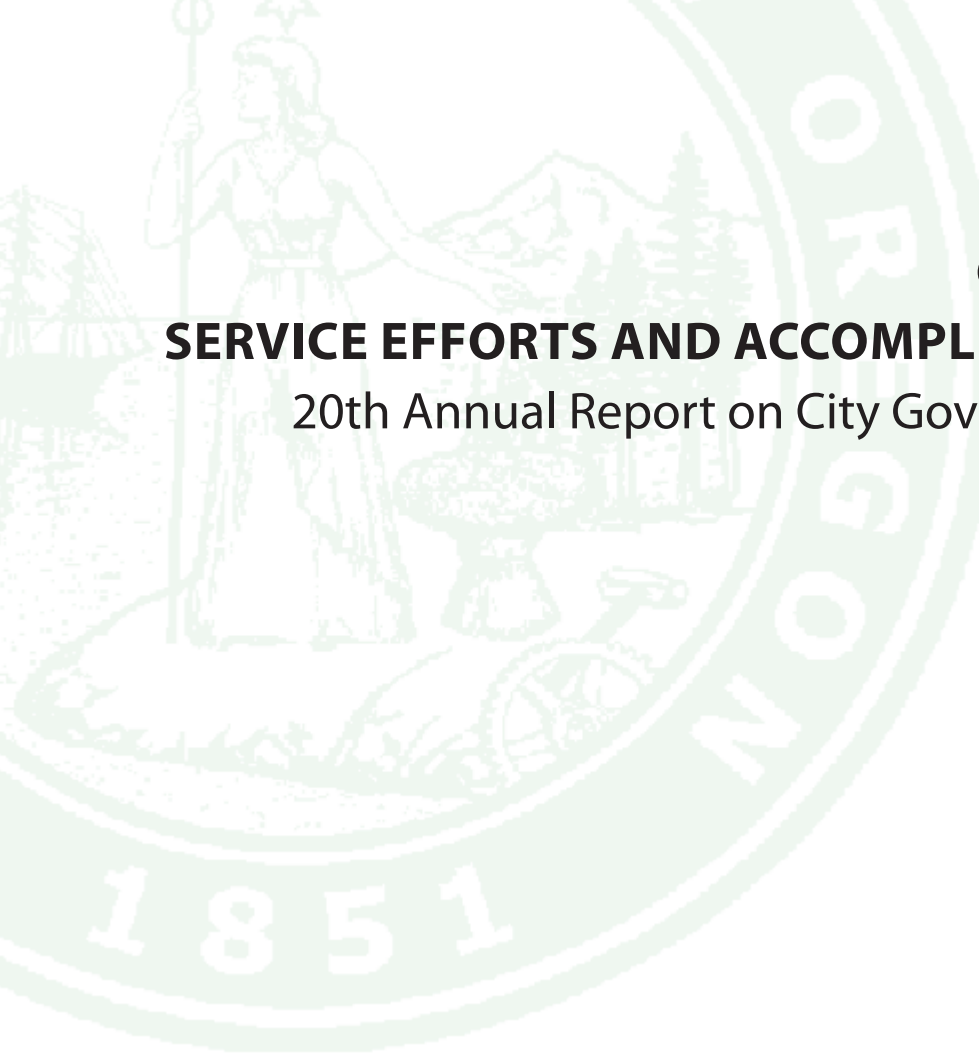




CITY OF PORTLAND

SERVICE EFFORTS AND ACCOMPLISHMENTS: 2009-10

20th Annual Report on City Government Performance

December 2010

LaVonne Griffin-Valade

City Auditor

Drummond Kahn

Director of Audit Services

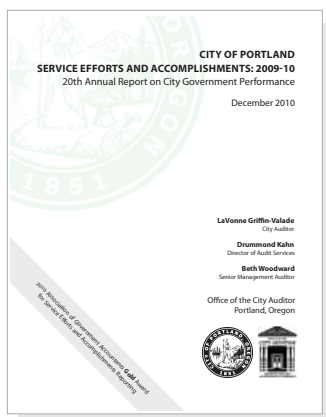
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2010 Association of Government Accountants **Gold** Award
for Service Efforts and Accomplishments Reporting



Production / Design
Robert Cowan
Public Information Specialist



CITY OF PORTLAND

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December 2, 2010

TO: Mayor Sam Adams
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Randy Leonard
Commissioner Dan Saltzman
Portland Development Commission

SUBJECT: City of Portland, Service Efforts and Accomplishments: 2009-10 (Report #400)

We are pleased to present our 20th annual review of select City performance measures and relevant trends. The attached Service Efforts and Accomplishments (SEA) report contributes to good governance and transparency by providing the public and decision-makers with timely, accurate information and independent analysis. Using data made available by the participating bureaus, the SEA report summarizes and highlights outcomes in key service areas, comparing results for the past five years.

The Auditor's Office has provided this important performance information to the public for two decades. Unlike most of our audits, the SEA report offers no recommendations to improve City services. One purpose of this report is to promote the use of performance data to inform management decisions and to demonstrate some outcomes of bureaus' efforts. The report is also intended to prompt examination of any positive or negative trends that may be of interest to City officials and residents.

Bureaus included in our SEA report this year are the Portland Development Commission (PDC), Parks and Recreation, Development Services, Housing, Planning and Sustainability, and Neighborhood Involvement. The City's other major service bureaus will be the focus of the 2010-11 SEA reporting cycle, as they were in our 2008-09 report. In addition, last month we issued our 20th annual community survey. Together, the SEA report and the community survey shed light on the efficiency and effectiveness of the work carried out by City government.

We appreciate the invaluable assistance we received from City bureaus in the development of this report.

LaVonne Griffin-Valade
City Auditor

Audit Team: Drummond Kahn, Beth Woodward, Alexandra Fercak, Kari Guy, Ken Gavette,
Martha Prinz, Robert Cowan

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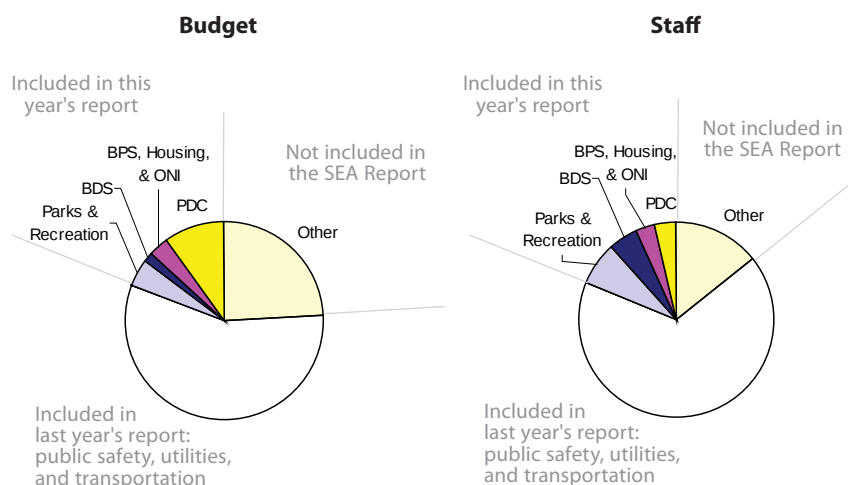
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SUMMARY

Summary

Service Efforts and Accomplishments (SEA) reports allow readers to evaluate City performance relative to goals. This report contains highlights and performance data on six City bureaus: Development Services (BDS), Planning and Sustainability (BPS), Office of Neighborhood Involvement (ONI), Portland Development Commission (PDC), Portland Housing Bureau (PHB), and Portland Parks and Recreation (PP&R). These six bureaus made up 19 percent of City expenditures and authorized staff positions in Fiscal Year (FY) 2009-10.

This year's bureaus as proportion of City budget and staff, FY 2009-10



Source: FY 2009-10 City of Portland Revised Budget

Spending per capita, FY 2009-10

BDS	\$50	PDC	\$256
BPS	\$34	PHB	\$58
ONI	\$11	PP&R	\$126

Source: Bureaus, and Audit Services analysis

In the prior SEA (Report #380), we reported on six other bureaus: Police, Fire & Rescue, Emergency Communications, Transportation, Environmental Services, and Water. These represent a larger portion of City expenditures. We plan to present performance information on these bureaus again next year.

We present a combination of bureau workload, efficiency, and effectiveness measures, and comparisons to other cities to provide a broad array of performance information on these City service areas. Our intent is to increase public accountability of City government, to help City Council and managers make more informed decisions, and to foster improved delivery of City services.

The City's goals are to:

- Ensure a safe and peaceful community
- Promote economic vitality and opportunity
- Improve the quality of life in neighborhoods
- Protect and enhance the natural and built environment
- Operate and maintain an effective and safe transportation system
- Deliver efficient, effective, and accountable municipal services

In this report, we provide readers with data and comparisons to illustrate the City of Portland's efforts and accomplishments toward meeting these goals.

Bureau highlights

The following are highlights from this year's report:

- The number of building permits issued for commercial and residential projects in FY 2009-10 stood at 67 percent of FY 2005-06 levels. Numbers of land use cases, zoning plan checks, trade permits and construction inspections also declined during that time.

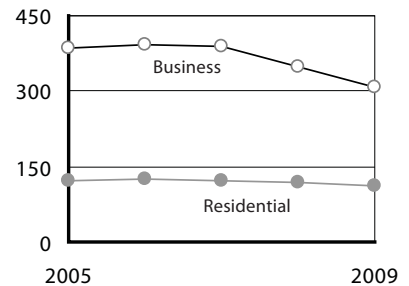
Development services workload

	'09-10	5-year change
Land use cases	587	-57%
Zoning plan checks	3,814	-36%
Building permits	7,410	-33%
Trade permits	34,711	-21%
Construction inspections	131,011	-32%

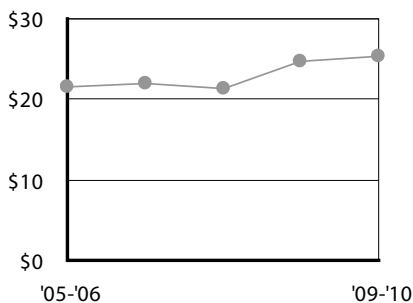
Summary

- Garbage produced in the city continued to decline. In the last five years, total garbage produced by residents decreased 7 percent, and by businesses, 21 percent.

Garbage produced (thousands of tons)



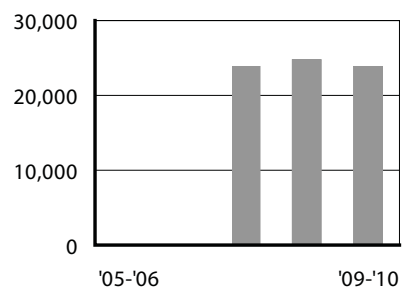
Residential monthly garbage and recycling bill (adjusted)



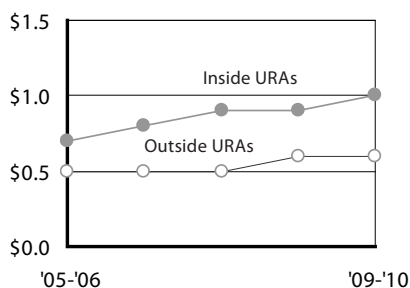
- Adjusted for inflation, the monthly residential garbage and recycling bill for a typical 32-gallon garbage can, increased 18 percent from FY 2005-06 to FY 2009-10.

- Almost 24,000 people attended City-organized crime prevention events in FY 2009-10, and almost 37,000 households received crime prevention materials.

Crime prevention event attendance



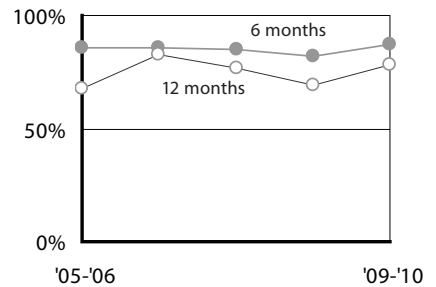
Assessed real property values per acre (millions, adjusted)



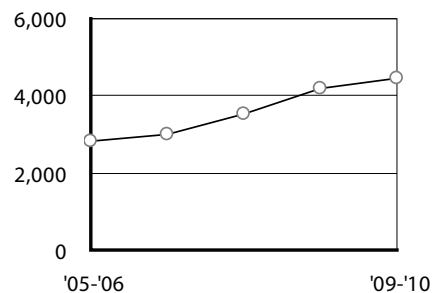
- Assessed real property values in Urban Renewal Areas (URAs) were higher than values in the rest of the city in FY 2009-10. Since FY 2005-06, assessed values in URAs increased 43 percent, while values in the rest of the city (outside of URAs) increased 20 percent.

- Since FY 2005-06, the percent of homeless households placed in stable housing, and still housed after six months, exceeded 80 percent each year. Those still housed after 12 months increased from 68 percent in 2005-06 to 78 percent in 2009-10.

Homeless households still housed 6 or 12 months after placement



Homeless persons in shelters, Multnomah County

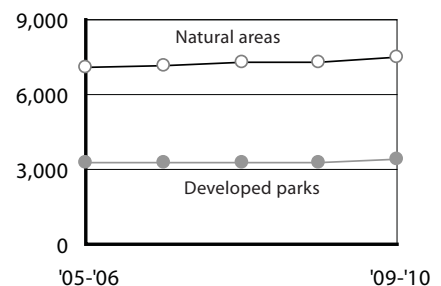


- The number of homeless persons was more than 50 percent higher in FY 2009-10 than in FY 2005-06, based on Multnomah County's one night shelter count.

- The park system continued to expand as the city population increased, maintaining its goal of 19 acres per thousand residents. New land acquisitions, including those made with funds from the Metro Natural Areas Bond Program, increased the natural area managed by the City from 7,074 to 7,523 acres in the last five years.

- Amenities also increased within existing parks. For example, community gardens were added in six locations, and four new skate parks were created in the last five years.

Park acres



Summary

PERFORMANCE HIGHLIGHTS

Bureau of Development Services

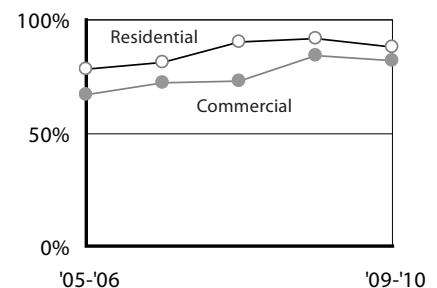
OVERVIEW

The need for building permits declined in FY 2009-10, as both commercial and residential construction activity levels continued to fall. As a consequence, Bureau of Development Services (BDS) fee and permit revenues also declined. The Bureau cut staff, eliminated or cut back on some lower priority services, and spent reserves in an effort to achieve financial stability. It met some targets but fell behind on others.

POSITIVE TRENDS

- In FY 2009-10, the City reviewed commercial plans within targeted time-frames 82 percent of the time, compared to 67 percent five years ago. The City reviewed residential plans within targeted time-frames 88 percent of the time in FY 2009-10, compared to 78 percent in FY 2005-06.

Plans reviewed within targeted time-frames, all reviews



- The percentage of building permits issued over-the-counter increased to 60 percent in FY 2009-10, compared to 57 percent during the prior fiscal year.
- In FY 2009-10, the Bureau issued 85 percent of trade permits within 24 hours. This was a 6 percentage point increase from five years ago.
- The Bureau completed commercial construction inspections within 24 hours 98 percent of the time, as it did during the prior fiscal year.

CHALLENGES

- The number of building permits issued for commercial and residential projects in FY 2009-10 stood at 67 percent of FY 2005-06 levels. Numbers of land use cases, zoning plan checks, trade permits and construction inspections also declined during that time.

Development services workload

	'09-10	5-year change
Land use cases	587	-57%
Zoning plan checks	3,814	-36%
Building permits	7,410	-33%
Trade permits	34,711	-21%
Construction inspections	131,011	-32%

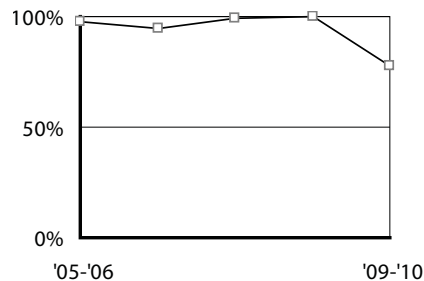
- By the end of FY 2009-10, the number of actual Bureau employees, at 148, was only about half the level it had been in FY 2008-09, and also about half the number of authorized positions.

BDS spending and staffing

	'09-10	1-year change
Expenditures (millions)	\$28.9	-32%
Spending per capita	\$50	-33%
Staffing (authorized FTE)	307	-14%

- The Bureau's workload increasingly consisted of smaller projects that generated less revenue than large-scale projects. In the past, larger projects subsidized smaller projects. According to the Bureau, many of the services BDS provided in FY 2009-10 cost more to provide than the revenue those services generated.

Residential construction inspections within 24 hours



- In FY 2009-10, only 78 percent of residential inspections were completed within 24 hours, compared to 98 percent in FY 2005-06.

- The Bureau referred only two code enforcement cases to a hearings officer in FY 2009-10. According to the Bureau, its enforcement program staff was reduced by more than half, and this function was deemed a lower priority than others.

Bureau of Development Services

MISSION The Bureau of Development Services promotes safety, livability, and economic vitality through efficient and collaborative application of building and development codes.

INPUT MEASURES	05-06	06-07	07-08	08-09	09-10
Total bureau expenditures (millions, adjusted)	\$34.6	\$40.0 ¹	\$42.5	\$42.5	\$28.9
Authorized staffing (FTE)	291	329 ¹	346	358	307

WORKLOAD MEASURES	05-06	06-07	07-08	08-09	09-10
Service population	556,370	562,690	568,380	575,930	582,130
Building permits:					
Commercial	4,080	4,266	3,917	3,806	2,967
Residential	6,951	7,171	6,704	5,037	4,443
TOTAL	11,031	11,437	10,621	8,843	7,410
Construction inspections:					
Commercial	84,779	104,629	96,309	81,981	51,080
Residential	106,568	112,509	113,607	94,645	79,931
TOTAL	191,347	217,138	209,916	176,626	131,011
Trade permits	43,742	45,098	42,530	36,196	34,711
Land use cases received	1,372	1,368	1,242	755	587
Zoning plan checks	5,933	5,963	4,934	3,784	3,814
Code enforcement cases to Hearings Officer	12	13	9	10	2

EFFICIENCY MEASURES	05-06	06-07	07-08	08-09	09-10
Spending per capita (adjusted)	\$62	\$71 ¹	\$75	\$74	\$50

EFFECTIVENESS MEASURES	05-06	06-07	07-08	08-09	09-10
Construction inspections within 24 hours (percent)					
Commercial	97%	98%	98%	98%	98%
Residential	98%	95%	99%	100%	78%
Commercial plans reviewed within targeted time-frames					
BDS reviews (goal = 75%)	69%	75%	75%	86%	83%
All reviews (includes other bureau reviews) (goal = 84%)	67%	72%	73%	84%	82%

Performance Data

EFFECTIVENESS MEASURES (continued)	05-06	06-07	07-08	08-09	09-10
Residential plans reviewed within targeted time-frames					
BDS reviews (goal = 85%).....	84%	88%	92%	95%	89%
All reviews (includes other bureau reviews) (goal = 93%).....	78%	81%	90%	92%	88%
Building permits issued over-the-counter	57%	58%	57%	57%	60%
Trade permits issued within 24 hours	79%	80%	82%	85%	85%

¹ Beginning in FY 2006-07, BDS included the Neighborhood Inspection Team, adding \$1.9 million (unadjusted) to expenditures and approximately 20 FTE.

For more information about the Bureau of Development Services, click or go to:

www.portlandoregon.gov/BDS/

Bureau of Planning & Sustainability

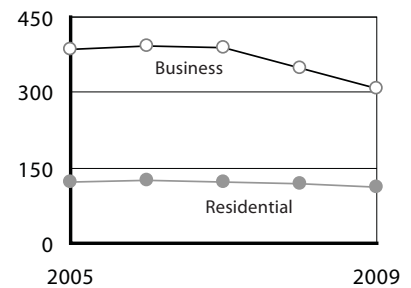
OVERVIEW

In 2009, the City Council merged the Bureau of Planning and the Office of Sustainable Development to form the Bureau of Planning and Sustainability. The Bureau develops and implements programs related to sustainability, urban design, long range planning and district planning.

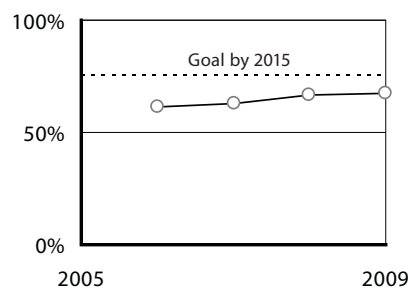
POSITIVE TRENDS

- Garbage produced in the city continued to decline. In the last five years, total garbage produced by residents decreased 7 percent, and by businesses, 21 percent.

Garbage produced (thousands of tons)



Overall waste recovery rate

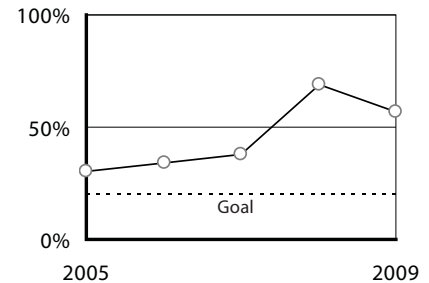


- The proportion of waste recovered (recycled, composted, or reused) increased. In 2009, the overall recovery rate of 67 percent approached the goal to recover 75 percent by 2015.

- In FY 2009-10, the Bureau greatly increased public contacts as part of its effort to update the City's Comprehensive Plan, called the Portland Plan. Public contacts included community forums, presentations, workshops, surveys, and mailings.

- Portland continued to exceed its goal of attracting at least 20 percent of the region's new housing starts. In 2009, 57 percent of new housing starts in the Metro urban growth boundary (UGB) were within city limits.

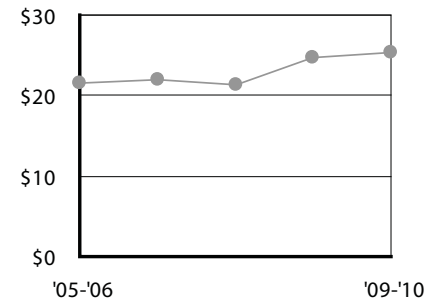
Percent of Metro UGB housing units built in Portland



CHALLENGES

- Adjusted for inflation, the monthly residential garbage and recycling bill for a typical 32-gallon garbage can, increased 18 percent from FY 2005-06 to FY 2009-10.

Residential monthly garbage and recycling bill (adjusted)



- In 2009, total emissions of carbon dioxide (CO₂) equivalent in Multnomah County were 1.8 percent below 1990 levels. Although this was short of the City's goal to reduce emissions 10 percent from 1990 levels by 2010, this counters the national trend in CO₂ emissions, which increased 8 percent during the same period. On a per capita basis, local emissions of CO₂ declined by almost 20 percent since 1990.

Bureau of Planning & Sustainability

MISSION	Create a prosperous, equitable and healthy city. To do this, the Bureau of Planning and Sustainability: • Builds partnerships • Engages, inspires and educates residents and businesses • Advances policy, programs, plans, regulations and urban design that foster both innovation and practical solutions
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INPUT MEASURES	05-06	06-07	07-08	08-09	09-10
Expenditures (millions, adjusted):					
Bureau of Planning..... ¹	\$6.7	\$7.1	\$10.7	\$11.3	-
Office of Sustainable Development..... ¹	\$5.5	\$6.1	\$7.5	\$8.1	-
Bureau of Planning and Sustainability..... ¹	-	-	-	-	\$20.0
TOTAL, combined bureau..... ¹	\$12.2	\$13.2	\$18.1	\$19.3	\$20.0
Authorized staffing, combined bureaus (FTE)..... ¹	90	98	118	125	114

WORKLOAD MEASURES	05-06	06-07	07-08	08-09	09-10
Service population	556,370	562,690	568,380	575,930	582,130
Planning Projects:					
Comprehensive plan projects	5	6	5	2	3
Area plan projects	26	13	12	3	4
Evaluations and implementation projects	7	19	17	14	16
TOTAL projects.....	38	38	34	19	23

Estimated number of public contacts:					
Citywide planning projects	34,804	57,544	25,963	9,307	668,676
Local planning projects	24,468	19,319	34,280	9,321	22,291
Household resource conservation assistance ...	38,370	49,468	61,052	100,296	96,704
Business resource conservation assistance.....	4,859	2,096	2,737	2,008	2,308

	2005	2006	2007	2008	2009
Garbage produced (estimated thousands of tons):					
Residential.....	120.3	123.5	122.2	116.8	111.5
Business	387.1	393.7	390.4	348.9	307.5
Waste recycled (estimated thousands of tons)					
Residential	-	111.9	111.3	113.5	114.8
Business	424.1	532.9	568.5	606.7	545.6
New housing units:					
In City	3,268	2,101	2,314	3,314	1,041
In total Urban Growth Boundary (UGB)	10,726	6,218	6,156	4,777	1,828
Percent of UGB total in City	30%	34%	38%	69%	57%

¹ In January 2009, City Council approved merging the Bureau of Planning and the Office of Sustainable Development. Combined bureau totals include staff and expenditures from both bureaus for years prior to the merger.

Performance Data

EFFICIENCY MEASURES	05-06	06-07	07-08	08-09	09-10
Spending per capita, combined bureaus (adjusted) ¹	\$22	\$23	\$32	\$34	\$34
Monthly residential garbage and recycling bill for 32-gallon can (adjusted).....	\$21.50	\$21.89	\$21.32	\$24.70	\$25.30
	2005	2006	2007	2008	2009
Per capita residential energy use (millions British Thermal Units (BTU)).....	29.0	29.3	28.9	29.2	29.4
Global warming emissions of CO ₂ equivalent (Goal: 10% less than 1990 level by 2010)					
Total in Multnomah County (millions of metric tons).....	8.1	8.3	8.3	8.1	8.0
Change in total emissions since 1990	-0.8%	+2.1%	+2.1%	-1.3%	-1.8%
Per capita in Multnomah County (metric tons) ...	12.0	12.4	12.2	11.5	11.2
Change in emissions per capita since 1990....	-13.9%	-11.7%	-12.9%	-17.6%	-19.7%
EFFECTIVENESS MEASURES	05-06	06-07	07-08	08-09	09-10
Adopted plans	1	1	3	1	3
Certified green buildings in Portland.....	552	1,003	1,132	1,379	1,595
City government electricity use supplied by renewable resource (goal 100%)	1.3%	1.3%	2.2%	8.8%	9.1%
Electricity customers who buy renewable energy.....	9.1%	12.0%	13.4%	13.5%	14.1%
Annual savings in City energy costs due to energy efficiency measures implemented since 1991 (millions, adjusted).....	\$2.8	\$2.7	\$2.9	\$4.3	\$4.2
	2005	2006	2007	2008	2009
Recycling rate (percent of all waste):					
Residential.....	-	47.5%	47.7%	49.3%	50.7%
Business	52.3%	57.5%	59.3%	63.5%	64.0%
Overall recovery rate including state estimates (6%) for home composting, reuse, and prevention programs (Goal = 75% by 2015).....	-	61.5%	63.0%	66.7%	67.2%

For more information about the Bureau of Planning and Sustainability, click or go to:

www.portlandoregon.gov/bps

Office of Neighborhood Involvement

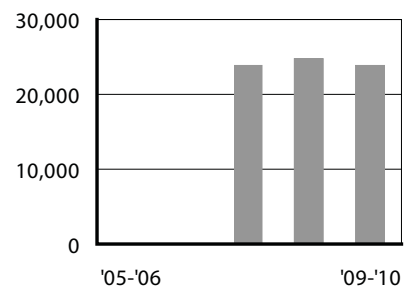
OVERVIEW

The Office of Neighborhood Involvement (ONI) completed a two-year strategic planning process that resulted in revised mission, goals, and values for the organization. ONI included input from staff, its Bureau Advisory Committee, and the general public. ONI's goals center on increasing the number and diversity of people involved in their communities; strengthening neighborhoods and communities, increasing their impact on public decisions; providing resources to improve neighborhood safety and livability; and providing information and effective services to individuals and organizations.

POSITIVE TRENDS

- ONI interacts with residents through the Crime Prevention Program. Almost 24,000 people attended ONI-organized crime prevention events in FY 2009-10, and almost 37,000 households received crime prevention materials.

Crime prevention event attendance



- The number of Crime Prevention training events, security assessments, Good Neighbor Agreements, and National Night Out parties all increased over the three fiscal years.
- In FY 2009-10, 77 percent of Neighborhoods participated in National Night Out events.
- Information and Referral personnel assisted many residents requesting information, although fewer than in prior years. In FY 2009-10, staff handled requests via phone calls (123,655), walk-ins (9,848), and emails (967).
- Information and Referral staff answered calls quickly. In each of the three years measured, ONI met its goals for both the percent of calls answered in less than 25 seconds, and the percent of calls abandoned.

CHALLENGES

- According to the Bureau, the increase in new and temporary liquor license applications led to an increased workload.
- ONI reported no measures for its largest program, Neighborhood Resource Center. This program is responsible for managing a network of 95 Neighborhood Associations, seven District Coalition offices, and 35 Business District Associations. Our 2008 audit report (#363) recommended that measures be developed for this core program. The Bureau reports they have developed measures and are collecting data.
- Although the Bureau has a graffiti abatement program, it has not developed appropriate measures. ONI reports they are working on measures for this program.

Office of Neighborhood Involvement

MISSION Promote 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.

INPUT MEASURES	05-06	06-07	07-08	08-09	09-10
Expenditures (millions, adjusted)	\$7.4	\$6.4	\$6.9	\$7.5	\$6.7
Authorized staffing (FTE)	55	36	40	38	40

WORKLOAD MEASURES	05-06	06-07	07-08	08-09	09-10
Service population	556,370	562,690	568,380	575,930	582,130
Crime Prevention:					
Trainings.....	-	-	215	284	343
Site Security Assessments	-	-	101	155	159
Good Neighbor Agreements	-	-	14	28	31
National Night Out parties	-	-	119	146	164
Event attendance	-	-	23,763	24,664	23,868
Organized crime-prevention groups.....	-	-	623	633	406
Households receiving materials	-	-	49,400	52,556	36,957
Information and Referral (City, County and other):					
Calls answered	-	-	131,168	124,609	123,655
Walk-ins handled	-	-	24,523	15,500	9,848
Emails responded to	-	-	1,005	1,151	967
Neighborhood Livability Services:					
Liquor licenses					
New applications.....	-	-	400	354	451
Temporary applications.....	-	-	941	932	1,207
Renewal applications.....	-	-	1,792	1,910	1,631
Warnings/enforcements (Time, Place, Manner) ¹	-	-	8	31	42
Abatement plans (Time, Place, Manner) ¹	-	-	1	13	15
Information mail-outs.....	-	-	16,951	14,811	11,782
Graffiti reports	-	-	6,245	8,127	6,822
Mediation cases.....	-	-	405	384	380
Facilitation cases.....	-	-	14	22	31
Neighborhood Resource Centers ²	-	-	-	-	-

EFFICIENCY MEASURES	05-06	06-07	07-08	08-09	09-10
Spending per capita (adjusted)	\$13	\$11	\$12	\$13	\$11
Administration as percent of total budget	-	-	6%	5%	6%
Neighborhoods participating in National Night Out (percent of all 95)	-	-	76%	77%	77%

EFFECTIVENESS MEASURES	05-06	06-07	07-08	08-09	09-10
Information and Referral:					
Calls answered in less than 25 sec (goal: at least 90%).	-	-	91%	91%	90%
Calls abandoned (goal: equal to or less than 5%).	-	-	3%	3%	4%
Liquor licenses:					
Generating complaints.	-	-	1%	2%	2%
Complaints addressed using Time, Place, Manner ¹	-	-	33%	53%	63%
Time, Place, Manner cases resolved ¹	-	-	-	47%	19%
Clients satisfied with mediation.	-	-	95%	98%	97%

¹ The Time, Place, Manner process was established by City Council ordinance to give residents an opportunity to petition the City to address chronic livability issues associated with problem liquor outlets.

² Development/improvement of measures was recommended in Audit Report #363 of ONI. The Bureau reports they have developed measures and are collecting data.

For more information about the Office of Neighborhood Involvement, click or go to:

www.portlandoregon.gov/oni

Portland Development Commission

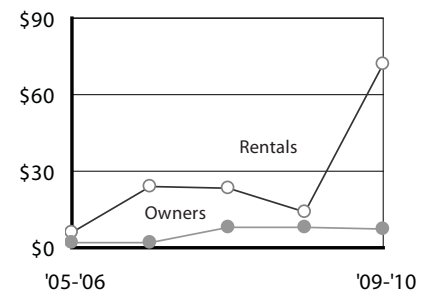
OVERVIEW

The Portland Development Commission (PDC) contributes to the City's urban development efforts. With the formation of the Portland Housing Bureau in FY 2009-10, PDC has greater responsibility for economic development and job creation. Due to the city's economic downturn, PDC is facing challenges such as the allocation of available resources.

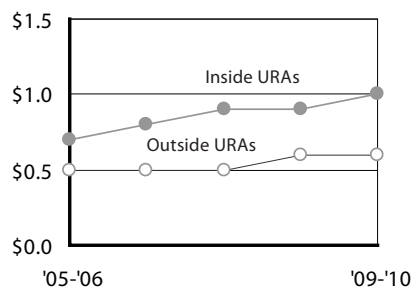
POSITIVE TRENDS

- In FY 2009-10, loans and grants awarded for projects with rental units affordable to low to moderate income persons increased to \$71.9 million from \$14.1 million the prior year. Loans and grants awarded for homeownership projects with units affordable to low to moderate income persons also increased, from \$2.1 million in FY 2005-06 to \$7.4 million in FY 2009-10.

Rental and homeownership projects with affordable units
(millions, adjusted)



Assessed real property values per acre (millions, adjusted)



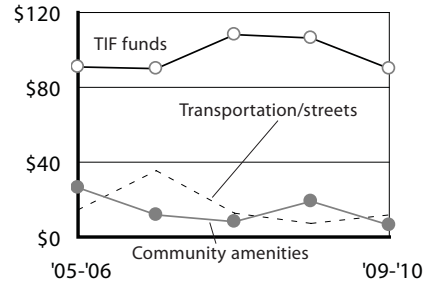
- Real property values assessed in Urban Renewal Areas (URAs) were higher than values in the rest of the city in FY 2009-10. Since FY 2005-06, assessed values in URAs increased 43 percent per acre, while values in the rest of the city (outside URAs) increased 20 percent per acre.

CHALLENGES

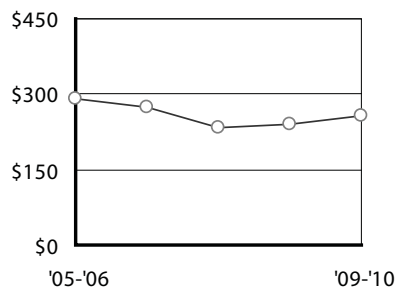
- In FY 2009-10, spending on community amenities, such as open spaces, was \$6.8 million, which is a notable decrease from \$19.5 million in FY 2008-09, and \$26.4 million in FY 2005-06. According to PDC, public infrastructure is funded by Tax Increment Financing (TIF). TIF funding declined from \$108 million in FY 2007-08 to \$89.8 million in FY 2009-10.

Urban renewal funds spent on public infrastructure

(millions, adjusted)



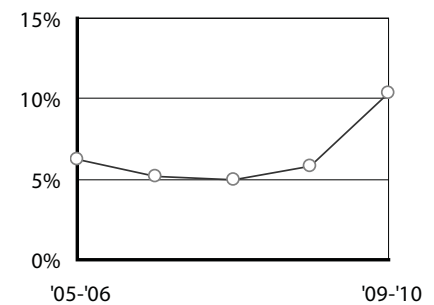
Spending per capita



- Although PDC spending per capita in FY 2009-10 was more than 10 percent lower than in FY 2005-06, spending per capita increased almost 10 percent since FY 2007-08. PDC's spending was \$256 per capita in FY 2009-10.

- In the last fiscal year, the city faced a substantial increase in the city's unemployment rate, from 5.8 percent in FY 2008-09 to 10.4 percent in FY 2009-10.

Portland unemployment rate



Portland Development Commission

MISSION	To bring together resources to achieve Portland's vision of a diverse, sustainable community with healthy neighborhoods, a vibrant central city, a strong regional economy, and quality jobs and housing for all.
----------------	---

INPUT MEASURES	05-06	06-07	07-08	08-09	09-10
Expenditures (millions, adjusted) ¹					
Operating	-	-	-	\$41.5	\$31.8
Capital	-	-	-	\$95.2	\$112.7
Other	-	-	-	\$1.2	\$4.6
TOTAL	\$161.3	\$153.4	\$133.8	\$137.9	\$149.1
City foregone revenue (estimated millions, adjusted)					
Tax abatements.....	\$5.2	\$5.1	\$5.5	\$5.0	\$4.6
SDC & development waivers	\$6.1	\$7.2	\$5.8	\$4.1	\$4.2
TOTAL	\$11.3	\$12.3	\$11.3	\$9.1	\$8.8
Funding sources (millions, adjusted): ¹					
Grants	\$8.7	\$4.9	\$11.9	\$6.9	\$12.2
General Fund	\$1.1	\$1.8	\$3.0	\$4.5	\$8.3
Tax Increment Financing	\$90.8	\$90.2	\$108.3	\$106.3	\$89.8
Other	\$48.1	\$30.6	\$35.1	\$38.8	\$38.2
TOTAL	\$148.7	\$127.5	\$158.3	\$156.5	\$148.4
Authorized staffing (FTE) ¹	210.5	211.5	214.5	224.5	219.1
Percent of all Portland property (acres) in Urban Renewal Areas, (max. by law 15%).....	14.1%	14.1%	14.1%	14.2%	14.2%
Frozen assessed property value in Urban Renewal Areas, as percent of all property value in Urban Renewal Areas (max. by law 15%).....	10.2%	11.0%	10.6%	10.2%	10.3%

WORKLOAD MEASURES	05-06	06-07	07-08	08-09	09-10
Service population	556,370	562,690	568,380	575,930	582,130
Incentives for housing development, units receiving:					
Property tax abatements	13,030	13,405	13,652	14,349	14,178
SDC or development waiver	894	1,208	1,040	800	628
Loans and grants awarded for housing projects (millions, adjusted):					
Affordable to low-moderate income					
Owners	\$2.1	\$2.2	\$8.3	\$8.1	\$7.4
Renters.....	\$5.7	\$23.9	\$23.5	\$14.1	\$71.9
Affordable to middle+ income					
Owners	\$3.5	\$1.4	\$2.1	\$6.0	\$2.3
Renters.....	\$2.8	\$0.3	\$0.1	\$0	\$0.5

WORKLOAD MEASURES (continued)	05-06	06-07	07-08	08-09	09-10
Urban renewal funds spent on public infrastructure (millions, adjusted):					
Transportation / streets	\$14.4	\$35.6	\$13.1	\$7.3	\$11.4
Community amenities (parks, public facilities, open space)	\$26.4	\$11.5	\$8.3	\$19.5	\$6.8
Selected business development loans and grants approved (millions, adjusted):					
Business Finance	\$15.1	\$10.3	\$6.5	\$4.3	\$3.4
Development Opportunity Services	\$0.3	\$0.3	\$0.4	\$0.2	\$0.3
Community Livability	-	-	-	\$0.3	\$0.4
Green Feature Grants	-	-	-	\$0.0	\$0.2
EFFICIENCY MEASURES	05-06	06-07	07-08	08-09	09-10
Spending per capita (adjusted)	\$290	\$273	\$235	\$239	\$256
EFFECTIVENESS MEASURES	05-06	06-07	07-08	08-09	09-10
Assessed real property values per acre (millions):					
Inside Urban Renewal Areas	\$0.7	\$0.8	\$0.9	\$0.9	\$1.0
Outside Urban Renewal Areas	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6
Percent of businesses receiving PDC assistance that were still in business after two years	91%	88%	94%	-	-
Portland unemployment rate	6.2%	5.2%	5.0%	5.8%	10.4%

¹ The FY 2009-10 reorganization of the PDC affected the bureau's expenditures, funding sources and staffing.

For more information about the Portland Development Commission, click or go to:

www.pdc.us

Portland Housing Bureau

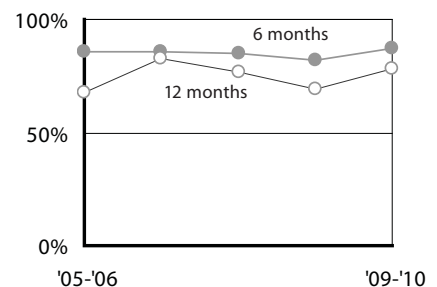
OVERVIEW

The Portland Housing Bureau (PHB) develops policy and manages programs to address the housing needs of Portland's lower-income families and individuals. Beginning in FY 2009-10, the new Portland Housing Bureau was formed by integrating housing programs provided by the former Bureau of Housing and Community Development and the Portland Development Commission. This reorganization affected the Bureau's expenditures and funding sources.

POSITIVE TRENDS

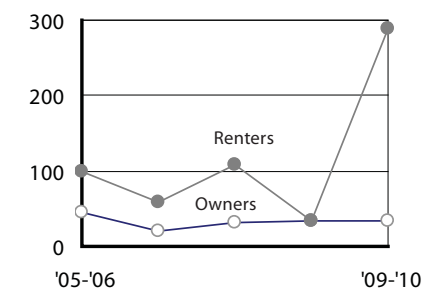
- Since FY 2005-06, the percent of homeless households placed in stable housing, and still housed after six months, exceeded 80 percent each year. Those still housed after 12 months increased from 68 percent in FY 2005-06 to 78 percent in FY 2009-10.

Homeless households still housed 6 or 12 months after placement



- The Bureau funds small-scale home repair projects for low income homeowners. Over the past five years, PHB funded an average of almost 1,500 projects per year.
- PHB funding for mid-income rental housing development, through the Portland Development Commission, more than doubled since FY 2005-06, while the number of rental units produced almost doubled in that same period. According to PHB this is due to completion of a number of multi-family housing projects in FY 2009-10 that previously had been in planning and predevelopment phases.

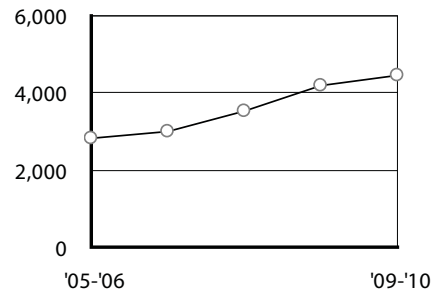
Units produced for mid-income owners and renters



CHALLENGES

Homeless persons in shelters, Multnomah County

(individuals counted in one night)

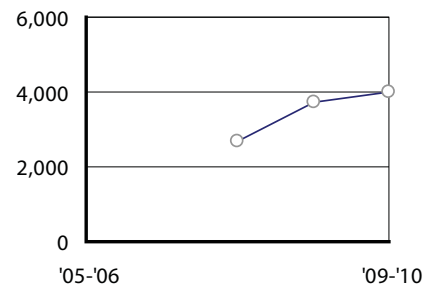


- The number of homeless persons was more than 50 percent higher in FY 2009-10 than in FY 2005-06, based on Multnomah County's one night shelter count.

- The number of homeless persons served in PHB-sponsored homeless programs increased by more than 40 percent in five years.

- The number of households seeking stable housing placement was about 50 percent higher than in FY 2007-08. In FY 2009-10, PHB-sponsored homeless placement programs placed 41 percent of the households who sought placement services.

Homeless households seeking stable housing



Portland Housing Bureau

MISSION Creating home for Portlanders by influencing the larger livability agenda, and delivering housing investments and services where the market leaves voids.

INPUT MEASURES	05-06	06-07	07-08	08-09	09-10
Expenditures (millions, adjusted): ¹					
Housing	\$23.3	\$22.9	\$29.6	\$32.5	\$30.1
Other	\$0.6	\$0.1	\$1.2	\$3.5	\$3.8
TOTAL	\$23.9	\$23.0	\$30.8	\$36.0	\$33.9
Funding sources (millions, adjusted): ¹					
Grants	\$15.7	\$13.8	\$10.7	\$11.3	\$10.7
General Fund	\$4.7	\$7.0	\$20.0	\$13.1	\$11.8
Other	\$3.5	\$2.2	\$0.0	\$11.7	\$8.7
TOTAL	\$23.9	\$23.0	\$30.8	\$36.0	\$31.2
Funds passed to PDC for housing, not included in expenditures and funding sources (millions, adjusted): ¹	\$12.4	\$5.8	\$9.5	\$12.4	\$12.9
Authorized staffing: ¹	27	30	32	29	34

WORKLOAD MEASURES	05-06	06-07	07-08	08-09	09-10
Service population	556,370	562,690	568,380	575,930	582,130
Funding (millions, adjusted):					
Affordable to low-income (0-50% MFI) ²					
Owners	\$0.5	\$0.1	\$0.1	\$0.1	\$0.1
Renters.....	\$3.2	\$1.9	\$6.3	\$0.5	\$3.5
Affordable to moderate-income (51-80% MFI)					
Owners	\$0.4	\$0.1	\$0.3	\$0.4	\$1.9
Renters.....	\$1.7	\$0.2	\$1.8	\$0.8	\$5.7
Housing Units:					
Affordable to low-income (0-50% MFI) ²					
Owners	55	17	14	10	9
Renters.....	160	153	158	91	190
Affordable to moderate-income (51-80% MFI)					
Owners	44	20	31	33	34
Renters.....	99	59	109	34	289
Small-scale home repair projects	2,033	1,350	1,348	1,319	1,333
One night shelter count of homeless (Multnomah County count in January)	2,840	3,018	3,529	4,187	4,448
One night street count of homeless (City count in January).....	-	1,438	-	1,591	-
Persons served in homeless programs ³	10,091	10,622	10,446	12,196	14,524
Households seeking stable housing placement services ^{3,4}	-	-	2,696	3,746	4,015
Homeless households placed in stable housing ^{3,4}	1,351	744	1,195	1,428	1,664

Performance Data

EFFICIENCY MEASURES	05-06	06-07	07-08	08-09	09-10
Spending per capita, not including housing funds passed through to PDC (adjusted)	\$43	\$41	\$54	\$63	\$58
Homeless households placed in stable housing, as percent of those seeking placement services ^{3, 4}	-	-	44%	38%	41%

EFFECTIVENESS MEASURES	05-06	06-07	07-08	08-09	09-10
Homeless households placed in stable housing: ⁴					
Still housed after 6 months (estimate)	86%	86%	85%	82%	87%
Still housed after 12 months (estimate)	68%	83%	77%	69%	78%

¹ The FY 2009-10 reorganization of PHB affected the bureau's expenditures, funding sources and staffing.

² MFI is the Median Family Income limit determined by the U.S. Department of Housing and Urban Development (HUD) for the Portland Metropolitan Area, adjusted based on family size.

³ Starting in FY 2006-07, data collected using a single data collection system.

⁴ Counted as the number of Heads of Household by Multnomah County.

For more information about Portland Housing Bureau, click or go to:

www.portlandoregon.gov/PHB

Portland Parks & Recreation

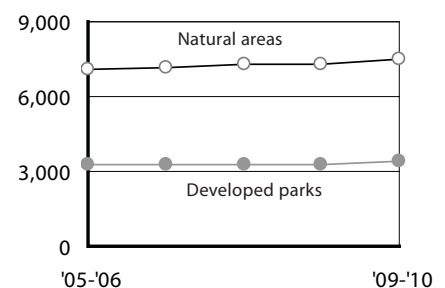
OVERVIEW

Portland Parks and Recreation (PP&R) operates a diverse park system of over 11,000 acres, including community centers, art centers, gardens, natural areas, golf courses, and a motor raceway. PP&R works cooperatively with schools and volunteer organizations to enhance park and recreation opportunities.

POSITIVE TRENDS

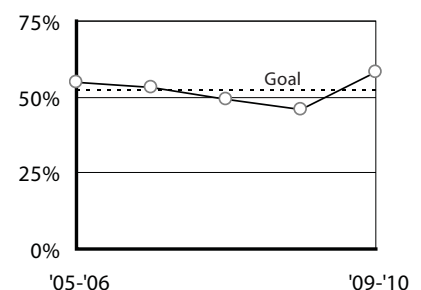
- PP&R continued to expand the park system as the City population increased, maintaining its goal of 19 acres per thousand residents. New land acquisitions, including those made with funds from the Metro Natural Areas Bond Program, increased the natural area managed by PP&R from 7,074 to 7,523 acres in the last five years.

Park acres



- PP&R also increased amenities within existing parks. For example, community gardens were added in six locations, and four new skate parks were created in the last five years.
- PP&R resumed conducting condition assessments on existing buildings and calculated a Facilities Condition Index. PP&R's Index helps identify problems and prioritize maintenance. The percentage of maintenance that was preventive increased. In FY 2009-10, the Bureau exceeded its goal of 52 percent of maintenance hours spent on preventive maintenance.

Percent of maintenance that is scheduled



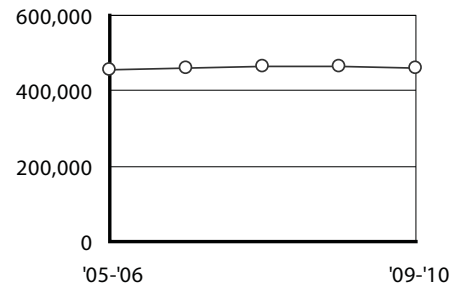
POSITIVE TRENDS

(continued)

- In 2009, PP&R resumed surveying a sample of customers on the quality of facilities and staff, after discontinuing the survey in 2006. Of the customers surveyed, 96 percent reported the overall quality of their experience as good or very good.

- Volunteers' total hours remained consistent. In FY 2009-10, volunteers spent over 460,000 hours helping with park programs, ranging from coaching youth sports to removing invasive species. These volunteer hours are the equivalent of 222 full-time staff.

Volunteer hours



Portland Parks & Recreation

MISSION

Portland Parks & Recreation contributes to the City's vitality by:

- Establishing and safeguarding the parks, natural resources, and urban forest, thereby ensuring that green spaces are accessible to all
- Developing and maintaining excellent facilities and places for public recreation, and building community by providing opportunities for play, relaxation, gathering, and solitude
- Providing and coordinating recreation services and programs created for diverse ages and abilities that contribute to the health and well-being of community members

INPUT MEASURES	05-06	06-07	07-08	08-09	09-10
Expenditures (millions, adjusted): ¹					
Operating	\$62.0	\$63.2	\$65.9	\$ ¹	\$73.3
Capital	\$7.2	\$13.5	\$26.8	\$ ¹	\$8.7
TOTAL	\$69.2	\$76.7	\$92.7	\$ ¹	\$82.1
Permanent staffing (FTEs).....	412	408	414	437	445
Seasonal staffing (FTEs).....	284	298	320	335	381
Volunteers (FTEs)	219	221	223	224	222
Total volunteer hours	457,307	461,274	462,877	465,353	460,746
Total paid staff hours (millions).....	1.4	1.4	1.5	1.6	1.7

WORKLOAD MEASURES	05-06	06-07	07-08	08-09	09-10
Service population	556,370	562,690	568,380	575,930	582,130
Number of Parks & Facilities:					
Sports fields ²	-	-	-	351	351
Community centers	12	12	12	12	12
Arts centers.....	6	6	6	6	6
Pools	13	13	13	13	13
Golf courses	5	5	5	5	5
Off-leash dog areas	31	31	32	32	32
Skate parks	1	2	3	5	5
Community gardens	31	31	32	32	35
Park acres:					
Developed parks.....	3,257	3,260	3,272	3,274	3,417
Natural areas	7,074	7,140	7,263	7,287	7,523
Undeveloped	282	285	228	234	207
TOTAL	10,613	10,685	10,763	10,795	11,147
Building square footage	1,081,712	1,081,712	1,091,944	1,117,922	1,120,035
Estimated recreation visits (millions):					
PP&R sponsored recreation programs					
and facilities ²	-	-	-	-	3.7
Sports programs using PP&R managed fields	2.0	2.1	2.2	2.3	2.3

Performance Data

EFFICIENCY MEASURES	05-06	06-07	07-08	08-09	09-10
Operating spending per capita (adjusted) ¹	\$111	\$112	\$116	- ¹	\$126
Capital spending per capita (adjusted) ¹	\$13	\$24	\$47	- ¹	\$15
Cost recovery for fee-supported programs ¹	33%	34%	33%	- ¹	34%
Workers compensation claims/100 workers	7.3	8.3	8.4	8.3	7.6
Percent of maintenance done that is preventive (hours spent, goal: 52%)	55%	53%	49%	46%	58%
Volunteers hours as percent of paid staff	33%	32%	30%	29%	27%
EFFECTIVENESS MEASURES	05-06	06-07	07-08	08-09	09-10
Residents living within 1/2 mile of a park (goal: 100%)	75%	75%	76%	76%	77%
Park acres per thousand residents (goal: 19 acres per thousand residents)	19.1	19.0	18.9	18.7	19.1
Facilities Condition Index (0.05 - 0.10 = good)	0.05	-	-	.05	.06
	2006	2007	2008	2009	2010
Customer ratings (Community centers & pools): Percent rating overall quality good or very good -	-	-	-	96%	95%
COMPARISON TO OTHER CITIES	05-06	06-07	07-08	08-09	09-10
Parks operating budget per capita (adjusted): ³					
City of Portland	\$94	\$91	\$98	\$102	\$109
6-city average ⁴	\$103	\$111	\$113	\$103	\$96

¹ Data not reliable for FY 2008-09, due to mid-year accounting system change.

² The Bureau improved the methodology for counting sports fields (2009) and recreation visits (2010). Prior year data is not shown because the numbers are not comparable.

³ For comparison purposes, enterprise activities such as Portland International Raceway are excluded from these numbers.

⁴ Charlotte, Cincinnati, Denver, Kansas City, Sacramento, and Seattle are the cities we used for comparison.

For more information about Portland Parks & Recreation, click or go to:

www.portlandoregon.gov/parks/

HOW WE PRODUCE THE SEA REPORT

How we produce the SEA report

OBJECTIVE, SCOPE AND METHODOLOGY

This is the 20th annual *Service Efforts and Accomplishments* (SEA) report from the City Auditor's Office.

The objective of our work was to document current data, trends, and issues with the City's efforts to deliver services to residents, and the City's accomplishments related to these efforts.

Our scope is City efforts and results in FY 2009-10 (July 1, 2009 through June 30, 2010) of six bureaus. This year we focused our report on two Service Areas: Community Development and Parks, Recreation and Culture. The six Bureaus we report on are Development Services, Planning and Sustainability, Office of Neighborhood Involvement, Portland Development Commission, Portland Housing Bureau, and Parks and Recreation.

Beginning in 2009, we are alternating our SEA scope each year between these six bureaus and six bureaus within three other Service Areas: Public Safety, Public Utilities, and Transportation and Parking. We expect to review those six bureaus again in our SEA report for FY 2010-11. Although each bureau is no longer reviewed every year, each SEA report includes the most recent five consecutive years of data.

Some bureau efforts and results are compared to data we gathered from similar cities, and some counties and utility districts serving them: Charlotte, Cincinnati, Denver, Kansas City, Sacramento, and Seattle. We selected these comparison cities 20 years ago based on similarity, comparisons made in prior audits, and representation across the country. Inter-city information was obtained from annual budgets, financial reports, and other official records.

Resident perceptions

To obtain information on resident satisfaction with the quality of City services, we conducted our twentieth annual citywide Community Survey in July and August, 2010. Survey results were reported earlier in a separate report we issued in November. This report #395, *City of Portland 20th Annual Community Survey Results*, is available on our web site: www.portlandoregon.gov/auditor/auditservices. It contains the complete Community Survey questionnaire and responses for the past five years, a description of survey methodology, response rates, and confidence levels.

Involvement in establishing goals and objectives

This report is one important component in the City's efforts to assess and improve its performance. Our work and reporting process consider the input of the community, the input from staff and management of major City bureaus, and contain information on City performance that we report directly to Council and the public. Our 20-year efforts to measure and report City performance data are important to the City's operations.

Input from the community is solicited through our annual community survey described above. Input from staff and management of City bureaus comes to us through our data collection and reporting efforts for this document.

City goals and objectives are set by the City Council, with input from the community. By reviewing the City's efforts and accomplishments, this report allows the public and decision-makers to see where the City is meeting its goals or falling short. Future analysis by City bureaus or by auditors can assess shortcomings and make recommendations for improvement.

The Auditor's Office does not directly establish City goals due to our independence from City management functions. However, we study and report on how well management is achieving City goals, and this report is a key component in our oversight and reporting role – and an important way to show the public and elected officials how City goals and objectives are met by City services.

This report is posted publicly on our web site, distributed to City elected officials, and is readily available to the public and to City managers.

While our SEA report does not recommend specific policy directions or changes to City policy, we understand that it is used in public communication by City bureaus, and used to inform decision-making by elected officials and the public. As a result, we see this report as an important part of public communication, information, and decision-making on key City services. The report describes key measures and goals, tracks management performance in meeting those goals, and reports to the public and decision-makers this broad collection of measures tied to the performance and goals of important City services.

How we produce the SEA report

Information contained in this report was provided by City managers in response to our requests. We prepared and transmitted data collection forms to major City bureaus. Bureau managers and staff completed the forms and returned them to us. For City financial data, we used the most complete financial information available when we conducted our work.

To assess the reliability of management's data, and accomplish our objective, our audit work included several levels of review:

Reasonableness

Our staff reviewed each data element and the overall Bureau information for reasonableness. We determined reasonableness based on our knowledge and understanding of City programs. If we identified any questionable information, we discussed this with the Bureau.

Consistency

Our staff reviewed each data element and the overall Bureau information for consistency. We compared this year's data with both the prior year and with trends extending five years. If we identified any inconsistent information, we discussed this with the Bureau.

Accuracy

Our staff reviewed each data element and the overall Bureau information for accuracy. We compared Bureau-reported information against source documentation (including budget information and other internal and publicly-reported data). If we identified any inaccurate data, we discussed this with the Bureau.

In addition, each chapter in the report underwent an internal quality review process, where an auditor who did not compile a Bureau's data reviewed the data, support, and a draft of each chapter. Any questions or issues identified by the second auditor were resolved with each section's primary author.

Our reviews are not intended to provide absolute assurance that all data elements provided by management are free from error. We did not audit source documents, like water quality test results or 9-1-1

recordings, for accuracy, but checked management representations against our knowledge of programs. It is important to note that our report is not an audit of each data element contained in this document, but instead is a set of pictures of the City's work and results in these key areas.

Finally, while the report may offer insights on service results, it does not thoroughly analyze the causes of negative or positive performance. More detailed analysis may be necessary to provide reliable explanations for results. We select measures to highlight that are of interest to city residents.

Independence

The Audit Services Division of the Office of the City Auditor prepared this report. We are independent of the Mayor and City Council. As the City Auditor is independently elected and is directly accountable to the voters, our work is not subject to approval by any of the bureaus or offices we review, or by any other elected official in the City. The Audit Services Division is also subject to an external quality control review. Our last review, completed in 2008, is available on the Audit Services Division website or by request.

Information technology

During our work, we relied on management's representations of data from computer-based systems. These included human resource systems for the number of employees, budget systems for budgeted program amounts, and other management systems. We did not independently assess the reliability of each of these systems, although the data we report appeared reasonable. In addition, we relied on the work of other auditors, including the City's external financial auditors, who reviewed major financial systems as part of their audit of the City's annual financial statements.

Inflation adjustments and rounding

In order to account for inflation, we express most financial data in constant dollars. We adjusted dollars to represent the purchasing power of money in FY 2009-10, based on the U.S. Department of Labor's Portland-Salem Consumer Price Index for All Urban Consumers. For readability, numbers are rounded. In some cases, tables may not add to 100 percent or to the exact total due to rounding.

How we produce the SEA report

Fiscal year inflation adjustment				
05-06	06-07	07-08	08-09	09-10
1.0941	1.0624	1.0226	1.0103	1.0000

We conducted this performance 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.

**Audit Services Division
Office of the City Auditor
1221 SW 4th Avenue, Room 310
Portland, Oregon 97204
503-823-4005
www.portlandoregon.gov/auditor/auditservices**

*City of Portland Service Efforts and Accomplishments: 2009-10,
20th Annual Report on City Government Performance
(Report #400, December 2010)*

Audit Team: Beth Woodward, Alexandra Fercak, Kari Guy,
Ken Gavette, Martha Prinz, Robert Cowan

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/auditor/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

LaVonne Griffin-Valade, City Auditor
Drummond Kahn, Director of Audit Services

Other recent audit reports:

Police Taser Use: Incidents generally resolved, but some practices and policies could be improved (#386, November 2010)

Business System Software Implementation: Expensive, late, and incomplete (#392, November 2010)

City of Portland 20th Annual Community Survey Results (#395, November 2010)

