4. Eudaly	4. Eudaly	✓	
	Wheeler	Wheeler	✓	