

International cities: case studies

US: Portland

Introduction

Portland is located in the Pacific Northwest region of the United States, in Multnomah County, in the state of Oregon. The population is approximately 600,000 in the city itself, with over 2.36 million in the metropolitan area⁴⁵. Portland is the fastest growing US metro area in terms of diversity. While 80% of the population between 50-64 are white, white people constitute only 56% of the population of 5-19 year olds⁴⁶.

GDP growth has been strong in recent years in Portland, with the city coming 16th out of all OECD Metropolitan areas with a GDP growth of 14% from 2009-12. The city has a strong export-orientated economy, with exports constituting 18% of GDP⁴⁷. Employment growth has been slower, at 3% from 2009-13, with job growth not thought to be meeting the needs of a growing population. There are also concerns that wages and income growth have not kept up with the high cost of living. Between 2008 and 2013, the median household income in Greater Portland grew by just 0.7 percent, while all comparison metros saw growth rates that were at least twice as high (Portland Development Commission 2015). There are also concerns about the poverty facing certain communities - the median household income among African American and Native American residents is only 47 percent and 48 percent of the citywide median (ibid).

Portland is widely known to be a 'quirky' city, with a popular bumper sticker being 'keep Portland weird'. Portland was the first U.S. city to enact a local plan to reduce CO2 emissions, and it is compact and walkable, with sprawl restricted by an 'urban growth boundary'. There is a good public transport system (including a new tram system) and widespread use of bicycles. Overall there is also a lack of segregation in the city: 15% of those below the poverty line live in high poverty neighbourhoods, as opposed to 40% in Detroit, Cleveland and Philadelphia. However, there are fears that city centre gentrification is pushing non-white residents out to areas where public transport is less frequent and there are fewer pedestrian-accessible commercial services.

Governance

The United States is a federal system, with most policy relevant to people's day-to-day lives devolved to the 50 state governments. Each state has its own written constitution, government and code of laws. State constitutions vary in the level of power they grant to local governments and cities - typically the greatest discretion is given in relation to local government structure, and the least discretion in relation to finance. Workforce development policy in the United States is managed federally under the Workforce Innovation and Opportunities Act (WIOA) system. Each state has its own employment policy implementation system, in addition to Workforce Development Boards at the state and local levels which involve business and community-led organisations in planning and overseeing policy delivery. Education and skills policy is relatively decentralised, with education being largely funded bottom up through locally elected school districts.

⁴⁵ <http://worldpopulationreview.com/us-cities/portland-population/>

⁴⁶ <https://ceosforcities.org/tag/portland/>

⁴⁷ <http://www.theatlantic.com/business/archive/2013/07/weird-is-good-what-portlands-economy-can-teach-every-city-in-the-world/277477/>

The current mayor of Portland is Charlie Hales, who is the most recent in a long succession of democrat mayors. Portland is unusual in the United States in having a weak mayor or 'city commission government' system. Elected officials include the mayor, a city council (made up of a set of commissioners), and a city auditor. The mayor and commissioners are together responsible for legislative policy and oversee the various bureaus that govern the day-to-day operation of the city. All of the Portland elected officials are nonpartisan and are not nominated or supported by parties. Unlike at the state legislature, where legislators are, in fact, affiliated with parties and caucus with members of the same party, in Portland no party plays any role in the electoral process.

According to one interviewee, Portland has many different geographies, including the City of Portland and the Greater Portland Metro area. The jurisdiction boundaries are also complicated by the fact that part of the urban geography of Portland runs over the river into Vancouver in Washington State. The *Portland Development Commission* is the city's economic development entity. Almost 92 percent of PDC's financial resources come from tax increment financing (TIF), a special funding tool which diverts future property tax revenue increases from defined parts of the city toward economic development projects and public improvement investments. At the Greater Portland level, a government entity called *Metro* has responsibility for land-use planning and park maintenance, and transportation policy amongst other things across three counties. It is the only directly elected regional and metropolitan planning organisation in the United States. In addition, a public private partnership called *Greater Portland Inc* helps to drive economic development and foreign direct investment. The workforce investment board, *Worksystems Inc.* also operates at the regional level, serving Multnomah and Washington counties.

Strategy, Vision and Leadership

While the term 'inclusive growth' is not used explicitly, the principle of equity runs through a series of recent city and regional strategies, including the Portland Plan, the Portland Development Commission strategic plan, the Greater Portland 2020 plan and the regional workforce plan. Erin Flynn identified in 2015 that *'in fact, nearly every strategic plan coming out of the region focuses on social and economic equity right now'*⁴⁸.

The [Portland Plan](#), which was initiated in 2009/10, is a strategic plan for the whole city, focusing on *'everything that the city does, and also things that we don't do but are important to us'*⁴⁹. The plan was released in 2012, incorporating a long-term vision until 2035 alongside shorter-term action plans (City of Portland 2012). It was more comprehensive than previous approaches, encouraging buy-in from a large number of agencies.

The plan is organised around an equity framework, three integrated strategies and a set of measurable objectives to track progress. The equity framework sets out a number of five year plans to, for example, collect data on disparities and on 'what works' in tackling these, assess equity impacts of policies and support community engagement. The three integrated strategies are 'thriving educated youth; healthy connected city and economic prosperity and affordability (see Figure 1). There are five-year action plans in each strategic area of the Portland Plan. The plan particularly highlights the importance of racial equity and disability equity, while also aiming to make Portland 'a place for all generations' and an 'age-friendly' city.

⁴⁸ <https://ceosforcities.org/tag/portland/>

⁴⁹ Source: interviewee from the Portland Development Commission.

Figure 1: The three interconnected strategies underlying the Portland Plan



The plan was built on best practice research within 9 action areas: education and skills development; human health food and public safety; sustainability and the natural environment; transportation, technology and access; prosperity and business success; neighbourhoods and housing; design, planning and public spaces; equity, civic engagement & quality of life; and arts, culture and innovation. Goals and objectives were also set within the plan for each action area.

Many of the ideas within the Portland Plan are incorporated in the [Portland Development Commission Strategic Plan](#) (2015-2020), which has a goal of fostering ‘widely-shared prosperity’ (Portland Development Commission 2015). The PDC’s 2009 economic development strategy had itself fed into the Portland Plan. In 2015, the PDC decided to give even greater emphasis to inclusion because i. an audit of their economic development strategy had identified a disconnect between their approaches to support competitiveness and inclusion and ii. the economic crisis had created a hollowing out of the labour market and a worrying loss of middle-wage jobs. The PDC strategy aims for the gains from physical and economic growth to be ‘intentionally focused to address growing gaps within our city’ (ibid). Objectives include: creating healthy, complete neighbourhoods; accessing high quality employment for Portland residents; fostering wealth creation within communities of colour and low-income neighbourhoods; and forming 21st century civic networks, institutions and partnerships. The strategy focuses on four industry clusters (athletic and outdoor gear and apparel; green cities products and services; technology and media, metals and machinery; and healthcare) which were selected based on local employment concentration, historic and future growth, global reputation and brand, and middle-wage job accessibility.

At the regional scale, the [Greater Portland 2020](#) strategy aims to “achieve economic prosperity for all across the region⁵⁰.” It is based around a shared vision on ‘people’, ‘business’ and ‘place’. It was identified that key themes of equity and inclusiveness ran through the 2020 strategy partly due to Portland representatives ‘shouting loudly around the table’.

Leadership and drivers

According to one interviewee, the Portland Plan has been a ‘tale of four mayors’ – Mayor Vera Katz (1993-2005) identified the need to update the comprehensive planning process, the following Mayor, Tom Potter (2005-9), created a 30 year Portland Vision (Vision PDX) with an emphasis on caring more about people and place. Mayor Sam Adams (2009-2012) developed the Portland Plan. Charlie Hales (2013-present) has continued to implement the plan while returning to the aims of Vera Katz back in the 1990s to update the comprehensive plan, with a new central city 2035 plan to guide to guide growth and development. Despite each leader wanting to put their own stamp onto the process, there has been a great deal of continuity in staffers in the planning bureau in addition to continued pressure from community activists. This means, as one interviewee identified, that ‘the conversation is not stopping’.

⁵⁰ <http://www.greaterportland2020.com/about/>

The Portland Plan itself was developed in part due to evidence-based campaigning from community groups, who highlighted growing disparities in the city, and succeeded in 'gaining the ear of the Mayor'. Two seminal pieces of research fed into the plan: an annual report by the Urban League on The State of Black Oregon⁵¹, and a report by the Coalition of Communities of Colour⁵² which highlighted disparities between community groups. These reports were both shocking and embarrassing to the Portland mainstream, with the research being used to galvanise support and demand policy change – as one interviewee put it, '*you rally around the research, right?*'.

In preparing Portland's strategies review teams have been active in reaching out for best practice examples from other US cities – for example, while Portland has traditionally invested in community initiatives in the field of affordable housing but it was found that there was 'shallower expertise' in the field of community economic development. A review team ensured that experience from Chicago, San Francisco, and New York was embedded in a new neighbourhood economic development strategy in 2011.

In terms of framing, the focus in Portland is mainly on equity – everybody having a fair shot. For example, the Portland Plan identifies that '*equity is when everyone has access to the opportunities necessary to satisfy their essential needs, advance their well-being and achieve their full potential*'. Elsewhere, it is stated by Portland's Office of Equity and Human Rights that "*equity is achieved when one's identity cannot predict the outcome*"⁵³. Equity is distinguished from 'equality' because it incorporates a degree of positive discrimination and extra support for those disadvantaged within the system, so that a level playing field is created. Within the Portland Plan and other strategies there are other common words and phrases which have become themes of local policy discussion: intentionality, 'self- sufficiency' and 'complete neighbourhoods':

- *Intentionality*: This refers to the intentional direction of policy towards creating inclusion and supporting certain disadvantaged, ensuring that all policies take likely impact on different sectors of the population into account.
- *Self-sufficiency*: Rather than talking about poverty, there is an emphasis on helping people towards self-sufficiency, i.e. having sufficient income to meet a household's basic needs without public subsidies or other private or informal assistance. The Portland Plan also models future growth in 'cost-burdened households' i.e. households that spend approx. 50% of household income or more on housing and transportation under different growth scenarios.
- *Complete neighbourhoods*. There is a focus within urban planning on creating 'complete neighbourhoods' (those with essential goods and services, transportation options, connections to employment centers, and community and open spaces within a 20 minutes walking radius) throughout Portland.

The various Portland plans and strategies are communicated proactively to residents of the city. The Portland Plan is presented on-line as "*the plan that Portland wrote, the plan that Portland grows by, the plan that Portland works by and the plan that Portland learns by*"⁵⁴. There are many videos on the website, for example on why equity matters.

⁵¹ See http://ulpdx.org/programs/advocacy-and-civic-engagement/advocacy-and-public-policy/publication_archive/state-of-black-oregon-2015/view-state-of-black-oregon-document/

⁵² <http://www.coalitioncommunitiescolor.org>

⁵³ <https://www.portlandoregon.gov/oehr/>

⁵⁴ <http://www.portlandonline.com/portlandplan/>

The plan is also published as a more accessible handbook. The language used across all the plans and strategies is noticeably frank, laying previous institutional racism and discrimination bare.

In terms of the actions taken forward, it is clear that there is an emphasis on tackling both equality of opportunity and increasing equality of outcomes. For example there is an aim to better connect people living in East Portland to employment opportunities, in order to create better equality of opportunity. At the same time attempts to raise the percentage of middle- wage jobs, encourage workplace diversity and support progression within the labour market are improving the likelihood of residents obtaining good job outcomes that will give them a better quality of life. The Portland plans and strategies do not challenge the underlying growth model per se, although in the area of affordable housing there is a recent focus on community wealth building, ensuring that local people can 'go from owing to owning' through making shared risk-free investments in local housing stock.

Design, Implementation, Monitoring and Impact

The Portland Plan was created by twenty public agency partners in over two years with more than 300 public meetings and 20,000 comments from residents, businesses, neighbourhoods and non-profits. The key partners involved in developing the strategy included the City of Portland, the county and Metro governments, the Portland Development Commission, Worksystems, Inc, and a number of other partners including school districts and community colleges. The Portland State University has also been an important partner, with a motto of "Let Knowledge Serve the City," Portland State sees itself as an "engaged" urban university, with specific courses on community engagement and civic leadership.

The Portland Development Commission strategic plan (2015-20) was developed on the basis of public participation under the guidance of Mayor Charlie Hales, the PDC Board and a twenty-strong steering committee, while forty organisations were consulted on the development of the Greater Portland 2020 strategy. While the Portland Plan is financed by the general city budget, the PDC strategy is mainly financed by Tax Increment Financing (see above), while Greater Portland 2020 is funded through a public-private partnership.

The Portland Plan is being implemented through the City's Comprehensive Plan Update, revisions to the City's budget, new operating practices, legislative advocacy and intergovernmental agreements. As part of the implementation process, an Office of Equity and Human Rights was established in 2011 to promote equity and reduce disparities within City government, while working with community partners through research, education, and interventions.

One critical change in Portland has been a move towards more bottom-up service planning and leadership. It was stated that they have '*turned the model on its head*' so rather than Portland Development Commission taking the lead, local community organisations have more say, particularly within new neighbourhood prosperity districts, and micro-renewal districts. There were some concerns that the current approach of 'reacting to demands from specific interest groups' might undermine a broader systems focus.

A second key emphasis within implementation has been bringing business on board. When launching the Portland Plan Mayor Sam Adams had sought business support through conveying the economic imperative for inclusion – in particular the fact that low educational achievement rates by today's 'majority-minority' school children could threaten the skilled workforce of the future. At the same time, it was pointed out that the city largely depends on income tax, with a fall in the amount of this tax potentially undermining city finances. Former mayor Sam Adams engaged the Chamber of Commerce and set up an Economic Development Council with key business and community leaders focused on delivering the plan. It was identified that the current Tech Diversity pledge to which multiple companies have signed up, was built on such long-term groundwork. Under this pledge, over twenty companies have signed up to increase hiring of women and communities of colour in the Tech industry. However one interviewee felt that more could be done to provide technical assistance to

businesses trying to honour such commitments.

Monitoring

There are twelve core measures of success within the Portland Plan (equity & inclusion, resident satisfaction, educated youth, prosperous households, growing businesses, creating jobs, transit & active transportation; reduced carbon emissions; complete neighbourhoods; healthier people; safer city and healthier watersheds). The indicators are seen as 'vital signs' that reveal the overall health of the city. Efforts are made to set clear short-term and longer term outcome targets for these measures. Examples of targets include: increasing the percentage of people that are self-sufficient from 77% in 2012, through 80% in 2017 and 90% in 2035; and improving 'on-time' school graduate rates from 60% in 2012 to 67% in 2017 and 90% in 2035.

Within the Portland Development Commission Strategic Plan there are also a number of clear outcome targets, set against base line conditions, e.g.

- Create a thriving economic core and maintain the Central City as a vital regional employment hub with at least 33% of Portland's jobs (baseline: 33% of jobs)
- By 2020, reduce the number of Portland households living in high-poverty neighborhoods by 50% with-out promoting displacement (baseline: 24,709 households)
- Increase percent of workforce in Multnomah County earning at least a middle wage to 48% by 2020 (baseline: 45%).

Exemplar themes and initiatives

There are a number of specific initiatives of potential interest to UK cities, in particular in the employment field. One of the aims of the Portland Development Commission strategy is for Portland to increase employment by 28,000 quality jobs between 2015-2020, including 13,000 middle-wage jobs. In support of this objective Worksystems Inc, has put in place a number of measures to increase middle-skill, middle-income jobs. In addition, Oregon also became the first US state to enact a tiered minimum wage in 2016, dependent on local living costs.

Worksystems, Inc. identifies that what constitutes a quality job, and an adequate income, varies from person to person according to their costs and responsibilities. They have therefore set up a tool to help people to assess the income that they would need to earn to become self-sufficient: www.prosperityplanner.org. The planner is based on a set of self-sufficiency standards which identify real costs in each of Oregon's 36 counties and use those costs to establish the adequate wage in those regions for 70 different family configurations. People are required to go through the prosperity planner before undertaking any Worksystems Inc. training. Advice is then given on the types of occupations that might award necessary incomes and the training pathways and progression routes that could help people to achieve jobs in these occupations.

Through implementing the self-sufficiency initiative, it was realised that there are not that many occupations in the city of Portland which do allow single earners with families to make ends meet - only one of the top ten in-demand occupations allows self-sufficiency for those looking after several children - that of a registered nurse. While supporting inward investment, Workforce Systems Inc. now explicitly point out that they are not interested in working with industries on promoting entry-level jobs that would not lead to an employment progression pathway - where a sector is wanting to advertise such jobs they provide base level services but no more. They have, in contrast, embarked on a more proactive engagement strategy within certain industry sectors likely to offer quality jobs (such as health care, advanced manufacturing and IT/Software), mapping collaboration partners, identifying key issues with the sector and then convened collaboration partners within industry workforce fora and industry panels, and develop workforce plans.

Another concern in Portland is the number of people without basic employability skills to enter the labour market. An employment initiative to counter this involves the provision of training and certificates of employability/job readiness (platinum, gold, silver, and bronze levels), according to a

national certification programme. It has been identified that bronze level qualifications potentially offering access to 35% of jobs in the workforce area.

Portland has also put programmes in place to support inclusive entrepreneurship, with technical assistance and micro-finance being made available to local entrepreneurs, and in particular 'diverse founders'. At the same time, the Neighbourhood Economic Development Strategy incorporates a number of measures to improve the situation of priority neighbourhoods, including providing financial and technical assistance support for neighbourhood businesses and employing 'workforce navigators' to help people into work.

Further, in response to fears about rising gentrification in Portland, and the associated negative impact of a greater number of people living in asset poverty, there are innovative community wealth building schemes being put in place. For example, the NGO Mercy Corps Northwest has purchased land and a commercial retail and office building, and is building an investment product targeting renters and lower income investors at a price point of \$10-\$100/ month. They are using a model of a shared local risk-free REIT (Real Estate Investment Trust) that they have branded a Community Investment Trust. The emphasis is on allowing people to make small investments which will nevertheless boost their capacity to make longer term financial plans. They are protected through the scheme from any associated financial loss. Elsewhere, the innovative Guerrilla Development movement also allows people to crowd-fund housing investments while not in this case being covered for losses.

Synthesis and Conclusion

While Portland is a rapidly growing economic centre, it has prioritised an inclusive approach over a number of decades, with recent plans and strategies being strongly orientated towards ensuring that broader competitiveness strategies also address inclusion issues.

While the rhetoric is strong, interviewees were less sure of whether sufficient progress has been made on tackling disparities as yet on the ground. Further, it was identified that the Portland Plan has been losing relevance due to the change in Mayor, and the fact that there are a number of regional plans and strategies which go beyond the city (and which dominate workforce development planning, for example).

A common issue raised was the need for city-wide strategies such as the Portland Plan to remain flexible. It was identified that planning had to be a continuous activity, not an episodic one given that things are changing too fast, and the inadequacies of planning appear too quickly. It would seem that particular strategy documents are less important than a common mind set and way of thinking which goes across all activities. One interviewee identified that Portland itself can be identified as a '*set of attitudes, values and characteristic ways of thinking*' which have come to incorporate a proactive stance on inclusion.

The Portland example highlights the value of community activists and political leaders coming together around a shared evidence base. At the same time, the city is innovative in making an ambitious attempt to improve equality of outcomes through increasing middle wage employment, while helping residents to achieve 'self-sufficiency' through training and work progression. This approach would seem to be helpful in acknowledging that changes to both supply and demand. The term 'self-sufficiency' may also appeal to UK cities seeking to break cycles of benefit dependency and help local people to achieve meaningful careers.

In summary, the implications for UK city leaders are that:

- Inclusive growth strategies may need to reflect on the past role of the institutional and governance framework in perpetuating discrimination and disadvantage, and act to change this framework;
- It is possible to 'shape' demand so that middle-wage jobs are available that allow city residents to be self-sufficient, despite rising living costs;

- That giving people the financial tools and advice to plan and invest in their future prosperity (whether through training towards a middle-income job, or investing in a shared real estate scheme) is an important mechanism for allowing people to escape poverty;
- That having a single strategy document may be less important than generating an ongoing conversation and a set of inclusive shared values that go across all the policy interventions being taken forward in a city.

Bibliography

City of Portland (2012). The Portland Plan.

Portland Development Commission (2015). Strategic Plan 2015-2020. Portland, Oregon.