



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A SPECIAL MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **13TH DAY OF DECEMBER, 2016** AT 9:00 A.M.

THOSE PRESENT WERE: Commissioner Saltzman, Presiding;
Commissioners Fish and Novick, 3.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lauren King, Deputy City Attorney; and Jason King, Sergeant at Arms.

The meeting recessed at 11:41 a.m. and reconvened at 11:45 a.m.

	Disposition:
<p>1381 TIME CERTAIN: 9:00 AM – Provide affordable housing through an Inclusionary Housing program (Previous Agenda 1379; Ordinance introduced by Mayor Hales; amend Title 33, Planning and Zoning) 3 hours requested for items 1381-1382</p> <p>Continued to December 14, 2016 at 11:00 am Time Certain.</p> <p>Motion numbers indicate order the amendments were made for 1381 & 1382.</p> <p>2) Motion to amend Title 33 to make technical fixes: Moved by Saltzman and seconded by Fish. (Y-5)</p> <p>3) Motion to amend Title 33 to add the initial phased in inclusion rate: Moved by Saltzman and seconded by Fish. (Y-5)</p> <p>5) Motion to adopt historic transfer amendment: Moved by Novick and seconded by Fish. (Y-5)</p> <p>7) Motion to adopt family size amendment for Title 33: Moved by Novick and seconded by Fish. (Y-5)</p> <p>8) Motion to adopt parking linking amendment: Moved by Novick and seconded by Fish. (Y-4; N-1 Novick)</p>	<p>PASSED TO SECOND READING AS AMENDED DECEMBER 21, 2016 AT 9:30 AM</p>

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S-1382 Provide affordable housing through an Inclusionary Housing program and update the Multiple-Unit Limited Tax Exemption Program (Previous Agenda 1380; Ordinance introduced by Commissioner Saltzman; add Code Section 30.01.120, amend Section 30.01.030 and Chapter 3.103)

Continued to December 14, 2016 at 11:00 am Time Certain.

1) Motion to accept substitute ordinance containing a number of technical fixes to Title 30 and Title 3: Moved by Saltzman and seconded by Fish (Y-5)

4) Motion to adopt family size amendment for Title 30: Moved by Fish and seconded by Saltzman. (Y-5)

6) Motion to adopt FAR 5.0 amendment: Moved by Novick and seconded by Fish. (N-5) Motion failed.

**SUBSTITUTE
PASSED TO
SECOND READING
AS AMENDED
DECEMBER 21, 2016
AT 9:30 AM**

At 12:15 p.m., Council recessed.

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A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14TH DAY OF DECEMBER, 2016** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

Commissioner Fritz arrived at 9:31 a.m.
 Mayor Hales left at 11:55 a.m. and returned at 12:18 p.m.
 Commissioner Saltzman left at 1:03 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Senior Deputy City Attorney, and at 11:40 a.m., Lauren King, Deputy City Attorney; and Jason King and Mike Cohen, Sergeants at Arms.

On a Y-5 roll call, the Consent Agenda was adopted.

The meeting recessed at 11:32 a.m. and reconvened at 11:33 a.m.

		Disposition:
COMMUNICATIONS		
1382-A	Request of Mike O’Callaghan to address Council regarding theft (Communication)	PLACED ON FILE
1382-B	Request of Matt Smith to address Council regarding declare support for Portland’s Muslim community and censure Donald Trump (Communication)	PLACED ON FILE
TIMES CERTAIN		
1383	TIME CERTAIN: 9:45 AM – Adopt the 2017 Portland Electric Vehicle Strategy to accelerate the transition to electric vehicles and increase deployment of public charging infrastructure (Resolution introduced by Mayor Hales) 30 minutes requested Motion to add paragraph designating resolution as binding city policy: Moved by Fritz and seconded by Hales. (Y-5) (Y-5)	37255 AS AMENDED
1384	TIME CERTAIN: 10:15 AM – Accept the 2016 Annual Fire Prevention Report (Report introduced by Commissioner Saltzman) 30 minutes requested Motion to accept report: Moved by Saltzman and seconded by Novick. (Y-5)	ACCEPTED
1385	TIME CERTAIN: 10:45 AM – Restrict bulk fossil fuel terminals (Previous Agenda 1378; Ordinance introduced by Mayor Hales; amend Title 33, Planning and Zoning) 10 minutes requested (Y-5)	188142 AS AMENDED

CONSENT AGENDA – NO DISCUSSION		
1386	Appoint Thuy Tu and Daniel Newberry to the Urban Forestry Commission (Report introduced by Mayor Hales and Commissioner Fritz) (Y-5)	CONFIRMED
Mayor Charlie Hales		
1387	Extend the terms of Jeff Bachrach, Michelle Rudd, Katherine Schultz, Chris Smith, Mike Houck, Gary Oxman and Maggie Tallmadge of the Planning and Sustainability Commission to expire April 1, 2017 (Report) (Y-5)	CONFIRMED
Office of Management and Finance		
*1388	Ratify a Letter of Agreement between the City and Laborers' Local 483 regarding shift premium pay for certain Portland Bureau of Transportation employees (Ordinance) (Y-5)	188134
Commissioner Steve Novick Bureau of Transportation		
*1389	Accept a grant from the Portland Development Commission in an amount of \$1,453,956 for construction of Foster Transportation and Streetscape Project, SE 82 nd Ave to 90 th Ave (Ordinance) (Y-5)	188135
*1390	Authorize a contract with the lowest responsible bidder for the Foster Streetscape Project, Phase I (Ordinance) (Y-5)	188136
*1391	Amend contract with CH2M Engineers, Inc. for final payment for work completed for the Smart City Challenge grant project in the amount of \$5,000 (Ordinance; amend Contract No. 31000660) (Y-5)	188137
Commissioner Amanda Fritz Portland Parks & Recreation		
1392	Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Argay Park Tennis Court Improvements Project for an estimated \$500,000 (Second Reading Agenda 1352) (Y-5)	188138
1393	Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Forest Park Trail Bridges Replacement Project for an estimated \$640,000 (Second Reading Agenda 1353) (Y-5)	188139

<p>1394 Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Rieke Field Replacement Project for an estimated \$968,808 (Second Reading Agenda 1354) (Y-5)</p>	<p>188140</p>
<p>1395 Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Whitaker Ponds Entry Improvements Project for an estimated \$606,000 (Second Reading Agenda 1355) (Y-5)</p>	<p>188141</p>
<p>REGULAR AGENDA</p> <p>Mayor Charlie Hales</p> <p>Bureau of Planning & Sustainability</p>	
<p>1396 Require disclosure of energy performance ratings for residential single family buildings when listed for sale to promote transparency in housing costs and reduction in local carbon emissions (Second Reading Agenda 1358; add Code Chapter 17.108) (Y-5)</p>	<p>188143 AS AMENDED</p>
<p>Bureau of Police</p>	
<p>*1397 Apply for and accept a grant in the amount of \$15,000 and appropriate \$10,000 for FY 2016-17 from the Oregon Department of Transportation Traffic Safety Division FY 2017 Speed Enforcement Grant program for sworn personnel overtime reimbursement (Ordinance) (Y-4; Hales absent)</p>	<p>188144</p>
<p>*1398 Authorize an Intergovernmental Agreement with Washington County for sharing tactical team resources in mutual aid (Previous Agenda 1359) 10 minutes requested (Y-4; Hales absent)</p>	<p>188145</p>
<p>City Budget Office</p>	
<p>*1399 Authorize contract with the World Council on City Data for joining a global network of cities that are improving city services and quality of life with open data (Ordinance) 15 minutes requested (Y-4; Hales absent)</p>	<p>188146</p>
<p>Office of Management and Finance</p>	
<p>1400 Accept bid of Streimer Sheet Metal Works, Inc. for the Mt Scott Community Center Heating, Ventilation and Air Condition Replacement and Direct Digital Control Upgrade Project for \$828,585 (Procurement Report – Bid No. 00000428) Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4; Hales absent)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>*1401 Authorize an amendment of the FY 2016-17 appropriation schedule in the amount of \$19,255,033 for the Portland Building Reconstruction project (Ordinance) (Y-4; Hales absent)</p>	<p>188147</p>

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<p>1402 Approve findings to authorize an exemption to the competitive bidding requirements and authorize the use of the alternative contracting method of Construction Manager/General Contractor all in connection with the Tryon Creek Wastewater Treatment Plant Headworks Project for an estimated amount of \$54,000,000 (Ordinance) 10 minutes requested</p>	<p>RESCHEDULED TO DECEMBER 21, 2017 AT 9:30 AM</p>
<p>1403 Clarify definitions, administrative authority and make housekeeping changes to the Transient Lodgings Tax Code (Ordinance; amend Code Chapter 6.04) 30 minutes requested for items 1403-1404</p>	<p>PASSED TO SECOND READING DECEMBER 21, 2016 AT 9:30 AM</p>
<p>1404 Amend Tourism Improvement District code to update definitions and change the due dates and delinquency dates to match those in the Transient Lodging Tax code (Ordinance; amend Code Chapter 6.05)</p>	<p>PASSED TO SECOND READING DECEMBER 21, 2016 AT 9:30 AM</p>
<p>*1405 Authorize a lease extension with Oregon Pacific Investment & Development Company for the Bureau of Fire and Police Disability and Retirement office space at 1800 SW First Ave, Suite 450, commonly known as the Harrison Square Building through October 31, 2020 for approximately \$205,000 annually (Previous Agenda 1365) (Y-4; Saltzman absent)</p>	<p>188149</p>
<p>*1406 Authorize financing not expected to exceed \$51 million for an affordable housing project known as the Ellington Apartments (Previous Agenda 1364) 15 minutes requested for items 1406 and 1413 (Y-5)</p>	<p>188150</p>
<p>Commissioner Steve Novick Bureau of Transportation</p>	
<p>1407 Authorize the Portland Bureau of Transportation to develop a Transportation System Development Charge methodology based upon the "Person Trip" model to more accurately reflect Portland's Transportation System (Resolution) 15 minutes requested (Y-5)</p>	<p>37256</p>
<p>1408 Accept findings of the South Portal Partnership Plan Project pertaining to proposed changes to roadway alignments of SW Bond Ave, SW Moody Ave, SW Hamilton St, SW Hamilton Ct, SW Lowell St, and SW Thomas St, and direct implementation of a plan to fund, design and construct remaining South Waterfront street connections (Previous Agenda 1369) 10 minutes requested Motion to adopt amendments in staff memo dated December 14, 2016: Moved by Novick and seconded by Fritz. (Y-5) (Y-5)</p>	<p>37257 AS AMENDED</p>
<p>Commissioner Amanda Fritz</p>	
<p>S-1409 Adopt the Open and Accountable Elections Policy (Second Reading S-1370; add Code Chapter 2.16) (Y-3 Hales, Fritz, Novick. N-2 Fish, Saltzman)</p>	<p>SUBSTITUTE 188152</p>

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<p style="text-align: center;">Portland Parks & Recreation</p> <p>1410 Create a local improvement district to construct park improvements in the Portland Open Space Sequence Local Improvement District in partnership with the Halprin Landscape Conservancy (Previous Agenda 1371; Hearing; Ordinance; C-10054) 10 minutes requested</p> <p>Motion to adopt amendments in staff memo dated December 13, 2016 as updated December 14: Moved by Hales and seconded by Fish. (Y-4; Saltzman absent)</p> <p>Motion to add remaining property at 1700 SW Fourth Avenue: Moved by Hales and seconded by Fish. (Y-4; Saltzman absent)</p>	<p style="text-align: center;">PASSED TO SECOND READING AS AMENDED DECEMBER 21, 2016 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Nick Fish Bureau of Environmental Services</p> <p>*1411 Authorize an application to Oregon Office of Emergency Management for a Hazard Mitigation Grant Program grant in the amount of up to \$2,500,000 for Johnson Creek floodplain acquisition (Ordinance) (Y-4; Saltzman absent)</p>	<p style="text-align: center;">188153</p>
<p style="text-align: center;">Water Bureau</p> <p>1412 Authorize a contract with the lowest responsible bidder for the construction of the Greenleaf Pump Station Project at an estimated cost of \$1,275,000 (Second Reading Agenda 1374) (Y-5)</p>	<p style="text-align: center;">188148</p>
<p style="text-align: center;">Commissioner Dan Saltzman Portland Housing Bureau</p> <p>*1413 Authorize the purchase of certain real property located at 1610 NE 66th Ave at a price not to exceed \$47,000,000 for affordable rental housing (Previous Agenda 1376) (Y-5)</p>	<p style="text-align: center;">188151</p>

At 1:17 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14TH DAY OF DECEMBER, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz and Novick, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Chief Deputy City Attorney and at 3:00 p.m., Heidi Brown, Deputy City Attorney; and John Paolazzi and Mike Cohen, Sergeants at Arms.

The meeting recessed at 2:36 p.m. and reconvened at 3:01 p.m.

		Disposition:
S-1414	<p>TIME CERTAIN: 2:00 PM - Amend the Official City Zoning Map, Planning and Zoning Code and Transportation System Plan to carry out Portland's 2035 Comprehensive Plan; establish a new Community Involvement Program and Committee; amend related codes, the 2035 Comprehensive Plan and Plan Map to coordinate policies and programs (Previous Agenda 1293; Ordinance introduced by Mayor Hales; amend Code Titles 3, 17, 33 and Ordinance Nos. 165851, 177028, 187832) 1 hour requested for items 1414-1415</p> <p>Motion to accept the substitute ordinance: Moved by Hales and seconded by Fritz. (Y-4; Saltzman absent)</p> <p>Motion to accept corrected wording in exhibit H, Community Involvement Committee appointment process to have Council confirm the appointments: Moved by Fritz and seconded by Hales. (Y-4; Saltzman absent.)</p> <p>Note: On December 14th, Council held the first reading of the substitute ordinance and findings for adoption of various measures to implement the new 2035 Comprehensive Plan (as amended). The Council has already received testimony regarding the PSC-recommendation, and Council amendments. Public testimony was limited to the content of the revised ordinance. The evidentiary record is closed and no new evidence may be submitted. The final vote is expected on December 21st.</p>	<p>SUBSTITUTE PASSED TO SECOND READING AS AMENDED DECEMBER 21, 2016 AT 2:00 PM TIME CERTAIN</p>
1415	<p>Adopt a Connectivity Strategy for Comprehensive Plan Centers in Eastern Neighborhoods (Ordinance introduced by Commissioner Novick)</p> <p>Motion to add directive d to require Bureau of Transportation to report back with recommended revised spacing standards for each center: Moved by Fritz and seconded by Fish. (Y-4; Saltzman absent)</p>	<p>PASSED TO SECOND READING AS AMENDED DECEMBER 21, 2016 AT 2:00 PM TIME CERTAIN</p>
1416	<p>TIME CERTAIN: 3:00 PM – Amend City's marijuana business regulations (Ordinance introduced by Commissioner Fritz; amend Code Chapter 14B.130, Portland Policy Document ADM-20.01) 3 hours requested</p> <p>Motion to accept Saltzman amendments to Exhibit A: Moved by Fritz and seconded by Fish. (Y-4; Saltzman absent)</p> <p>Motion to amend Minimum Standards 14B.130.040 for retail courier: Moved by Fritz and seconded by Hales. (Y-4; Saltzman absent)</p>	<p>PASSED TO SECOND READING AS AMENDED DECEMBER 21, 2016 9:30 AM</p>

At 4:05 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **15TH DAY OF DECEMBER, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz, Novick and Saltzman, 4.

Commissioner Saltzman left at 3:00 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Jason Loos, Deputy City Attorney; and Mike Cohen and Jason King, Sergeants at Arms.

1417 TIME CERTAIN: 2:00 PM – Modify Area Parking Permit Program to create new permit area type for residential areas, expand provisions of the Supplemental Plan Description, and integrate transportation demand management principles, in accordance with the recommendations of the Centers and Corridors Parking Project (Ordinance introduced by Commissioner Novick; amend Code Sections 16.20.800 – 16.20.850) 1 hour requested	Disposition: CONTINUED TO DECEMBER 21, 2016 AT 9:30 AM
1418 TIME CERTAIN: 3:30 PM – Extend to December 31, 2017 the Council-approved Corporate Securities Do-Not-Buy List (Resolution introduced by Commissioner Novick) 2 hours requested	RESCHEDULED TO DECEMBER 21, 2016 AT 2:30 PM TIME CERTAIN

At 3:27 p.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

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Key: *** means unidentified speaker.**

DECEMBER 13, 2016 9:00 AM

Saltzman: Good morning. The December 13th council hearing will come to order. Karla, please call the roll?

Novick: Here **Fritz:** **Fish:** Here **Hales:** **Saltzman:** Here

Saltzman: Welcome, everybody, we're here today to have our public hearing on the inclusionary housing proposals. And glad to see you. We always want to make sure you understand some of the basic rules of how we conduct ourselves so when you do testify, you will be limited to three minutes or less. We'll see what the time -- the clock looks like as we get the testimony. And all you need to do is state your name for the record unless you're a lobbyist in which case you need to identify the organization for which you lobby. And we ask that you don't applaud or boo or hiss or anything like that. But instead, show your support by waving your hands or thumbs up or thumbs down. And with that, we will -- Karla, could you read the items, please?

Item 1381.

Item 1382.

Saltzman: Thank you. I'll provide some opening remarks. 10 years ago, the Portland city council took a controversial and bold step to ensure resources available for affordable housing. By adopting an urban renewal set aside policy and that policy has for years has provided the majority of our funding for affordable housing and has ensured that thousands of affordable units in specific have been built in specific portions of our city. And now it's time on take things to the next level. Today, we are considering a new tool that will create affordable units throughout the city inclusionary housing. A step towards ensuring the generations of Portlanders will live in economically integrated neighborhoods. Inclusionary housing is a policy that would give working Portlanders the possibility of living in the neighborhood they work. Something that used to be a reality but is becoming more and more unattainable in large swaths of our city. Areas like Mississippi avenue, Alberta street, inner division. Inclusionary housing is a policy that gives families and children the prospect of living in mixed income buildings in economically diverse neighborhood. Which will improve their chances to be successful in life. Inclusionary housing will not solve our affordable housing crisis but it is a critical step towards more affordable housing in our city now and in our future. Fundamentally, inclusionary housing is about opportunity and equity. We are a city that prides ourselves on planning well. We have worked hard to ensure that jobs are located close to where people live. And we have been succeeding. But we must continue to work hard to make sure that people can actually afford to live in our city near those jobs. We need to ensure that people who comprise our work force have places to live and to raise their families. Inclusionary zoning gives us an opportunity to attain that goal. This council conducted a work session about three weeks ago, and given we did have a work session, we're going to invite housing and bureau director kurt creager and matt Tschabold to provide the policy today and she'll be joined by joe Zehnder and tom Armstrong from the bureau of planning sustainability are also here if the council has questions for them. So before we begin testimony, I'd like to -- I'd like to introduce a few

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amendments which we have distributed to all of you last week. And I believe there may be other amendments to be offered as well. So the first amendment I offer is -- and I thought if we could get the amendments moved and seconded, we'll move to the public hearing. The first amendment is a substitute ordinance for item 1379 containing a number of technical fixes to title 30 and to title 3. The second amendment is --

Fish: Take these in order. Are there copies to the public? I'll Second that amendment.

Saltzman: Yeah, Karla has them. Second is an amendment to title 33 containing technical fixes also. I would move that.

Fish: Second that amendment.

Saltzman: Third is adding the initial phased in inclusion rate in title 33. This was I know incorporated in housing documents but not in the housing code. Are there other amendments to members wish to put on the table for consideration?

Fish: Yes, Mr. President and colleagues, I have an amendment which incorporates the language that we adopted on parking minimums and linkage to inclusionary housing and I would move this amendment.

Saltzman: I'll second in purposes of testimony and commissioner novick has two amendments.

Novick: I have two amendments. One of them relates to the fact that we are -- the bureau of emergency management is developing requiring seismic upgrades to unreinforced masonry re-buildings which is essential to public safety and we've had a lot of discussion with building owners about what kind of financial incentives we can offer to make it more feasible for them to do those upgrades. One thing that they could theoretically do is sell off the rights to an excess floor area to a willing buyer that has some use for it. So we have an amendment we worked on with BPS to allow development projects that do not trigger inclusionary housing requirements, in other words commercial projects to increase floor area through a historic resource transfer. As an alternative to doing it through voluntary inclusionary housing bonus so you can do either one. Not all reinforced masonry buildings are historic but a number of them are. So specifically, the amendment is accept data to 3310, paragraph 5, acceptance required by paragraph d6, bonus floor area of 3 to 1 must be earned from the inclusionary bonus and this is the critical part. For projects that do not trigger 33.245 inclusionary housing, floor area of at least 3-1 must be earned from the voluntary inclusionary housing bonus option or be transferred through a historic resource transfer before qualifying for other bonus or transfer options.

Saltzman: I'll second this for purposes of discussion.

Novick: Thank you. Second amendment is based on a conversation we had at the work session with the consultants for david rosen and associates. We were talking about the fact that at the current market, it was mostly studios and one bedrooms that are being built. If that's all that's offered as affordable housing, there might not be any family housing so they said that other jurisdictions have had inclusionary housing requirement that's based on the number of bedrooms, not the number of units. So -- and I called them up and said if you had that as an alternative, would you have the same percentage or should it be a higher percentage? What I'm offering is basically giving developers the alternative being the inclusionary or goals either by having the 20% of units or the total number of bedrooms so the amendment is to amend title 30.01.120 c1 and 2 to provide "20% of the units or total number of bedrooms configured". Inserted into 30.01, to state "with the i.h. Units are configured on a base of percentage" and then amend title 30.110.304.c1 to provide percent of the number of units or bedrooms. That is a directive to amend the administrative rules consistent with the changes.

Fish: I haven't seen this amendment before, have you talked to the housing bureau and to the sponsor about this one?

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****: Yes, we are supporting.

Fish: We'll second it for purpose of discussion.

Saltzman: Ok, Great, so we have the amendments on the table along with the ordinances. And now we'll invite up housing bureau director Kurt Creager and Matt Tschabold to give an overview. Going to join them as well? Ok.

****: Good morning.

****: Good morning.

Kurt Creager, Director, Portland Housing Bureau: Good morning, members of council. It's my great pleasure to be here, housing director Kurt Creager, matt Tschabold, policy director for the housing bureau and Nora Brown who is a principal with david rosen & associates. First, I'd like to say that this culminates a year's worth of work on part of the bureau. It's one of the reasons I came to Portland in august of 2015. And we're on the threshold of doing something really significant for the city of Portland. With that sort of editorial comment, I want to quickly lay down a pattern of facts so that the record is clear. Many of these slides were discussed at the study sessions so I won't dwell on them. But it is, I think, important to make sure the public record reflects this background material. First this senate bill 1533 was a top priority for the city of Portland. It successfully passed in fewer than 35 days of the short session last year -- of this year, 2016. And it said a stipulated requirement that mandatory inclusionary housing could only apply to households of 80% of median income and above. It applies to rental and for sale housing with 20 or more units and the mandate can only apply to affordable units limited to 20% of all units. We were mandated to require a menu of incentives including system development charge or fee waivers, financing and tax exemptions and we were required under the state law to provide a fee in lieu option. That was the underpinnings of 1533. You might also recall that during the legislative session, commissioner Saltzman brought to council a resolution which stipulated that we would have an evidence-based process that was full and inclusive. That evidence based process began immediately after session in April when a panel of experts was convened. I think it's important that you know that the panel of experts was drawn upon because of their expertise either in advocacy or in development or in finance. And there was no effort to create a democratic process. This was a group of strong willed experts with their own deals and their own proprietary interests and their own representation within the community. So there was no effort to gain consensus of this group. I think that's an important thing because had we tried to gain consensus, it would have been a very -- it would have been a very lukewarm proposal before you today. Instead, the panel of experts was advising the bureau and by extension the housing commissioner so the commissioner could give you his best thinking. And together with the amendments offered today including those offered by commissioner novick, we think that represents a good compromise. So the panel of experts began first looking at a series of development prototypes developed by a sub consultant to David rosen & associates, d.r.a., eco northwest and those typologies represented every conceivable mix of housing types from three story to high rise construction in each zone of the city. And the panel of experts was consulted on all the assumptions within that model including profit and overhead assumptions, including land price assumptions, including construction costs assumptions. And I think it's important to note that the market was peeking as we were developing this model. So I would say that we aired on the side of generosity when it comes to a profit and overhead as well as land price and construction price. From that series of development prototypes, d.r.a. developed a series of modeling assumptions and developed the nexus analysis. You might recall that we are going to do a nexus study even prior to state authorization to do inclusionary housing so we essentially did both simultaneously. From that, d.r.a. brought back the analysis, the panel of experts met

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several times, debated, discussed, refined and came to some conclusions. There was a great deal of interest in bench testing the assumptions against real projects and the housing bureau is very open about that. The housing bureau offered to pay for that analysis ourselves but we made it clear if we touched those pro formas and analyzed all those deals, all that information would become discoverable as public records. Under that sort of knowledge, the private development industry did their own modeling and several of those individuals will speak to you today about their conclusions based on their assumptions. I would say all the assumptions aren't apple to apple assumptions, they made different assumptions than we did but nonetheless, I think it was able to validate in large part that we were very close to obtaining parity in the central city. And that we had a ways to go with respect to the mixed use corridors and the amendments offered today, I think, close that gap in the mixed use corridors. Then in September 2016, the program recommendations came forward. And we began in the deliberation and discussion with the planning and sustainability commission which did unanimously recommend a deal passed with a special attention given to the calibration of offsets. So that's the -- the litany of what occurred over some 40 hours of public meetings over a seven-month period of time there were probably three or four times in public meetings with individual stake holders so everybody made sure what was going on. This was very much an open and transparent process. And we were never constrained by either cost or time, we had enough time to do our work. With respect to the policy framework, many jurisdictions including Seattle are only talking about inclusionary housing in portions of the city. We felt that it was important to have a city wide program that was synchronized with your implementation of the 2035 comprehensive plan. That if we're going to achieve some 123,000 new housing units, 10,000 of which are intended to be permanently affordable in your comprehensive plan vision, that had needed to be a citywide program. However, we needed to calibrate the incentives by specific geographies within the city because the real estate economics vary across the -- across the city itself by neighborhood. We felt it was important to set a mandatory program at 80% of a.m.i. Consistent with the state law but to provide further incentives to encourage developers to serve the 60% of a.m.i. And below market. So you will see that those incentives indeed are attractive and we did that intentionally. Secondly, we wanted to prioritize units on site over the acceptance of a fee in lieu or off site which is quite different than many other jurisdictions. Several cities including Seattle actually have set their fee low enough to encourage developers to pay the fee. Receiving the fee is not in the city's best interest. We have to use that fee to go out and compete with the private sector to buy land and there's often a three to five-year time lag between the time we receive the fee to the time we can actually produce the unit. Much more efficacious and efficient to tap the hydraulics of the private market and cause affordable housing to be developed where the private investment is occurring at the same time. That said, we are providing some options to do off site and provide as the law stipulates for a fee in lieu. We are intending that this policy would apply to all buildings with 20 or more units. This council may craft some narrow exclusions. That's certainly your right. We do intend that the inclusionary units be of comparable size, composition and distribution throughout the building, not all within a subbasement and not on the north side of the building, not all on lower floors vs. Higher floors. And I do want to speak to the amendment proffered by commissioner novick that we think the ability to combine units by bedroom and produce fewer but larger size units is really quite in the public interest and we think that's a good joined up thinking. One profound policy shift is here, the housing bureau is incentivizing through property tax abatement, short term 10-year availability or through direct financing, tax increment financing, 60 years of affordability. We think that's insufficient and this new policy would essentially maintain units affordable in perpetuity for 99 years and most

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importantly as we calibrated the offsets we wanted to make sure that we were not impeding the market rate development industry. So we very carefully looked at profit and overhead, land costs, development costs including hard and soft costs, labor and materials to make sure that we were not overburdening the industry. I'm sure people will comment on that today. With respect to the program recommendations, the supplies across the board in the central city and in the mixed use zones, the graphics of the portions of the city that applies are provided. And the -- since single family is exempt, we obviously have exempted the majority of the city as a result. The inclusion rates include an initial -- in the mixed use zone since -- since it's special concern was the study session about closing the gap, we believe that it was appropriate to have an initial rate of inclusion of 15% and 80% and in 2019, that would step down the standard rate of 20% and 80% of a.m.i. That allows two years for the market to adjust and the residual land values to come into alignment with real costs since we know there's a lot of speculation in the current land market. There is a deeper affordability option and that would be an initial rate of 8% of units at 60% of a.m.i., again, stepping up in two years, 2019 with 10% of the units at 60% of a.m.i. Which was our original program design all along. We've also come up with an alternative fee schedule which recognizes fee in lieu could be tapered in and that is it for you today as well. So the off offsets available as incentives in the mixed use zone include the 3-1 density bonus as we've discussed, so year property tax exemption on the affordable units only, a waiver of parking requirements and system development charge waivers on the affordable units if they are indeed under 60% of a.m.i. That's a very attractive package as mentioned at the study session. Most of these only offer bonus density incentives and don't offer direct financing. I worked for Fairfax county and administer the inclusionary program there and frankly, it was all done with incentives on it. No money changed hands whatsoever. So this is a -- I think a very compelling and well balanced package. I was pleased to see the guest editorial for the sight line institute in "the Oregonian" led this weekend that recognized the balance in this approach is quite important. They didn't, of course, render opinions to whether or not it was correctly balanced or not but they did encourage such balance. So I look forward to hearing the testimony about how we've done today. With respect to the central city, of course, this is a high opportunity area, area where Portland really distinguishes itself because our central city is home to tens of thousands of people working against type in other large cities where the central cities are often business districts but not 24 hour neighborhoods so we want to make sure that continues. But the cost of providing such housing is higher because the high rise typology. The mandatory inclusionary requirement would apply on day one, February 1st whereby 20% of the units would be affordable and there would be an affordability option of deeper affordability in the central city. The offsets are somewhat different to recognize the higher costs in typology. Density bonus would apply. 10-year property tax exemption would apply to all units for the base floor ratio of five or above. The c.e.t. Or construction excise tax exemption would apply on affordable units only and the charge would be made available for units under 60% of a.m.i. We modelled the issue of property tax incentives and I believe the county will render an opinion about that today which I look forward to hearing. With respect to options, we are allowing affordable units to be in new development which would be our preferred option. There is a payment in lieu of performance which we must allow. And we provided several off site options that we think are magnificent opportunities for collaboration with nonprofits and for profits in this community. One is to build new units or dedicate market units as affordable nearby. That location is to be within 1/2 mile and it has to be an equal or better opportunity mapping score so we're not exporting people to inferior locations essentially creating a disconnect between jobs and housing. And disadvantaging people's access to

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services and shopping. The units must also be comparable in size, quality and bedroom count.

Fish: What's your cost for meeting that obligation?

Creager: Is it three years? And I think I originally had some language which I actually wrote which stipulated that there needed to be a permit pull, I think, before it was issued for the sending unit property. The panel of experts said oftentimes, the capital stack isn't really known at that moment in time and they urged us to enact some fairly rigorous financial penalties for nonperformance so we're giving people three years to perform but there are some significant financial penalties attached to their noncompliance. The other option that is not mentioned in the slide is that if we're -- if there is a property at risk of converting to market, an offsite option would allow a developer to extend the affordability of that property. For the 99-year term that we talked about earlier. For example, if a tax credit project was at the end of its initial affordability requirement and could be marked to market, a developer could buy the partnership interest, assign that property through a nonprofit and get credit for doing so as part of their project.

Fish: Is it worth considering what happens in the event of a significant change in market conditions? Like a huge spike in interest rates or something else that we've been through something like that recently called a great recession where the offsite option no longer pencils out. But we have an interest in maybe converting it to a fee in lieu or something so that we can add it to our tool kit and do affordable housing. Is it worth contemplating situation where through no fault of the developer's intentions they don't meet the three-year deadline and we convert it to something where we get the resources and add it to our plan.

Creager: I think that's highly likely. We've talked about this as it relates to the building pipeline of some -- some magnitude. I think we're approaching 16,000 units of vested projects that will vest prior to the February 1st date. We know many of those projects will face an uphill battle with respect to interest rates and may not convert to market rate. So we want to be flexible and apply the 10% and 50% option to those pipeline projects so they become potential voluntary inclusionary housing clients of the housing bureau. Moreover, we felt that after that pipeline had been sort of emptied out in three years, we would need to look again at title 30 and the calibration because we know interest rates, labor prices and materials will all be different then. So we're open to looking at that. The rate of inclusion is in title 33. That's a much more elaborate review process. Title 30 is more of a ministerial process and can be adjusted quite easily.

Fish: I strongly support your priority in terms of on-site development that provides certainty and boosts opportunity. If the fee in lieu kicks in, I'm hoping that there is a -- something of a disincentive to using it. If it's the only option, we go that route. I think the offsite option is the least attractive and it requires there's all kinds of variables in terms of market conditions. If we endlessly argue about location and compliance and I think it puts burdens on the housing bureau in terms of oversight, so I hope the way it's structured is strongly encouraging with the units go in the new development with a fee in lieu as an alternative. That money comes to us and we can package it with other resources and actually make sure it's being developed.

Creager: I appreciate that. Just for the audience's knowledge, they may not have noticed that this year the design commission approved a density transfer for the Broadway tower which is an office at Columbia and Broadway next to raven and rose, the pub. And this is an office with a hotel combined and in order to demonstrate public benefit for the f.a.r. Transfer, there will be 20 affordable housing units built in a 60-unit project immediately to the west on the south park blocks. Those housing units will be affirmatively and fairly marketed to hotel service workers. So you have a work force housing nexus between the

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hotel and the housing which we think is quite compelling. It will be a candidate for the tax exemption, tax abatement multi program. So we're already working on things like this. We would like to encourage it. And frankly, in the -- although while bowen, the hotel developer happens to be a housing developer that somewhat unique to his credit, he can do both. But many private developers that are doing, perhaps, condos are not interested in doing affordable housing they would rely most probably with an offsite partner. So that concludes my presentation. If there are any further questions, we'll be happy to respond.

Saltzman: Question?

Fish: Yeah, I have three questions. I've been struck by the fact that everyone who has contacted our office whether they're supporters or critics are united in wanting to make sure that this proposal actually works. So I have three questions that go to the question about will this work as we anticipate? The first is the thousands and thousands of units that are beating the February 1 deadline. We're going to have probably the biggest bull market in multifamily development since I've been on the council. And what we know is that a lot of stuff is being filed that's not cooked. And a lot of folks are going to be scrambling over the 180-day period to complete the application. Ever the optimist, I'm hoping that there's a number of opportunities in that pipeline for the housing bureau to sit down with developers and negotiate some enhancement for the public interest. None of us here know where the bureaus are going to land next year and we haven't begun to lay out a budget process. But it seems to me with the volume of units in the pipeline and with our goal of trying to negotiate some voluntary in the units beating the deadline, you're going to need to have staff available to do that and the bureau of development services is going to need to have staff so I want to just plant a seed for you to come forward and tell us what kind of resources do you need to be successful in that enterprise because again, we may very well see so many projects beat the February 1 deadline that for the next couple of years, the bulk of the development is done in the city that is not covered by i.z., and if we don't have the staff and the resources to negotiate voluntary deals, we're going to lose a lot of opportunity here. I'd like to make sure that both the housing bureau and the bureau of buildings have the adequate staff to do that. That's number one. Number two, at some point today, are we going to get an update on the estimated cost of implementation? With an eye towards impact on our budgeting, impact on the county's share of particularly the tax abatements and as we know, we're still subject to a ceiling there. And then the unique impact of this program in urban renewal districts where there could be a significant change in how much resources we have in a couple of districts because are we going to get an update on that today?

Saltzman: I will say with respect to the tax abatements, the chair will be here to testify on the tax abatement policy but she won't be here until 10:00. When she does arrive, we'll take her to the stand.

Fish: My interest in asking this is both to have a sort of preview of what we're going to have to be thinking about at budget time. But also, understand some of the tradeoffs and they're not all costs that come out of our pocket so I'm particularly interested in the county share, impact on urban renewal and then what you view as the city share. And the third thing, Kurt, I want to put on the table and this goes to some of the folks that we've heard from who aren't sure this is calibrated the right way. And frankly, I'm not in a position to really opine on that. You've convened a group of experts. We've had a thoughtful process. I'm prepared to, you know, move forward on this. But what I'd like to know is what are the canaries in the tunnel that we need to be keeping an eye on? What data will we be tracking to test whether this is the right package and at what point in the process would you be based on the data potentially coming back to us saying let's tweak this or tweak that. I'm particularly concerned about development that is on the east side that's under 20

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units which would be contrary to our comp plan and climate action plan goals and I'm also frankly concerned about the fact that there's so many units in the pipeline that we may not actually have good data overall because of the flood of projects which are going to beat the February 1 deadline. But what I'd like to know before we vote on this is what data are you going to be tracking and when will we know whether this is working or not and what are the -- what are the indicators that this council needs to monitor going forward since we all share the goal of ensuring this works.

Creager: Thank you.

Saltzman: Thank you all. We have two invited panels and as I said, when she shows up, we'll accommodate her. But the first panel is Vivian Satterfield of opal environmental justice. Felisa Hagins and John Mulvey of the east Portland action plan and inclusionary housing coalition.

Novick: Before we begin, I neglected to introduce a companion amendment incorporating everything we said from title 30 to title 33.

Fish: Second that.

Saltzman: Thanks. Take it away.

Vivian Satterfield: Good morning, commissioners. My name is Vivian Satterfield, deputy director at opal environmental justice of Oregon and I'm thankful for this opportunity to speak to you today. And thankful to finally be able to say Portland can and should enact the inclusionary housing proposal before you without delay. Opal has been working at the intersection of transportation, housing and health for over a decade in our community. In 2008 we began examining root causes of housing injustice for communities of color and working class households. We identified inclusionary zoning as a critical tool used in other jurisdictions to make a community less racially segregated and more economically diverse. Inclusionary housing isn't difficult to understand, simply a tool to maintain diversity and economic stability when housing markets fluctuate. There's only one reason why this tool is banned outright in 1999 at the state level. Profits were valued higher than people. Inclusionary housing has been under consideration in this state from the original ban to our successful repeal of the ban from nearly two decades. This includes the ongoing scrutiny of the development industry which maintains that if we only had more time, we would arrive at a program likely with an end result that would be more in their favor. Today's consideration is not a surprise. Rather, has been a long time coming. And as we waited, we declared a housing state of emergency. We've documented through the excellent and sobering state of housing reports published by the housing bureau how unaffordable and exclusionary especially along the lines of race, class and household size our city has become. We've observed the change in our neighborhoods as block by block, for sale, and new construction signs became ubiquitous in every quadrant. A lot of folks from the community and our members wanted to be here this morning. But they can't. Some are sharing stories and furthering policy ideas with our elected representatives to address other aspects of our statewide housing crisis such as rent protections and rent stabilization. Others are directly impacted by the lack of affordable housing aren't here because they can't afford to take the morning off work. And then there are those who have been pushed so far in the fringes of our city due to the lack of affordable housing, it would have been a short bus ride down to city hall to appeal directly to you in person has become a complicated scheduling endeavor of multiple transit trips. Simply takes too long. We're appealing to every level of government because we must. And despite working with shoestring budgets, despite addressing the multitude of real and pressing threats to our community in the city, we've been successful in unlocking the tools that this council can then use to address housing production and housing choice like the construction excise tax and we're going back for meaningful renter protections and rent stabilization and we

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will succeed there, too. Portland's housing crisis is amongst the worst in the nation while we remain an attractive place for people to move. We must act with a sense of urgency to stop the resegregation of our communities where unaffordable housing is the only option being built. There are claims that this inclusionary housing proposal will stifle and even stop development entirely. That it will exacerbate an ever worsening housing crisis. These claims are demonstrably false. Simply look to the 500 jurisdictions nationwide where some version already exists. Buildings are still going up. Resistance to inclusionary housing as a regulatory tool to address what the free market does not provide again comes because profits are valued higher than people. We've been prompted throughout this process to ask ourselves what does a successful policy look like in other cities and how do we replicate that? We should ask ourselves, what does failure look like? And honestly without further action, without further delay, it's inaction. Failure is a policy that lets one more day go by that the neighbors are priced out and place over people. Service workers and hourly wage earners are part of the fabric of Portland and must not be dismissed. Entire communities of color have dwindling places in Portland we can call home. We will know the policy is a failure if it allows rampant racial and economic resegregation to continue. We must ground ourselves in the reality of the type of failure that's very real. We have an opportunity to steer Portland in a different direction despite toxic rhetoric at the national level. It is filled with progressives who believe in inclusion, not exclusion. People who want to move forward, not backward. People who understand history's mistakes and want to learn from them. Not repeat them. This current council has been given the opportunity to do so. To move Portland forward from its dark past of exclusion towards a more just future. This policy is based on 40 years of trial and error from across the nation. A process of community organized forums and presentations informed by expert panels and experienced consultation. It is my opinion that before you today is the best form of inclusionary housing we can enact at this time. I urge you to take action without further delay and maximize the policies allowable under state law with no additional carve outs or ramp up periods. Our movement bears witness to how you vote on this most clear of choices. Will you stand with the profiteers and continue to enrich those at the top? Or will you say enough is enough? It's gone too far and too long without protecting the needs of those trying to find a small foothold of security. Before you is the most modest request, the chance to call home here in the city of Portland for our folks. Thank you.

Saltzman: Thank you, felisa?

Felisa Hagins: Hello, president Saltzman and members of the council, hi my name is Felisa Hagins I'm the political director for the service employee's international union. We're the largest union in the state of Oregon. We represent 65,000 workers throughout the state. And about 11,000 who live in the borders of the city of Portland. It's very clear, I've been before you many times to talk about our workers and where they live vs. Where they work. And what it means for them to get to and from their jobs. I want to start by telling a short story about one of our board members, she has two children. She's worked at legacy Emanuel for 20 years. She's a surgical technologist there which she makes a good amount of money. She makes about \$22 an hour and she has two young children. And she recently moved and had to move because she couldn't afford to live in the city of Portland limits and she makes \$22 an hour. And she works at a hospital which means her hours vary wildly. I think everybody here can agree, we would like to have our hospitals open 24 hours a day, seven days a week which means they have to be staffed 24 hours a day, seven days a week. And this has really been a challenge for her and limiting her options about what shifts she can pick up, how she can get to and from work. And it's also created disruption for Megan who is in elementary school and had to move outside of where she goes to school on a regular basis and we know yesterday was Salem with children's first of

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Oregon and they were talking about how when a child moves, it costs them a year of school. So the policy that you're looking at and envisioning today affects families like Catelyn in a very real way. It impacts her life. And Megan's life and the future of our city in a very real way. We want to keep the workers who work here, here close to where they work. I think the central city plans in the affordable -- in this inclusionary zoning policy is a critical plan for our members who clean the vast majority of the high rises downtown who are the security officers who guard those high rises, who make between \$10 and \$15 an hour. For them to be able to afford to live anywhere near those commercial zones is just a blessing. And I think this policy goes a long way in really making that happen. They've waited a very long time for the market to correct itself. And that hasn't happened. And so the choices happening in front of you today is you taking a step forward again to correct the market. I really want to thank the whole council but especially commissioner Saltzman. You know, we have been down in Salem together many times taking our lumps on this policy from people who may not agree. I know that over the last year, you've been here every day taking your lumps from the -- on this policy for the people who may not agree. And I see the process that you've put together to get us to the place where we're at today is, frankly, years of your dedicated and committed work and the committed work of your staff. We wholeheartedly hope that the commission can adopt this policy today. Some of the amendments you have in front of you, I think, are also critical to making this policy more workable for working families. I think the amendment that commissioner Novick has brought forward around expanding the number of bedrooms is really critical importance. I've been to many workers' houses over the city where you have four, five, six people in a studio, a one bedroom, two-bedroom apartment because that's how they afford to live in the city and that's how they can live even remotely close to where they work. I also think that, you know, today is your chance to live up to the promise of livability that was made, you know, 20 or 30 years ago before many of you even got into politics, before I got into politics but that commitment, I think is still alive and while in the city of Portland and we've promised a livable city and that means a couple of things. It means affordable housing; it means good jobs. It means a place where you can live and work close together. And I think today's vote is another commitment and that promise that has attracted development, has attracted business and made us the city that we are today. So I hope that we can count on your votes to keep that promise to Portlanders. Thank you.

Hagins: Thank you.

Fish: None of us up here like to disappoint you but I want to clarify something. Today is the first reading of an ordinance. So the vote will be next week. And it will also allow the entire council to participate. So it's scheduled for next week because we have to let a week ago.

Hagins: Thank you, commissioner Fish.

Hagins: There's enough votes today right now? No, I'm just --

Saltzman: We'll vote on amendments today.

John Mulvey: Good morning, commissioners. It's a pleasure to be here with you this morning. My name is John Mulvey, I'm a member of the east Portland action plan housing committee and I've been closely following the inclusionary housing issue for more than seven years. I've also been severely rent burdened at times spending more than 90% of my monthly income on rent. When that became unsustainable, I've been homeless living on the streets of Portland. For the past year I've risen early and went to the bathroom to clean up and read my bike to the three hour meetings to the panel of experts, the group that was charged with the creation of Portland's inclusionary housing policy. As you know, local governments in Oregon were prohibited under state law from enacting inclusionary housing despite it being a fairly noncontroversial program in hundreds of jurisdictions

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nationwide. I've personally had dozens of conversations with legislators and been an active member of the statewide coalition that finally overturned that legal pre-emption earlier this year. State pre-emption was listed over the objections of the state's home builders. Developers' objections led to compromised legislation in which the state imposed a series of statutory restrictions including limits on what cities can require the mandate incentives that developers must be given for compliance. No other state micromanages how local governments must structure their i.h. Programs and these restrictions, written by the developers, ensure that Oregon's program would be unavailable to help the lowest income Oregonians. And it also renders large geographic areas of our state as essentially off-limits through i.h. Requirements including much of east Portland. Last spring at your direction, the housing bureau began monthly meetings of the panel of housing experts, most of whom were for profit developers. The essential question that this panel was trying to answer was how to structure the incentive package so as to avoid inhibiting the creation of new homes in Portland both regulated affordable and market rate. Everyone agrees with the need to strike the right balance of requirements and incentives to harness our city's dramatic growth and unprecedented increases in housing costs. The overwhelming majority of time spent by the panel was devoted to answering that question. The housing bureau bought in David Rosen & Associates, consulting firm that's advised on these identical policy issues in dozens of other jurisdictions. David spent hour after hour with members of the for profit development community hearing input on the assumptions that would underlie their economic analysis. Every cost from parking to f.a.r. Bonuses to stick vs. concrete construction was debated at length so that the end product would reflect the right balance between public need and development realities. But a funny thing happened on the way to the council. A group of developers, not all of them, decided to abandon that attempt at balance and instead demand that the public fully offset their costs under the inclusionary housing program. Since they leased their proposal in September, we've seen a full blown effort by this group to convince the public and its council to provide full public funding to meet their so-called development gap. Their argument is that the city should abandon the independent economic analysis that it paid for and instead use their analysis which, perhaps, not surprisingly shows that they should be given millions in additional tax abatements and fee waivers. I was in this room back in the summer when you refer the housing bond measure to the voters and at that time, a couple of members of this council mentioned that before going to the voters to help solve the housing crisis, the city's leadership would ensure that other constituencies be part of the solution, too. You mentioned inclusionary housing explicitly as a way of making sure that the development community who have done so well while I and other Portlanders slept in parks and vacant lots would have skin in the game. It appears they were absent that day because they're here today not to put their skin in this game but to demand their pound of flesh from the taxpayers. I urge you not to give it to them. Inclusionary housing has succeeded in creating thousands of homes for low income people nationwide. There is zero evidence to support claims that it impacts housing supply or drives up market rate rent. Those claims stem from an erroneous assumption which is that housing developers base their price on their costs. They do not. As your consultant David Rosen told you two weeks ago at the work session, this is a quote, "the cost of producing real estate is not related to its price." he meant that for profit housing developers price by what the market will bear. Not by a simplistic cost plus profit analysis. Individuals do that, too. If you've ever sold a home, I'm guessing that you did not sit down and figure out how much the house costs you, how much you've spent to improve it, tacked on a modest profit and set your price based on that. Of course, you didn't. You looked at comparables in the market and you picked an amount that you thought you could expect to get in the marketplace at that time. That's

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what for profit housing developers do, too. That's precisely why a robust inclusionary housing program is so important for Portland right now. Acting commissioner Saltzman's proposal would harness the windfall profits that our wildly inflated housing prices are creating and put them to work to protect and strengthen our city. Without it, what was once called the most livable city in America becomes simply a crass real estate opportunity in which investors monetize our livability and walk away. That's not the way we do things here. Portland way is to solve our housing crisis as a community. And a strong housing inclusionary program is an essential tool to doing that. So I hope you will support the strongest possible program and I'm happy to answer any questions if you have any.

Saltzman: Any questions for the panel? Ok. Thank you all very much. Now, call our next panel. Dr. George Galster, who has a ph.d. In economics from m.i.t. Presently serves as the Clarence hillberry professor of urban affairs at wayne state university. Dennis Allan representing locust, a coalition of developers and investors and dr. Lisa bates of Portland state university. Welcome. Dr. Galster, you're up first.

George Galster: Thank you very much. My honor and privilege to participate in the discussions of this important proposed ordinance which I believe will positively affect my new hometown for generations to come. Based on my over 40 years of analyzing metropolitan housing markets and reviewing the scholarly research, rigorously investigating the effects of inclusionary housing policies, I strongly endorse the proposed ordinance. Inclusionary housing ordinances were first enacted in the united states over 40 years ago and since it wildly proliferated both in geology and near specifics, they're now in operations in hundreds of cities and counties across the united states including fast growing Portland sized places like Denver and Minneapolis. Despite its long-standing track record and considerable number of scholarly evaluations, the debate over inclusionary housing here in Portland for my view has been shrouded in half-truths and myths. Some, unfortunately, advanced by self-appointed experts who have purported to summarize scholarly research but, in fact, have misrepresented these findings. I know that some people believe that there are no such things as facts anymore. Needless to say, I strongly dispute that. On the contrary, respected researchers whose methods have passed exacting peer review publications have come to a consensus about what inclusionary housing ordinances such as the one being considered in Portland will, in fact do. They will, number one, increase the supply of housing, affordable to moderate income households. Two, they will not reduce the rate of new housing construction. And number three, they will not raise overall housing prices. Only, perhaps, if at all in the luxury end of the housing market. Now, my task this morning is to explain briefly why researchers have come to these conclusions. And I would add to the council that my full testimony includes the citations of the scholarly literature that I will be summarizing. I shall proceed by debunking four myths that keep cropping up in the discussion over the proposed Portland ordinance. Perhaps, some people think that by repeating these myths loudly and often enough, they will acquire the veneer of truth. Myth number one, inclusionary housing will slow the production of housing. Now, this could only occur if the proposed ordinance made developing housing absolutely unprofitable. Now, will this ordinance make housing unprofitable? No. Even with this ordinance, developers will make handsome profits for three reasons. One, the demand for luxury housing is growing so quickly that developers can't keep pace with it as is. Two, thus they can raise their prices for their luxury cost customers to offset their loss of revenue from the set aside units and three, on top of that, they will receive a variety of generous financial incentives from the city which we've just heard. Now, research from the scholarly community shows that there is virtually no impact on total housing production with the sort of inclusionary housing policy that Portland is proposing. Features being mandatory but with strong financial incentives. Why? It's simple.

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Developers as a group are neither timid nor stupid and they're going to read the regulations and quickly figure out a way to tweak their projects to still make a lot of money. And frankly, if for some reason the development community in Portland proves me wrong with my generalizations, I'm confident that many developers from around the country that are experienced with inclusionary housing will come into Portland and eat their lunch. Myth number two inclusionary housing will slow the filtering down of housing to moderate income households and thus hurt them inadvertently, I think just the opposite is likely. This myth is based on the fiction that right now we're building housing faster than the number of households is growing. Now under that fiction the supposed excess supply would allow some Portlanders to move up into that housing therefor vacating their middle quality housing and allowing their former house to filter down to others who are less well off. Unfortunately for this myth for the foreseeable future there is no chance that the construction of the luxury end of the Portland market will exceed demand and thus there won't be any filtering down of these dwellings. The inclusionary housing ordinance will provide moderate income dwellings directly and quickly not waiting for filtering to come into play in the not distant future. Myth number three, inclusionary housing will raise housing prices overall. Not surprisingly, with little impact on housing production, there will be little impact on housing prices overall. Research has shown that if there is an overall price impact, it's due to increases in one increase, in one piece of the market the price for luxury dwellings. That's because in that sector developers pass on some of the costs of setting aside their moderate income dwellings to their higher income customers. The same research shows that there are slight decreases in the prices for moderate and lower-end housing. Myth number four, inclusionary housing will generate few affordable units. Few compared to what? Right now the construction of buildings with over 20 units in Portland is generating zero affordable housing. Now, certainly this ordinance is not for the affordable housing challenges, but it is an important component of the solution. Research shows thousands of dwellings have been created like the one proposed here in Portland. So, members of council, when you bust the myths with hard-headed facts, the conclusions are clear. Inclusionary housing ordinances, such as the one being considered here in Portland will increase the supply of housing. Two, will not reduce the rate of housing construction and three will not raise overall housing prices, only perhaps in the luxury end of the market. Like any public policy, it will produce benefits and costs. Now, I'm confident that the benefits will far outweigh the costs, but of equal importance here is who will reap the benefits and who will pay the costs? I think we all know who will bear the costs as they are the ones who are opposing this ordinance. Developers and land owners will reap slightly lower profits as a result of this ordinance. Probably higher income households, like myself, will bear the cost because they will face slightly higher prices. In all fairness, all Portlanders will bear the cost through the property tax of the ordinance. Who will be the beneficiaries? The ones who occupy the affordable dwellings and lower income households that have the subsidies. And obviously, all Portland citizens will benefit -- those are the people who believe that we should strive for more economic diversity and more affordable housing. Portlanders will reap sizable, social, economic benefits. This is what a fair, progressive housing policy should do. This is what a fair housing policy should do it should ask the advantaged with the greatest ability to pay to bear most of the cost of a policy that primarily benefits the disadvantaged and those with the less ability to pay. I support the proposed ordinance because the gains will outweigh the cost and the cost will be borne by those who can afford it. The inclusionary housing ordinance is now panacea for Portland's affordable housing ordinance. I strongly urge its adoption.

Saltzman: Thank you. Dennis Allan?

Dennis Allan: My name is Dennis Allan. I'm one of the founders of Oregon locus. We

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started Oregon locus to be a helpful voice in the data that was being out there and the analysis happening in housing affordability for all incomes. We strongly believe inclusionary zoning can be one that provide a range of housing and we agree with most of what was said prior to me. As a matter of fact, I came from Washington, d.c. yesterday, I was on a national steering committee for locus. Our priority is how to make these areas that have become so popular more economically attainable for everybody. It's an issue we need to deal with. You're going to here lots of opinions, mine included, with data and facts. It has the -- whatever program we put in place has to encourage housing production. I know that you know that. It needs to work well with all the other important growth design and sustainability goals and regulations we put in place. We want to make sure they're not going to stack up. We've got changes in the comp plan that are coming up. We need to fully understand how these will affect housing production, as well. Everybody's right, inclusionary housing programs have been done in many, many cities across the country. There is fewer that have done a mandatory program. One of the things we found -- there wasn't a lot of data supporting that so I submitted for you and you can read later. We commissioned a study of all the large cities that have done inclusionary housing programs. A lot of them are much smaller cities, they don't build multi-family or larger apartment buildings with the larger ones that are similar to us, what they have done. You will see, there are many of those programs. What we're doing here in Portland is wide-ranging. Meaning, rental and for sale, all areas, all building types. We're doing something that hasn't been done before. Portland with be a leader, like we've done on many, many different policies. We have to be careful that we get it right. So, I think in summary, we want to say that we want to start with a more measured inclusionary housing program. We offered four amendments, which will start Portland on a confident and major footing. Keeping production up and growing more and more affordable housing. Mike kingsella is going to come up and share his four amendments. So, we look forward to our continued support. We've been open-book from the start. We're happy to meet with anybody else and talk about the assumptions and the economists. I want to thank you for your time and I'm happy to answer any questions.

Fish: I have one quick question. I don't want to concede that 15,000 to 20,000 units are going to be exempt. Our hands are tied. If applications come before February 1, they would not have this. Do you have any thoughts as to how the city could use either friendly persuasion of other parts to bring developers to the table who would otherwise be exempt?

Allan: Yeah, I do. And I think it's an important one to note. I'm worried about that, as well. You could have two, three years of that supply. That's historical supply. Usually around 5,000-6,000 units. As you know, when a project comes into planning, it could be four or five years before we see a mandatory affordable unit. How do we incentivize? 100% of our programs are voluntary. We think it's a great program and it supports affordable housing. Your idea of making sure we have staff support that can be out there and sort of negotiating with the developers in the pipeline. Is there perhaps an idea of giving a 1:1 offset if you do something now, do you get some offset in one that you do after the fact? I don't know what that looks like? How do we think creatively about these ideas? We're willing to help and work on that.

Fish: So, I personally don't want to see an erosion of the current date because it will encourage another thousands of units to get in before the deadline. The multi-program is limited. It results in a 10-year public asset, not as Dan as proposing, a 99-year public asset. So what I would ask you to do is, to perhaps give us, in writing, some thoughts as to how we might approach those that are in the units, in the pipeline because that's something we have an interest in pursuing independent of this policy. Otherwise, we're going to allow, as you say, the next three years of development could be otherwise exempt

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from this.

Allan: We'll put our mind to it and see if we can come up with it.

Saltzman: Dr. Bates?

Novick: Were you part of the expert panel?

Allan: No

Novick: but you follow their deliberations?

Allan: Yes.

Novick: When the housing bureau went -- tried to figure out whether this program will be viable, they looked at construction costs at every point along the line. They took a fairly conservative [no audio] it would be successful without suppressing housing production. Locus has produced a list of a [no audio]

Fish: Steve your mic keeps going in and out and that means there are people that are hearing impaired who can't hear you do we have a -- should we replace it? Someone in our audience can't hear the proceeding, so let's fix that first.

Fish: Maybe if you move one seat over? A big technology upgrade so nothing works now.

Novick: Okay. So, locus put together several lists of actual or sample projects. And to raise concerns about whether this proposal would restrict development and I want you to sort of address the argument that's been made and that dr. Bates is going to make again. It is making very conservative assumptions.

Allan: I think the work that has been done by dra and eco northwest is really good. They had a lot of data and reached out to many of us in the marketplace and recognize it's hard. You're trying to put a few programs in a blanket program across every different property type and zone. The key difference -- really, the only main difference between what we came up with in our numbers and the dra's proposal was, was land price. How do you get your numbers? Do you take an average set over the last five years? There are not data transactions happening in different parts of the city. The land price that they used is just a lot lower and so what that would surprise is that the land price has to get down a lot to support what's presented today. Our concern is while that may happen, it also may not happen if you have a land seller whose land is more than that, they don't have to sell. We want to build as much as we can and include, in those units we're building, affordable units.

Novick: How big a data set was your estimate based on?

Allan: About 20 of our current and existing projects and also reached out to some of the brokers to find out what the current prices are. We can get that information for you. I think we've submitted some of it.

Saltzman: Dr. Bates. We'll take chair kafoory after this panel.

Lisa Bates: Thank you, commissioner. We know that our resources are inadequate. We know that our housing policy is inadequate. Fewer than one in four get the very limited housing subsidies that exist in our country. In Portland, we have very importantly focused resources on those experiencing homelessness and extremely low income families. At the same time, the burden of housing costs is being felt increasingly by the low to moderate households. About two-thirds of Portland renters are paying too much. So we know we need to carefully marshal resources and we need to carefully leverage public dollars, especially now as the city will work against funding cuts from the federal level. We are going to be the place for breath of action and solving the kinds of problems and challenges that cities are faced with. The need to carefully leverage public resources is the reason that cities and counties have innovated to build units that are affordable and do that alongside of market rate units. And, right now, we're seeing cities move to add this tool, Seattle, San Francisco, New York. To recognize the capacity of the development industry in a time when economic recovery and rising demand for urban living have created a

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development boom and huge increases in property values. These policies are following the research identified best-practices of inclusionary on site preference and offsets including density bonuses and limited parking. In these cities, developers do adapt their practices to continue to provide housing generally and affordable units. It's really unfortunate that Portland cannot adopt these quickly. Even the iz coalition was working in Salem with the legislature and the development industry, they recognized inclusionary housing as a tool. It is in the land use plan, a plan which has been lotted and awarded. It's time, now, to move forward into the implementation stage. Process has been extensive, as you've heard. After the many months' developing the compromises that set the parameters for the program in Salem, the panel of experts, housing staff and dra eco northwest consultants spent many multi-hour meetings working together to understand the policy goals, to understand using numbers from industry experts, developers here in Portland. And, I would note, including pulling the actual land prices paid in transaction records to look for land prices. To develop a model that addresses cost offsets. And, dra experts with a lot of knowledge from a variety of urban areas about how land markets adjust and how developers adjust to new regulations, I think, worked to create and build a policy which has been further-negotiated to have the best chance of succeeding, at creating units, at 60% ami without negatively impacting our housing supply. The reality is that we don't have crystal balls. No one builds the same development twice. We have to work from estimates from prototypes, from projection. And that work was conservative in its assumption and again, occurred within a context of extensive conversation with private industry actors. It's true that we don't formulate policies so that every firm can continue to work in the same way they work today. Changes happen in the regulatory environment. Using their creativity, their savvy, firms adjust to new conditions. There will be an adjustment period for this policy, certainly, in response. That adjustment is delayed by the rushed to permit we've been talking about. That's one of the ways that firms adjust to those policies, they try to get in under the wire. That's how market actors act in savvy ways. There are differential impacts. We need to think as a community based on our values. I would like to suggest that there's another group of people who have to adjust to market conditions and that is families and households living here in Portland. And the way that families adjust when housing costs become too high is that they reduce their expenditures on other necessities, such as food and healthcare. They squeeze into smaller spaces and experience health impacts from living in poor-quality homes. They move further from their jobs; they move their children's schools to great detrimental impact. They live with the uncertainties of the market. The possibility of losing their home because of price increases in an unregulated market. Those are the kinds of adjustments that families with low and moderate incomes in Portland are making right now and I think we need to consider those and balance those, as we talk about the opportunity to have long-lasting affordable units in our city, in every development, in many neighbors, as we talk about ways that the market adjusts. Thank you.

Saltzman: Thank you, all. Now, we'd like to call up Multnomah county chair, Deborah Kafoury.

Deborah Kafoury: Good morning. Thank you for having me. I'm Deborah Kafoury, I'm Multnomah county chair. Earlier this year, commissioner Dan Saltzman and I, along with many people in this room, went to the legislature and asked them to remove the ban on inclusionary zoning so we could craft a common sense solution. I think that the proposal you have in front of you today does that. It balances the need for projects to pencil with the deep need in our community for affordable housing. And I believe that it will lead to the development of hundreds of new units of housing where we need them the most, in neighborhoods with good schools, neighborhoods with grocery stores and parks and

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community centers. The housing bureau has worked hard to put together a program that will work and commissioner Saltzman and I have been meeting regularly to figure out how to pay for the subsidies. We've had an annual cap on property tax abatement for affordable housing of \$3 million. What we're looking at today is rethink how we calculate that cap, tracking it over the course of five years instead of one. This will allow the inclusionary housing program to be responsive to the market and make sure the subsidy is available when we need it. It will insure that it won't lead to further revenue for the city, county and school districts. If you pass this, in January, I will work with commissioner Saltzman to pass a complimentary ordinance at the county, giving the city what they need to administer this program. I love Portland. I grew up here and I'm raising my family here because of the spirit of cooperation and dedication to doing the right things that runs through each of us. We, as a community, believe that when we are working in common cause, we can do great things. But for far too many Portlanders, this isn't a place where their children will realize their dreams. They are displacing people from the very neighborhoods where they've lived for generations. The root causes are as entrenched as they are well-known. Poverty caused by an economy that cuts working people out a federal government more interested in partisan gridlock than getting things done and a history of institutional racism that shut people out of homeownership because of the color of their skin. What this program will do is make sure that we have truly affordable units in neighborhoods that are rapidly gentrifying. It will make sure that the people who built this city will have a place to live in it and it will prove that we're still a community that can come together. Thank you for your work and thank you for the opportunity to testify today.

Fish: Can I ask a couple questions?

Kafoury: No, I have to go. Sorry. [laughter]

Fish: Our independent budget office has given us a range of cost for this and it's hard to get precision here. We have sdc waivers, bonuses, cet waiver and parking. In the short-term, what happens if -- since this is becoming a multi-program on steroids. What happens if we bump up against the cap of \$3 million? What will happen, in the short-term, if we hit that ceiling?

Kafoury: What we're looking at is doing a five-year rolling so that that won't happen. I don't think you could predict. If this is wildly successful, I think we come back and have a conversation about how we increase the cap or make sure there are the subsidies necessary -- to me, this is our number one priority in our community is making sure we have housing affordable for people who are living here. There's going to be have to be trade-offs and prioritization. Putting money into affordable housing -- we've worked hard to pass the bond, but we still need more.

Fish: One of the things that I learned when we worked on the big look years ago and the updates to the multi-program is that despite all the powers that you have in your office, you also have to -- have to bring the county assessor into the conversation if there's a tax abatement. If we have to lift that cap, that's a legislature action. The county assessor has to go along with any proposal to -- to waive property taxes and the county assessor doesn't work for you or us, reports to an agency in Salem. So, is your sense that these are all details to be worked out and that you're comfortable going forward even though that it may be we'll have to be creative to pay for it?

Kafoury: I know that commissioner Saltzman's office and the housing bureau has been working closely with the tax assessor in Multnomah county so he's well-aware of the program and given his support to making sure it works.

Fish: You mentioned some change in the law to allow us to administer inclusionary housing. What were you referring to?

Kafoury: What you're talking about today, this program.

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Fish: Okay. Thank you.

Novick: Chair kafoury, two comments. It is poignant to see you here for affordable housing. I don't want what you said about loving Portland to be used against you as county chair. I want you to say you love Gresham, troudale and Fairview as well [laughter]

Kafoury: And sauvie island. [laughter]

Saltzman: Do we have people signed up?

Moore-Love: A total of 56.

Saltzman: We'll start out at three minutes. If you could call up the first three people. You'll have three minutes. All you need to do is give us your name and there will be -- there's a clock in front of you and that will go off -- when you have 30 seconds left, you'll hear a beep. We'll start with you, sir.

Mike Kingsella: Commissioner Saltzman, members of city council, my name is mike Kingsella and I'm here today as executive director of Oregon locus. Oregon Locus are the local affiliate of the coalition of responsible developers and investors. We support dense, walkable neighborhoods. We support inclusionary housing as a tool to increase affordability throughout Portland where it helps the growing housing needs for all affordability ranges. There are four key amendments to insure the new inclusionary housing encourages more affordable housing units. One, collapse the two proposed central city zone inclusionary rate and incentive packages into one. Using the more robust incentive package that includes a density bonus, tax abatement on all units, cet exemption on affordable units and sdc waivers on affordable units 60% ami, this will help insure critical units in the central city with 4.0 far's such as the post office or rose quarter are not under built where high raised density would otherwise happen. Two, lower the inclusionary rates to better-calibrate to the incentive packages currently proposed, especially where there isn't mixed-use zones. Working with the offsets, the inclusionary rate needs to be set lower to avoid slowing housing production, a concern shared by the planning and sustainability commission and the city budget office. In the handout in front of you, we listed the rates in each of the zones. Third, add language regarding central city master plans or development agreements where affordable housing results can be achieved. Fourth, ramp up the inclusionary rates as the market supports the increase. If the initial rate is set low, it won't ever be increased. If council starts with the inclusionary rates we proposed, Oregon locus is committed to providing a threshold for including the inclusionary rate. As commissioner Saltzman has noted in the past, there will be a starting point. Today, we strongly urge that the council err on the side of housing production and adopt these four amendments. It will continue to build sdc and cet funds for deeply-affordable housing. Thank you for your work and I'm happy to answer any questions about amendments.

Saltzman: Thank you.

Novick: I have one question. On the issue of the ramp-up, isn't there a concern that given we have a really hot market right now, if we have a lower inclusion rate for the next few years, we might be losing out on lots and lots of affordable units and when the market cools down, it won't matter as much?

Kingsella: Part of our rationale for ramping up the inclusion rate is start with what the market will bear today, based on the program structure recommendation and ramp it up as the market naturally absorbs those impacts pursuant to the literature from Lincoln land institute and others.

Novick: Commissioner Saltzman, I wanted to talk about the first amendment. I heard about this the other day. I was just curious if that's something you considered and might consider supporting?

Saltzman: We can have the bureau come up and talk about that after testimony.

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Scott Kueny: My name is Scott Kueny. I am a millennial, a renter and a real estate developer. I'm 29 years old. I'm currently for a small developer in Portland. I rent in Vancouver and I commute to downtown Portland. I don't live in Portland because market rents are too high and I refuse to place myself in a housing burden where I spend more than 3% on housing expenses. I believe amendments are needed to achieve the desired intentions of the policies. I fear it could alter my career path. I'm not alone in my fears, both the planning and sustainability commission and the housing bureau have concerns. The city of Portland is having a housing crisis and though it is important to address the pressing problems facing us today, we need to consider the long-term implications. What happens if development decreases or stalls? Housing units might not be built. What happens a 30-unit building now turns into a retail center or industrial warehouse? Across the board, equally are quality blue collar jobs that could be affected. There might not be as much work if the industry stalls. What happens to these houses? There are a lot of moving pieces and the way to achieve a win-win is to move forward with a moderate policy that ramps up over time, let's measure twice and count once. Thank you for your time this morning.

Saltzman: Thank you.

Carol Chan: Good morning. My name is Carol Chan and I'm an outreach associate at Apano. Apano is a state-wide grassroots organizing and advocacy group that unites Asian and Pacific Islanders to work for social justice. Apano have heard hundreds of stories about families who are having to move even outside of the state in order to find housing they can afford. One of our members recently shared a story in which her 6-year-old son is having nightmares and is begging his parents not to buy a car and to save money to buy a house. With every notice on the door, the son has a meltdown, thinking it is an eviction notice. As the landlord raises the rent 10% each year, the family will be pushed out and lose their support system. If they have to move, we know that his family will not be able to find a new apartment they can afford in the same neighborhood. And, each one of them standing behind me has a story to share about their struggle to find housing. Families are having to choose between buying a much-needed car and paying rent. The lack of affordable housing in Portland is harming the health and well-being of children and families and city council must take action. The housing crisis requires a package of different strategies and inclusive housing is just a part of that solution. But, it is important that we get this part right. Apano strongly support an inclusionary housing program that insures development will still occur, but does not create a profit for developers and does not take away resources from serving households below 30% median family income. Developers are mobilizing a powerful and paid opposition to raise doubts and fears about this inclusionary housing approach. We urge you to look past the paid interest and to listen to the voices of the diverse families whose hard work are part of what makes Portland a vibrant city. Inclusionary housing insures that families of all income levels can live in opportunity-rich neighborhoods, building a city that welcomes and protects all of its residents requires a comprehensive approach and inclusionary zoning is one piece. Thank you.

Saltzman: Thank you, all. Welcome. Again, you have three minutes and just give us your name and there's a clock in front of you. We'll start with you, sir.

Mychal Tetteh: My name is Mychal Tetteh, I'm the CEO at the community cycling center. It was founded in 1994 and it allows people to access their community by bicycles. We believe all Portlanders should have the opportunity to experience the joy, freedom and health benefits of bicycling. I am here to urge you to develop a housing program. I would imagine that you can hear the consistent themes from those that have provided testimony and advanced today and you will see that housing and transportation are clearly the work that we need Portland city council's continued leadership on. Over this past July, we

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partnered with a community organizers and a health worker and a clothes designer to create a gentrification is weird right. It described how communities of color have been displaced. We have seen rents in Portland neighborhoods increase by as much as 10% per year. The future of our city's housing inventory simply cannot continue down the path if we truly wish to support the city of Portland's equity goals. Inclusionary housing is only one tool that we need in order to build affordable housing. It is an important one and one that we have to design really well. I can appreciate the fact that today is not the end of it discussion around inclusionary housing and what we're going to do in order to take care of the state of emergency we have in our housing. I would urge you to build pathways. I want to thank you for your time and leadership.

Saltzman: Thank you. Go ahead.

Noel Mickelberry: Hi, commissioners. My name is Noel Mickelberry I'm the executive director of Oregon walks. We work to insure that walking is safe, convenient and attractive for everyone. People often comment that this kind of work must be easy in Portland. It's so walkable and there's so many crosswalks. If we weren't focused on the everyone part, it might be the case. Because of gentrification, walkable neighborhoods are only available to those with the money to afford living there. We are creating a segregated community. How can people get to the grocery store? We are squeezing those who have the least amount of options and quite often have to risk their lives to meet their needs. Walkable communities are a privilege. We saw evidence of this just last week as two people were hit and killed, walking to work -- home from work and walking in their neighborhoods on outer division. Low income and communities of colors are suffering while the others thrive. When it comes to who can live in the types of neighborhoods that we pride ourselves in, we have to act now and use as many tools as possible to change this. The inclusionary housing policy that you're discussing today is one of those tools and I encourage you all to vote yes, to not delay and insure that our community in Portland stays livable and grows in its livability for everyone, thanks.

Saltzman: Thank you.

Shannon Singleton: I'm executive director of join and steering committee member of the welcome home coalition. I'm in front of you guys so much. Today, I wanted to speak in my role as join executive director and really bring home the faces of the people that will be living in apartments at 80% of medium income. These are the social workers, the join staff, who last Thursday when council was canceled, were out on the streets and making sure people did not die with the weather. We rely on them to be the front line of the ending homelessness fight. They can barely afford to live in Portland. I encourage you to look around this gallery and insure you vote yes to move forward with the inclusionary housing.

Saltzman: Thank you, all. Start with you, sir.

Bob Grossman: Good morning. I'm bob Grossman, a leader with the metropolitan for good otherwise known as mack g. A Faith, labor, community and healthcare and the thousands of households they include across Portland neighborhoods. They are not a housing organization. But, hearing the increasing and vast struggles, the housing action team formed and led the tiff lift last year and this year, it helped to lift the ban on inclusionary zoning in Oregon and followed the work of the iz panel of experts. We can confidently you to pass an aggressive as an iz program as you can. Though others may urge lowering the bar, please hold firm to the guidance of the panel. Information given at a recent panel meeting showed that the iz goals are in fact doable. It showed that Portland is already offering more incentives than most cities. We commend developers who have strongly supported iz. Others, though, seem bound up. Those who have prospered from investment of our public dollars in transforming their properties should expect to contribute back to our community to insure that all classes and races of people will be included

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among every Portland neighborhood with their own opportunities to prosper. But there's a special obligation on developers for housing, given the heavy role they played in affordable housing through their lobbyists and helping to ban anyone from using iz for two decades. The developer community does indeed have a special obligation to help solve our housing crisis. Don't let them stand in the way again of meaningful progress. Vote to pass iz. Thank you.

Saltzman: Thank you.

Beverly Logan: I'm Beverly Logan. I wanted to speak today about some specific arguments and dynamics we've witnessed. First, it should go without saying that we expect all levels of government to hold all actors accountable and thought privilege those with more power to bypass or fashion the rules. We saw that happen at the state level, the develop community had its way with iz legislation, first through its 17-year ban. Now that Portland has a prospect of inclusionary housing, we want them committed to moving ahead. But they are arguing against meaningful. We hear there isn't enough certainty to go forward. No one is exempt from uncertainty. Developers will always face uncertainty. The ban was their misguided effort to buy certainty. We can't solve a problem with the same thinking that created it. Our city and people are in crisis and it is worsening. The suffering and disruption are certain. The resulting strain on public services and nonprofits is certain. If developers need more certainty, you can create certainty here by helping to pass strong iz policy now. We also heard developers have to maintain the current rate of return for their projects to be viable and attract investors. Again, this is nonsense. It reveals a sense of entitlement, unshaken by the housing emergency so jarring to everyone else. Maximally profitable is not the definition of viable. Developers are not entitled to public subsidies, guaranteeing their desired profit margin. With an aggressive iz policies, they will have the certainty they claim to need. You will have to include units affordable, they can get on with their business, rather than seeing if derailing iz now earns them a fraction of a percent later. They are wreaking havoc on cities across the u.s. And across the world. You need to help rebalance the playing field in Portland so diverse communities have a chance of surviving and thriving. It's unfortunate that a sense of entitlement among some developers appears stronger than their sense of responsibility for the community that prospered them or responsibility in the role for the housing crisis we suffer today. We need certainty that the city's doing everything it can and insure a reasonable return on our investment in our community we need iz now.

Inga Fisher Williams: Good morning. My name is Inga Fisher Williams I'm representing the sierra club here today. I want to speak about housing displacements and environmental justice. One of our core values is that all people deserve a clean and healthy place to call home. Displacement also contributes to increased suburban sprawl, longer and more polluting commutes and a greater disconnect between communities and land. The focus on economic equity was underlined by the city's 2015 report on the state of housing in Portland. In the last year, average rents across the city increased between 8% to 9% or roughly \$100 a month. Low-wage workers have experienced a decreased in wages and reduced ability to find adequate and affordable rental housing. We applaud the considerations of the staff report regarding land use, planning, transportation and housing goals. Particularly policy on balanced communities, on affordability that promotes development and quality housing that is affordable across the full spectrum of incomes. We agree with the statement by commissioner Dan Saltzman that inclusionary housing is an important tool to help insure integrated housing across the city. We applaud his work and the efforts by the entire team to bring this forward. We believe it is a strategic policy to embrace our growing city and insure it grows for all who have invested. We have seen entire neighborhoods that have become out of reach for communities of color, artists,

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seniors, the young and the families of the working poor. This diminishes the vibrancy of our city. We have the concern that has been expressed by council that there are thousands of units in the queue right now with no affordability requirement. The developers appear to lock arms and agree with landlords. We call this a singular poverty of community spirit and consider it regrettable. We applaud all voluntary contributions to the affordable housing stock. For those that are not subject to this requirement, we challenge the business community to embrace the concept of economic for the better well-being of our community.

Saltzman: Thank you. Thank you, all. Next three?

Frieda Christopher: Good morning, commissioners. My name's Frieda Christopher. I'm cochair of epap sub committee and a member of the David Douglas school board. Today, I'm representing epap housing subcommittee. Previously, you have received our letter in support of the original inclusionary zoning proposal. East Portland is 20% of the land mass in Portland and has 26% of the population. It is Oregon's most ethnically diverse region and a vibrant community of families and individuals, children and seniors, homeowners and renters. It is also an area where the median income is approximately 60% of what Portland's mfi is. Many of our renters have received rent increases or no-cause evictions. They are the most vulnerable of our population. There's a great need for an increase in affordable housing and we feel there is no way the city, county or state can build our way out of the crisis by themselves. It is going to take the private sector to make sure there is adequate, affordable housing for our residents. We do not support efforts to provide a full offset of public dollars or hold developers harmless for all costs with inclusionary zoning. The state only required incentives and not full offsets for developer's costs. Expert task force crafted a proposal that was more than fair. After listening to dr. Bates testimony, it is apparent that what is being considered now is far more generous than other cities are giving to iz programs. It is one tool among many that Portland can utilize in order to insure a long-term housing stability for our city. One of its benefits is it captures some of the windfall profits generated by a booming housing market to help preserve the diversity and livability. We support the housing bureau's proposal, which we believe can help provide a significant new supply of housing. Thank you.

Lynn Hager: My name is Lynn Hager and I'm a 25-year resident of Portland. I want to testify in support of the inclusionary zoning and housing proposal. It's only the beginning of what's needed to protect renters. Voting in favor of inclusionary zoning would be a step in the right direction. This policy will take time. What happens to the tenants who are losing their housing now? What happens to the individuals who are facing houselessness because of a rent increase? Where will my 4-year-old go, my fiancé, my dog and I? Last year 84 people died on the streets, the year before that, we lost 53 people. How many lives will be lost before we wait for inclusionary housing to be built? We have been to council to discuss the tiff to 50, the housing bond, construction excise tax. No surprise, the housing crisis is only getting worse. I'm not here to talk to you because I'm worried about my bottom line. I'm a cost-burdened renter with a special needs child, with a husband who works 60 hours a week, who can't afford to live in southwest Portland anymore. As the Sw portal project goes forward, we'll see more low-income citizens who have lived here their entire life and hoping that houseless people will take us in. We need inclusionary zoning yesterday. We need solutions now. And no-cause evictions, declare a rent freeze, keep Portland housed. Thank you.

Saltzman: Thank you. Ma'am?

Jeanne Favini: Good morning, commissioners. Thank you for this opportunity to speak. My name is Jeanne and I'm a tenant at the chestnut court apartments in southeast and an organizer of the chestnut tenant's union. I'm here to support inclusionary housing and address a related and more urgent issue and that is, what can be done now to assure

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safe, stable and affordable housing for Portland's renters? At chestnut court, we came together to form our union after our landlords announced they were going to raise our rents four times in 15 months. That, combined with the difficulty of getting repairs and abusive behavior management made us think we need to do something to preserve our community and our homes. We had to act because you haven't. Portland has a record-breaking rent increases and your tolerance of no-cause evictions that ruin people's lives for no reasons other than landlords and their lobby. My rent has gone up 42% in the last few years. My landlord, who does not live in Portland, by the way, has constantly made threats to me and my neighbors about how we could go live somewhere else or pay much more to stay. Now, those threats are becoming promises. She has hired a management company; a sure sign our rents will get hiked more. Chestnut court was built in 1971 and for over 40 years, rents have been kept affordable. People moved in and stayed some for 20 years or more. We have a true community there, a diverse group of neighbors and friends whose homes are now threatened because nothing has been done to prevent this tidal wave of greed. I'm here and I'm begging you. You can't wait forever to take -- we can't wait forever to -- however many years it will take for inclusionary housing to make a difference. Tenants in Portland are facing displacement and homelessness this week, this month, today. How many of us will sleep in your cars or sidewalk because money from the rich landlord lobby is more interesting to you. How can you ignore us like that? We need a rent freeze now. We need a moratorium on no-cause evictions now. I appeal to your conscious, your humanity, your sense of decency. It's hard to understand why you haven't acted yet. It's impossible to understand why you won't do it now. Thank you.

Saltzman: Thank you, all. Can I get a show of hands how many more people wish to testify? Okay. We're going to move to two minutes a person now. Okay, Jaime, you know the drill.

Jamie Partridge: Good morning, commissioners. My name's Jaime Partridge. I'm with the labor council. Just in case I don't get through my two minutes. Yes, pass inclusionary zoning. But it's too little. Not enough. As we heard from dr. Bates. 25% to 40% of Portlanders are cost-burdened renters. That is between 150,000 to 200,000 people. We're being forced out of Portland. We cannot build our way out of Porand. We need a rent freeze, rent stabilization. I'm here again to remind you that working class are organizations, the labor unions support, to keep Portland housed. Communication workers of America, Lewis and Clark's staff support associations, service employee's international union, labors, these unions representing over 100,000 workers support keeping Portland housed, rent stabilization. The rent prices is trickling up to the workers. Unlike a decade ago, these workers are not able to buy houses or rent in Portland or live where they work. Every wage raise we get, gets eaten up by rent. We are at the top of our wage scale, \$27 an hour for a one-bedroom apartment. We can't afford to live in the city. Rent freeze, now.

London Klauer: My name is London Klauer. I'm a freshman at Portland state university and a new renter. I'm also the daughter of Margot black, the most dangerous woman in Portland. [laughter] I'm here to say that inclusionary zoning is only step zero. I pay \$725 for my small apartment. I have some financial assistance through my parents and various scholarships to assist me in paying the rent. If I had to pay it myself, I would either need to work 40 hours a week, making \$13.50 an hour or if I were to work part-time, the more responsible choice, I would have to make \$26 an hour. This is the reality for most of my classmates, which is why most of them don't live close to campus. My freshman classmates are trying to go to school, study hard, create an opportunity for themselves, most of them live in Tualatin, happy valley, Clackamas. While the fortunate few of us can spend time studying, building friendships and enjoying the great city, most are spending one to two hours getting to and from campus and having 20 to 30 hours of work. My

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boyfriend is a student at pcc. He searched all summer for an apartment to live close to apartment. To no avail, he's living with his parents. Many are living in crammed apartments with parents, grandparents, aunts and uncles. This quarter, he is not going to school because he'd rather work to have money for rent. I'm going to skip a lot of this because --

Saltzman: Your time is up.

Klauer: We should keep Portland housed.

Saltzman: Thank you. Sir?

Grant Walter: Hi, my name's Grant Walter, I'm an organizer with Portland tenants united. I'm here to say that the city needs you to pass inclusionary housing. The proposed policy is necessary to hold our communities together. It's not nearly enough. We need a rent freeze now and rent control and tenant rights. A city that does not offer its citizen to have stable, affordable housing is an unreasonable and unjust city. We demand all the citizens of Portland receive access to stable and affordable housing. Those of us who rent, 49% of Portlanders are in a crisis. Affordable housing is disappearing, wages are not increasing enough and food costs are increasing. Our city government, your lack of action around this housing crisis, is selling out to developers. In terms of housing policy, we must have a rent freeze and a city government that honors a tenant's bill of rights.

Saltzman: Thank you, all.

Jonathan Pulvers: Good morning, councilors. Despite my appearance, I am a life-long Portlander. I did live elsewhere and I wanted to share with you a cautionary tale or two. I'm lucky to live here and be housed, but I have seen the housing prices both where I live and around the rise at astonishing rates and having spent significant time in Los Angeles, San Francisco, Washington D.C and New York metropolitan areas I know what it looks like when a city becomes a playground for the rich. I know you all have the opportunity to do as Seattle is doing and attempt to mitigate or militate against that possibility. We have heard developers up here talking about changes to this policy that might benefit them. I'm not against policies benefiting developers in some way or another, but given the other considerations you've heard, in this meeting and elsewhere, it's borderline obscene that you would privilege developer's profits above the other concerns that you've heard and I hope you'll think about that carefully. So, it seems given that this weekend marked the victory of Seattle's soccer team, following our cup victory, that you want to note that Seattle ought to be following us and we ought not to be following Seattle. Unfortunately, Seattle has jumped way ahead of us. I would hope you would take note of that and put Portland in its rightful place as the leader in the northwest, via a housing policy that does that. So, I'm not picky about one or another particular detail. But I'd like you to keep the renters and moderate income folks in mind. Thank you.

Saltzman: Thank you. Ma'am?

Audrey Gnich: I'm Audrey Gnich, I'm here to speak on behalf of Portland forward and Portland families with children. Our mission is to drive Portland's future towards being a great city that is sustainable, equitable and livable. I'm also a parent, who is lucky enough to pay for childcare. We are in support of inclusionary zoning; we want to make sure that inclusionary housing has production of family-size units. There are a growing number of families with children. The city recognized the growing population and adopted the north pearl plan to incentivize family-size units. At that time, nearly 90% of the stock was studios and one-bedroom apartments. Many studies show that inclusionary housing have a huge impact on the family size. Birth rates have grown 30% since 2003. Our children are here. Let's keep them here. The importance of city is vital to the stability of the city and to its vibrancy and safety and economic stability. It is our future.

Huy Ong: I'm Huy Ong, executive director of opal, I grew up and call Portland home. As a member of this community, I've experienced first-hand, what have rapid rising of housing

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cost has done. I have seen families have to leave. Profit-driven motive and state policy in 99 with a ban of inclusionary zoning. In 2011, opal identified the ban as a root cause of housing injustice. Most manifested in the ramped displacement. We hear from developers; it infuriates me that they talk about what they can bear. It is an atrocity that they would come up and think that they can continue to take on the city as their own personal bank. We know that developers do not build affordable units unless you make them do so, at least not in Portland. Unless we make them develop affordable housing, they will continue to flood the market and overbuild luxury units. It's no wonder they call themselves locust. If we had inclusionary zoning for the last 17 years, we could have prevented this. Look at where you live and who your neighbors are. Oregon now allows inclusionary zoning. It's a weaker version but we intend to strengthen it. Some of our region's wealthiest interests share. Developers who have made millions by displacing our cities most vulnerable community, we do not need to delay or ramp up periods to adjust. They do not need build-wide tax breaks.

Saltzman: Thank you, all.

Laura Golino De Lovato: I'm Laura Golino De Lovato, the executive director of the northwest pilot project. Northwest pilot program serves seniors in Multnomah county, 55 and older, we do housing assistance and focus on the very, very low income homeless and at-risk for homeless seniors. Inclusionary zoning is a great tool for the package of affordable housing tools in Portland. We support it wholeheartedly. Affordability and housing is an inevitable. It's going to take a lot of works and a lot of steps and this is one piece of the whole pie. We believe that inclusionary zoning will do a good job in addressing the 80% ami population and are happy to see the deeper affordability of 60% addressed and feel that by addressing these populations, we'll have some extra resources, perhaps, to address the 30% ami that we deal with. So, I encourage you to support and enact this ordinance.

Fish: Can I observe that over my service on the council Susan emmons was at the helm of northwest pilot project and she's a revered advocate and this is the first time you've appeared on behalf of that organization. So, welcome. We wish you --

Golino De Lovato: Big shoes, size 19. Yeah. And you will see Susan here and there. She won't go away.

Fish: We have plans for Susan.

Golino De Lovato: So do we. [laughter]

Andrew Riley: My name is Andrew Riley I'm the coordinator for 1,000 friends of Oregon and a lifelong Portlander I'm here today to lend our full support for inclusionary zoning I believe our interim director Mary Kyle McCurdy submitted written testimony so I won't read that off to you. 1,000 friends has been a part of affordable housing issues since we were founded over 40 years ago and I'm sure you know goal 10 of Oregon's land use planning program is housing, it sets out a very beautiful goal considering it was written in 1975. Which is every member of our community will have a place to live that meets their needs regardless of their income level. We're obviously pretty far away from achieving that. We have fought hard to lift the ban on inclusionary zoning. We're thrilled you're rising to the occasion to pass what the state now allows. Inclusionary zoning is a well-tested tool. The evidence is clear. It is one of the best ways we have on encouraging mixed income, integrated neighborhoods, full-stop. Portland is increasingly segregated by race and class. Desegregation, racial integration are critical for our livability. So the policy in front of you is the best the city is able to achieve. It delivers the strongest policy possible. We need more affordable homes and inclusionary zoning.

Saltzman: Thank you.

Novick: I have to object your dissing the 70s, by suggesting it's surprising a good thing

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was passed in 1975 remember the 70's is when our republican president created the epa as to now when they want to destroy it. [laughter]

Riley: I was born in 1988, I don't necessarily have the historical memory here.

Lauren Macbeth: My name is Lauren Macbeth and I'm the assistant director at rose community development. And a nonprofit housing developer and I'm here to urge city council to support inclusionary zoning. We know Portland is in the midst of a housing crisis. We need every tool available to combat the problem. We're proud of the city of Portland to work so hard to pass important legislation to give people a safe place to call home. Today, we can pair inclusionary zoning with the general obligation bond, a short-term rental tax and a construction excise tax. We know the answer to give people a safe place to call home is through innovative relationships. In short, inclusionary zoning offers an opportunity for our city to grow strategically and provide all Portlanders better access to housing. Thank you for working toward better housing.

Saltzman: Thank you, all. Next three?

David Schoellhammer: I am David schoellhammer and I chair the land use committee for the sellwood Moreland improvement league better known as smile. We want affordable housing in our growing neighborhood. We do not want to lose affordable housing to offsite transfers. We ask that you limit offset by the one-mile rule. Maybe within the neighborhood and not allow them at all. Next, we believe that the cost of affordable housing should be shared by everyone, eliminating parking minimums for affordable housing places a disproportionate burden on residents and businesses. Residents are faced with reduced on-street parking, increased congestion, decreased vehicular and bicycle safety. Therefore, we ask that you do not reduce the existing parking minimums. Our fear is that with transfers, we will get neither affordable housing, nor parking. The proposal assumes the comprehensive plan will change all ex zoning to cm3 zoning and floor-area ratio to 3:1. This would create a spike in density on our ex zones, for our ex properties in 2017. Thank you.

Saltzman: Thank you. Sir?

Keith Milsark: Never done this before. My name is Keith Milsark, I'm the executive director of park view Christian retirement community we are a single site, nonprofit retirement community located in east Portland. We offer independent and assisted living to seniors of all incomes. I would like to explain today how inclusionary housing would affect us and request that nonprofit communities be exempt from this regulation. I've submitted testimony. As proposed, these requirements will apply to new independent living apartments that we are hoping to build next year. The rents will be higher than what the inclusionary zoning would allow. But this is because our rents are not simply rent. We include a host of supportive services, such as meals in the dining room, all utilities, cable tv, activities, housekeeping, transportation, wellness and fitness classes, daily well-being checks, chaplain services, emergency call response and a number of other programs and services that foster the well-being of our residents. To comply with the inclusionary housing requirements, we would be required to decouple these services from our rents and essentially create two classes of tenants, those who benefit from our full range of services and those who do not. This would be very difficult for us from an administrative standpoint and would be unfair to those who are getting the services because they would then be subsidizing those who do not. We're not a developer, we cannot take advantage of the development incentives that the city proposes. The f.a.r. Bonuses would not apply to us. Our project proforma already assumes that our new units would be tax exempt. We have no need for a f.a.r. Bonus. So, so we don't have funds to pay the fee in lieu of regulations. We ask that you exempt organizations like ours.

Noel Johnson: Good morning, commissioners. My name is noel Johnson and I have led

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about 2,000 housing units as a developer in Portland. I'm struck to follow this gentleman's testimony. He's right in the long-run, but in the short-run, he's wrong. When you induce shock to the system, you create these negative short-term externalities like this. We're not trying to prevent what he's trying to do. I just think the program is not properly crafted to achieve the shared goal that everybody else has been testifying about. I agree with pretty much everything everyone's been testifying, maybe except for the developers are evil part. I'm here -- I'll continue to be here to try and figure this thing out. The point is, I'm raising the red flag, I agree we've got problems. This is a red flag moment. I don't think we're going to get what we're wanting. I'm the one that's supposed to implement the policy and my colleagues. I'm young enough that I'm really supposed to do this? Maybe nonprofit, retirement communities, those guys are okay. Let's take some time to get it right. Locus is trying. A lot of developers are trying to be engaged and not be a party of no. But be a party of, okay, yes. We're here and red flags.

Saltzman: Thank you. Thank you, all. Welcome. Are you going to call one more? Looks like we have room for one more. Welcome, sir, we'll start with you. You have two minutes.

Tom DiChiara: Good morning, commissioners. My name is Tom DeChiara Principal and co-founder of pacific development. This policy, while well-intentioned, as drafted, is not going to work as discussed and it will be counter-productive. It will kill more projects than it helps and constrain supply over the long-term. I've been doing housing develop in Portland for 15 years for all scales of project type and I've looked at my recent projects and none of them would make the cut. If I can't meet margin demand, my projects don't get financed and they don't get built. Developers don't make those decisions. I have 1,500 other units ahead of this legislation in the pipeline right now, none of which would survive the policy. It's not a bluff, it's simple math and facts do matter. I wish your consultant was right that this mandate would solve our problems. This is not the case. Your consultant has used flawed data and anecdotes. The policy will have real and lasting negative impact on Portlanders. When projects no longer pencil, we stop building. You aren't sticking anything to us. When we stop building, affordability gets worse. The recitals of your own ordinance say that today's problems are from too little building during the great recession. Where we can get the policy right is by making the program more revenue-neutral. To leverage the private sector to attack it, we're all there. Many people are going to be very disappointed when this policy fails and we will have wasted more time getting serious about affordability.

Saltzman: Thank you.

Bandana Shrestha: Good morning. My name is Bandana Shrestha I'm the director of community engagement for aarp. We have 65,000 members in Portland. An important part of our work here in Oregon and in Portland is to work on livable and age-friendly communities. During the 2015 legislative session, we were proud to support 1533. Though the bill that was passed was a compromise, it was a step in the right direction. We're excited to see its implementation here in Portland. It's a new tool that we didn't have before and it's an important tool to be able to use. The entire state is looking, here's an opportunity for Portland to do the right thing. To expand housing options through implementation of inclusionary program and we're here to show our support. Also, want to thank the folks who have worked on putting together a very solid proposal. We were especially excited to hear about a couple of the things, the mandatory -- maintaining affordability, deeper affordability on-site, focus on on-site units. Also, the focus on, you know, high opportunity areas, making affordability available in those places. Those are going to benefit people of all generations. There's lots of data. Just that, you know, older adults -- we've heard about young people having opportunity here in Portland. It's also about people who want to live in Portland. After the recession, people of all ages have been impacted, even though traditionally, older adults have been homeowners, there are

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more renters among lower incomes. We hope you will consider -- aarp support the inclusionary housing program and immediate implementation of the full inclusionary rate without delay and we hope you'll consider adopting the plan with the strongest possible commitment to affordability.

Michael Buonocore: I'm the executive director of home forward. I'm going to speak off the cuff, rather than from my prepared remarks today. I have been working in the public sector for 30 years. Public and private relationships are critical. I have heard a lot of narratives that are not particularly helpful, that the business community's evil and they're only concerned about profits and not about people. I've heard a lot about how government and the public sector and the nonprofit sector should be more like business in that things like the market will solve our problems and that government doesn't really understand how the real world works and you heard -- we heard, today, from some of the brightest minds from our community, dr. Bates, chair kafoury. Those folks have my confidence. The process that you ran, which was inclusive and thoughtful, but also moves assertively, as you have, many times, in setting policy, in making resource allocations and referring a housing bond to the voters this year, you're on the right path. I urge you to stay on it and to vote to approve the inclusionary housing policy without delay. Thank you.

Saltzman: Thank you, all. Thank you.

Tram Hoang: Good morning, commissioners. My name is Tram Hoang and I'm the communications and engagement manager at the welcome home coalition. Inclusionary zoning can create affordability, diversity throughout Portland. As a coalition, welcome home is urging you to pass this policy. We need far-reaching solutions to address the comprehensive need. The housing bonds that will pass with your support is meant to help with those who have low incomes. Seniors, single mothers and those living with disabilities. Our public investment can only go so far. We can leverage new development with section eight vouchers and give earners more choice, thus taking the pressure off of low-income renters. There are Portlanders who have modest-wage jobs that simply aren't enough to insure a safe and permanent home. This includes the very social workers who are working on the front lines of our housing crisis. I am one of those people. As a young professional who was born and raised in north Portland, I have dreamed of creating a life here. After paying off my debt, I found it difficult to afford a place of my own. I live with my parents so I can continue to do volunteer work. It's a sacrifice I hope my civically-engaged peers will not have to make. Thank you for your time.

Saltzman: Thank you.

Allan Lazo: Good morning, commissioners. My name's Allan Lazo, I'm the executive director of fair housing. We know that inclusionary housing programs provide opportunity for households with varying levels of incomes and its time for Portland to provide those same opportunities in market rate. You have heard a lot about numbers. There's one number that may get lost in the talk about model recalibration. That number is zero. From the state of housing report, zero is the number of Portland neighborhoods in which the average black, Latino, native American or single mother household could afford to rent without becoming rent-cost burdened. That number to discuss today is zero. We value undoing the forces that created the zero, zero increased opportunity to transportation, education and economic opportunities. I believe that those ideals must inform your decision. Again, as shown in the state of housing reports, blacks, Latinos, are renters in our community. Lower-income renters disproportionately are persons with disabilities. These disparities, among protected classes are factors a jurisdiction must consider in its effort to further have fair housing. Finally, we know that inclusionary housing is only one of the tools that you're working to solve our housing crisis. Inclusionary housing is uniquely important as a tool. It's like that wrench you have to run down the hardware store to buy. It

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creates housing for multiple incomes. I urge you to pass mandatory inclusionary housing program next week, fully funded at the 80/20 and 60/10 inclusionary rates. Thank you.

Saltzman: Thank you. Sir?

Tom Gihring: My name is tom Gihring, I'm research director of the common ground, Oregon/Washington chapter. I'm hoping that my comments will partially answer commissioner nick Fish's third question. We'll get to that. To make inclusionary zoning work, it is necessary to build a consensus around a quip pro quo, an offset that returns a public benefit in the form of inclusionary units at a valuable -- a value equivalent to the incentives given to the owner or developers applying for the housing program. 1533 requires a financial incentive be offered. It must be fair and equitable from the owner/investors and the tax-paying public. Not too minimal as to impose a burden on the owners and not too excessive to constitute a windfall at the city's and taxpayer's expense. The means to accomplish this? A public disclosure rule. Any provision of economic value, including cash payments, below-market interest rates, waiver is a subsidy requiring disclosure. The details of the subsidy be publicly disclosed. There's ample precedent for this. They require private entities receiving any form of subsidy to be disclosing their financial records. Financial worksheet should include routinely -- should be accessible to all stakeholders, including city bureau staff, and affordable housing advocates. These --

Saltzman: Your time is up, sir. Thank you. Thank you, all. Next three.

Novick: Would you agree to a two-minute break?

Saltzman: Let's make it a five-minute compassion break.

At 11:41 a.m. council recessed.

At 11:45 p.m. council reconvened.

Saltzman: Let's call the next three. Okay. Jeff, why don't you take it away?

Jeff Bachrach: Thank you, commissioners, I'm Jeff Bachrach. I'm a member of Portland planning and sustainability commissioner. Briefly, I was as moved as anyone listening to the eloquent testimony today, articulating what we're all dealing with, the affordable housing crisis and the problems it creates for the citizens of Portland. The planning and sustainability commission concluded that the iz program is not quite there as an effective solution. Commissioners concluded that we need iz. I think many of us on the commission, myself, personally, have been working for these kinds of affordable housing solutions to be implemented. I wanted to give you a couple of the concerns the commissioners raised. We're going to go forward as a city with iz. Even if you implement it now, there's still going to be some more work and that was really the basis for the planning commissioner's concerns or my particular concern that we raised a lot of questions that were not answered at our hearings. We asked for information that there wasn't enough time. We're not sure if the information exists. A couple of key take-aways, there is no clear template that Portland is following. Yes, many cities have iz programs, but we asked repeatedly, we're breaking new ground here in the way we're crafting iz, which is great. But keep in mind, we're not following a path others have trod. We're trying to create our own. Simple solutions aren't going to work. We need to carefully calibrate it and make it work. Couple of thoughts going forward. Commissioner Fish, you raised concerns going forward that we had. One, there is no benchmarking for what we're trying to achieve. What will demonstrate to the city that we're successful or not successful? So, we need these sort of benchmarks. We don't know the cost involved to implement a iz program.

Saltzman: Thank you, Jeff.

Fish: Let me be clear, what I said was, from those who have concerns that -- who embrace the concept, but have concerns that it may not deliver, what I asked was, what are the indicators that we should be watching? When will we know and then how should we monitor them? And we do that with all of our problems because we're constantly

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pruning and fine-tuning. One thing I'm concerned about is there are so many projects in the pipeline, beating the February deadline, it may be years before we get any good data. Perhaps this is something the planning and sustainability commission and the council can take up. What are the things we need to watch to make sure that this policy is delivering on the promise is that driving you? That's a question I have. I want to know what we should be watching. Obviously, if all of a sudden on the east side, everything is coming in under 20 units, that's an indicator that people are trying to get around the 20-unit floor. I'm looking for a more robust set of indicators that we can track and know when to come back and evaluate its success.

Bachrach: Quick answer, I would encourage as we design a program that the planning and sustainability commission and well as planning and bds be are equal partners in designing the benchmarks and making a program that is going to work. Inclusionary zoning started as a land use program and you need that balance between housing and planning, as you set your benchmarks, as you try to figure out how to fine-tune this program, to achieve the goals we are all trying to achieve. I hope they'll be an opportunity for that inter bureau analysis and collaboration to make this work going forward.

Saltzman: All right.

Joe Cortright: Joe Cortright, I'm an economist, I run the city observatory. We do a lot of policies around the country. You have been told that inclusionary zoning is a well-developed policy. Others have said that there's this body of research that shows this does not have an adverse effects. The policy you have before you today is materially much more different and burdensome. Other cities do not apply it citywide. They have lower inclusion rates and it's typically volunteer. Even New York city sponsored mandatory inclusionary zoning program only applies to up zones. In Chicago, that program is also voluntary. It only applies where the city has money in the deal or the developer's asking for up zones. Large cities across the country, there is exactly one city that has produced more than 100 units of inclusionary zoning units over the years its program has been in operation. This is a program, as applied in other cities, that is so small that it has no impact on the problems that are very real and when you look at the studies that are done of these small problems, they don't seem to have an impact on the housing market. So, this is a strategy that is both in effectual and is likely to be applied in Portland will be counterproductive because developers have options and investors have options. When less housing is built in Portland, all of our rent and housing affordability problems will get worse. We are overwhelmed by the demand for urban living in great places like Portland and that will not be resolved until you build supply.

Amira Streeter: My name is Amira Streeter, I'm the policy and advocacy director for the urban league of Portland. The urban league is one of the oldest african-american civil rights. I want to say that it is simply not enough to just supply affordable housing. I believe that this is a very well-calibrated iz program, coming from Montgomery county, where it is a beacon of diversity and improvement into the county, I highly encourage you to take upon commissioner Saltzman's plan and the plan put before you. Multi-family housing has been banned because of nimby doctrines and has greatly displaced people of color, particularly black communities and families. One study showed that from 2000 to 2013, white incomes from \$55,000 to \$60,000 while black incomes decreased from 35,000 to 30,000. There is not one area where African-Americans can afford a two-bedroom. Also, you need to have rent stabilization. Many of our folks are terrified of being put out on the streets and black people are the highest community that are homeless right now. Speaking from a personal perspective, I feel insecure in being in an apartment right now. Because there are very few limited options to me and many of my colleagues, I'm nervous of if, for some reason, I can't be in the place I am now, where am I going to go? That's the question I want all of

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you to think about is where are the people going to go?

Saltzman: Thank you. I want to get a show of hands; how many people still wish to testify. One, two, three, four, five, six. Seven. We're going to have to go to one minute because we have to adjourn by 12:30. We're going to set over until 11:00 a.m. tomorrow. We're going to conclude our oral testimony today. We'll take written testimony until 11:00 a.m. tomorrow. We'll have to go to one minute.

Brian Wilson: I am a long-time community advocate and housing affordability advocate and having done a number of years on the Portland housing advisory commission, too. I'm also a developer of multi-family housing. I wanted to appear before you today to pledge my support for helping you develop the most comprehensive and workable iz program that you can and I will submit additional written testimony to tell you how I think we might go about that as a team. Thank you.

Saltzman: Thank you.

Stef Kondor: Do I get his 30 seconds? Just kidding. I'm Stef Kondor, I'm the director of real estate development at century city concern. Ccc has been actively working for 40 years, helping people experiencing homelessness. I want to say that we support the inclusionary zoning proposed by commissioner Saltzman, so we appreciate very much that you put this together. We feel it's very comprehensive and fair. I also wanted to note that based on the bond that just went through, we recognize that that will probably support about 1,500 more units of housing on the market for affordable housing. Just note that this inclusionary zoning, there's about 22,000 units in the stage of construction or permitting right now. If you were to put this inclusionary zoning, about 15% to 20% of those units would be about 3,500 units more. We very much support this.

Saltzman: Thank you. Thank you, both.

Doug Klotz: Hi, I'm Doug Klotz. Inclusionary housing is an important part of Portland. I hope that the incentives and requirements are well-balanced or that we will get there. One key component is the removal of parking requirements for all units in mixed-use zones. One of the slides showed how the addition of the parking requirements brings the rlb back up to where it's in par with the rates. I'm mostly concerned that the ih requirements will stop some development that we've been getting on division street and Hawthorne of 20-unit buildings. So, this is not getting around the requirements. This is what -- you have a small lot. And, it's unlikely that I voluntary ih will be done on a small lot so I would say we won't get the 20 units now because the f.a.r.'s going to drop from three and a half to two and a half so I'm advocating to raise the f.a.r. On the small lots so we can get the 19 lots.

Saltzman: Thank you.

Tim O'Brian: Tim O'Brian. Lifetime Portland resident. New development company, started in 2013, so I'm building multi-family housing. I do support iz. I have supported low income housing over the years. Saying that, I want to make sure we get it right. If we don't get it right, as some of my developer cohorts have shared with you, it is 80% to 90% of people that don't qualify that have to pay the high rent. We want to help you get that right. Kind of to commissioner Fish's question, what do we need to do to monitor this if we pass it and it doesn't work? Some thoughts I had in that regard. I think in your own permit and land use department, I would look for projects that are coming through the door that include inclusionary housing and look at those. That's a clear indicator. Sooner than that would be to actually work with the architect firms that build multi-family homes. Those guys are going to see it first. Are we actually getting money spent and designing projects that would include inclusionary housing?

Kurt Schultz: Thank you very much. I'm Kurt Schultz. A principle at Sierra architects we've been in business for 45 years and have 150 employees who desperately need affordable housing. We definitely support inclusionary housing as long as it doesn't hinder

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production. I wanted to share with you some of the things we're sharing in the market right now. We have designed and built over 500 units, per year, over the last six years, and we typically have a one-year backlog of 100 to 500 units. For 2017, past projects, we have a total of zero new units on the boards that will come post-vesting. And this is a significant concern for us. These are 500 units a year that don't like they're going to get delivered to market. I can tell you a vast majority of those projects are not going to get built. A lot of the entitlements are being put on the shelf. The market is changing and many of those projects will not move forward. We support inclusionary housing. Housing does not get built is not going to create more affordable units. Thank you for your time.

Saltzman: Thank you, all.

Shannon Milliman: Hello, I'm Shannon Milliman. I am a homeowner in the Lents neighborhood for two and a half years my family with 5 children my husband and myself. We have immediately had an advantage of \$300 less. Long-term, we are becoming much greater examples of contributing members of society. Stewardship, self-reliance and family are important values. We plant a garden and we have urban chickens and we have a dog that I make sure my son walks. Tonight, I attend a Lents neighborhood association meeting advocating for a library. We're working on developing personal goals. My husband is a music recording artist and trying to start a business in our garage. And I'm working on writing a book. In the daytime, I work for the city of Portland in bes. In the last two years, I've progressed and learned how to be a manager and made a career shift and found stability because of this.

Saltzman: Thank you. Ma'am?

Yesika Ale: Hello, my name is Yesika Ale I am here to urge you through supporting inclusionary housing policy. This proposal will work to increase housing affordability while also reducing racial and economic segregation. I was very fortunate to be able to find a job that pays a living wage. Thanks to that and the opportunity to buy an affordable home, I have been able to provide for my children a stable home. And so I want to urge you to please support iz so that other families will also have that opportunity to provide a stable homes for their families.

Saltzman: Thank you.

Diane Linn: Good morning. Almost afternoon. Diane Linn, very proud to be in the presence of these two amazing women who are raising their children and thriving in two homes. We're here to tell you emphatically that it's time to pass this. These women can represent so many more families that can be served in the way they have around the city. We've worked very hard, as all of you know, to remove the ban. We've worked in coalition with a tremendous number of agencies. We appreciate your leadership in taking this forward. We know this isn't easy. I do have colleagues all around the country who are working in cities, in jurisdictions that are planning this policy. We know it needs to be fact-checked and course-corrected along the way. Now's the time, it's critically important that we plant these seeds immediately. We've lost a lot of ground in Portland and families like these two women represent today can be multiplied many times over if you move forward on this policy as soon as possible.

Saltzman: Thank you, all.

Madeline Kovacs: My name's Madeline Kovacs, I'm the coordinator for the Portland for everyone coalition. First, increasing supply of housing to address Portland's current crisis is important. We need to be equally concerned with who we are building it for and where it's located. I'm here to speak today to two Portland for everyone five goals. One, prioritizing housing for historically and underserved populations. Two, creating and maintaining economically diverse neighborhoods. The inclusionary rate is higher, so are the proposed offsets. Inclusionary housing has a 40-year track record in over 500

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jurisdictions. No other jurisdiction has held developer profits completely harmless. The policy contains the full suite of tools, including density bonuses, tax abatements and further-reduce parking requirements.

Saltzman: Thank you. Sir?

Brent Parry: Good afternoon. Brent parry, president of brewik construction. We are responsible for the family-wage jobs of over 100 people. So, it's very, very important that you guys get this right. We certainly support the mixed income communities. Let's get it right. Approximately 50% of our volume is market-rate apartments. So, again, very supportive of it. Let's make sure that we get it right so that it doesn't -- as Kurt Schultz said, send it to zero. Zero of zero is still zero. So, let's make sure that we get that right. Then also, to understand that we collectively -- the city, everybody that's doing this -- really what we are doing, is we need to attract outside investment because that is where the money comes from to do this. Without that outside money, they're going to go somewhere else. We will go to zero.

Jessica Rojas: My name is Jessica Rojas I work as the neighborhood's program manager for the Ne coalition of neighborhoods. I serve neighborhoods I cannot be a part of anymore. I drove from Vancouver, Washington, because that's where I laid my head out last night. Myself and many of my peers, we're crafting our ability to adjust. I'm going to look at the development sector and ask them to adjust to the needs of our region inclusionary zoning was vetted with a lot of input from them already at the state level and now it's the city's job to implement it here locally.

Christe White: Christe white. So the question is, what are they right or wrong about because this program is critically important to the success of housing people in the city of Portland. I'm going to answer what I think some of the indicators should be as to whether the program's working. First, we need to start measuring whether we're building to the density or whether people are trying to come in and build under 20 units. Is it 80%? 60%? What happened to land values? Are the offsets working? I ask you to consider the amendment about the central city process and the da. They cover larger property area. Might be able to be more flexible. They meet iz, they should be credited toward iz. I don't know the developers that many people in this room are talking about. But these are good people and the majority of people in this town want to make this work. Let's make no question about that. Working with them and not against them -- with the people who are building these units will make this program more successful.

Stephen Lang: I'm Steve Lang, I've been able to afford rent in Portland for the past 12 years. I was close to be homeless at one point. There was a housing development at the south waterfront where they reserved 20 units for veterans, lower income. I was glad I didn't go down to sign up because the line was out the door, down the block and around the corner and camped out on the sidewalk for three days. That was the demand from the sub community of veterans. I was kind of struck by the discussion outlining this project. That there was a buy-out feature. And, I don't see how the units will be rebuilt because it seems like they could use the buy-out feature every time.

Saltzman: Thank you.

Evan Wellington: Hello. Evan wellington. I'll get right to it. Iz is a good thing. This is the fourth supply resolution we've been to city hall for recently. This is not helping those facing displacement today. I would like you to consider each and every senior or person with disability who is on a fixed income and every college student who are finding it hard to earn their college credits and live. Each and every minority that faces discrimination if they are displaced. A report released in 2015 found whites were given preferential treatment. We need to make sure those studies are done yearly. Please consider these things and keep in mind the fact that they need to be thrown into -- thrown into the considerations

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where it comes to adjustments to this policy. And, in the meantime, in awaiting for this policy, we need rent protection and a moratorium on no-cause evictions.

Saltzman: Thank you, all. Anybody else? Come on up.

Allison Reynolds: I just wanted to --

Saltzman: Give your name in the microphone.

Allison Reynolds: It's Allison Reynolds with Perkins coie. I wanted to ask the council to leave the record open for written testimony for a week after this. There were questions asked by members of the council and the folks I work for would like an opportunity to respond to those in writing.

Fish: We're not voting until next Wednesday, so the record does stay open until the council does cast the vote.

Saltzman: Okay. Thank you. Any of my colleagues want to ask staff questions or wait tomorrow until 11:00?

Fish: I think we can ask tomorrow. Dan, I want to ask the housing bureau to consider this. To give us a preview of how we will be monitoring the implementation of this policy and when we can expect the first subtenant report and to the extent even the strong supporters of the program have come forward and said, here are some of the indicators we need to look at. I want to make sure that the housing bureau has the resources they need and we work in collaboration with the bureau of planning and sustainability to track this. At the earliest possible stage, if there's a need for us to reconvene or rethink it the way we did with the multi-program, I want to make sure that's baked into our policy.

Novick: I wanted to hear staff's reaction from locus about collapsing amendments into one?

Fish: Why don't you move that and I'll second it and it gives staff a chance to give a presentation.

Novick: So moved.

Fish: Second.

Saltzman: Great.

Lauren King, City Attorney's Office: The record would be closed tomorrow and discussion would happen. Commissioner Fish indicated the record would stay open. It is a legislative amendment so you can leave the record open until the final vote, but you don't have to.

Saltzman: We can leave it open until the final vote?

King: Yes. Amendments should be voted on five days before.

Saltzman: Record is open until the 21st. We will move on amendments tomorrow. We'll have the full council here and thank you, everybody, for being here today. We're adjourned.

At 12:15 p.m. council recessed.

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Key: *** means unidentified speaker.**

DECEMBER 14, 2016 9:30 AM

Hales: Good morning, welcome to the December 14th meeting of the Portland city council. Please call the roll.

Novick: Here **Fritz:** Here **Fish:** Here **Saltzman:** Here **Hales:** Here

Hales: I expect that we will be joined by commissioner Fritz but we will go ahead and get started. We have a lot of business to do today so we will work through it. We have time certain so we can try to have your time be not wasted and waiting for us to get to your item. If you are here to speak on a council item today, you can let our clerk know, and she will give you the opportunity to testify. We typically allow three minutes; I think we can do that today but we may have to reduce it to two minutes on some items just again in order for the council to get through a lot of work that we are doing. It's the end of the year here, today, and next week.

Fish: Can I ask you a question? I heard from my staff that there is a big snow storm predicted, and it may hit sometime mid-day. If we get a sense that that's going to happen, is it your intention to try to get as much stuff done between now and say 1:00, and then move things around just so we can get --

Hales: Exactly, we did just talk to the weather service and they moved their estimate to later in the day so we may get a full day's work in before it starts.

Hales: Right. It's a forecast. Not a guarantee. So we are going to move this as expeditiously as we can. So, and obviously, we always follow the rules of decorum in this chamber. We want to listen to every point of view, if you agree with someone give them a positive hand gesture, if you feel like it, and if you disagree you are welcome to give them a negative hand gesture but we reserve applause and vocal demonstrations for students and visiting dignitaries so if you are one of those you may get a round of applause otherwise we like to keep it quiet so we can hear everyone and so everyone feels respected. With that, let's take our folks that have signed up for council communications, 1382a. Oh, I am sorry, commissioner novick, we have commissioner novick has a pre-gavel announcement so we would like to give him the chance to do that.

Novick: Is my mic working today? Ok. Colleagues, on November 28, troy, a pbot Maintenance employee was working with crew members as part of pbot's leaf day street cleaning day. During that process troy suffered a life threatening medical event. Four of his co-workers responded quickly and called 9-1-1. According to the hospital Physician, their training and quick response literally made the difference between life and death of the we wanted to take this opportunity to recognize troy and his co-workers who worked expeditiously. Bruce, Billy, troy, and dana, and I think that is director Treat here to elaborate.

Hales: Come on up, please. Leah Treat and amazing employees. Welcome.

Leah Treat, Director, Portland Bureau of Transpiration: Thank you for the opportunity, I want to echo what commissioner novick said. I am so humbled and proud by our crews at pbot, and they saved one of their co-worker's lives and that's so worthy of your recognition and everyone else's so with my gratitude and thanks for your job, truly appreciate everything that you do.

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Hales: So we make exceptions for students visiting dignitaries and hometown heroes, let's hear it for these guys. [applause] so how he's doing?

Treat: Apparently he's going to be returning to work in about a week.

Hales: We appreciate the work you do and appreciate you lot these next 24 hours.

******:** We're going to leave here, in paul sanders is ready.

Novick: Thank you.

Hales: Well done men, thank you very much. Let's hear it for these guys. [applause]

Fritz: I would like to mention this is an added service that the city employees offer to our community, is that we are allowed to take a cpr and defibrillation classes that the city pays for, so it's not unusual for some of our staff, who you would not necessarily think of as first responders to be there when needed and we very much appreciate that.

Hales: Great work and great idea to have people ready to help like that. Super work.

Thank you, Steve. Thanks very much. Ok. That's a great note to start on. Let's take our first citizen's testimony 1382a.

Item 1382A.

Hales: Come on up.

Mike O'Callaghan: Thank you. Thank you for the opportunity to testify again. You guys stole my fourth tent. Ok. Number four. I will give you a little history about this, kind of fun.

Fritz: Remember, there are children that may be watching at home so if you could keep it polite I would appreciate it.

O'Callaghan: Well, actually, I am going to give a history lesson. The French and the English were at war, battling, and the English were expected to lose, and the French developed a ploy that when they caught up with these English that they would cut off their middle finger and thereby they would not be using to use a long bow. So happened the English won. So in defiance, they developed this gesture showing that they had their middle finger so they could still use their long bows and to this day, it continues, and the term which I won't say is a bastardization of a French term, instead of the English. But anyway I have a few other items on my agenda. How is it progressing on feeding millions of, you know, I made a suggestion that, indeed, the council would pass a law prohibiting supermarkets from throwing away passible date just like France did. All these people could get fed if you pass that law, and I suggested that eight months ago, any progress? I didn't think so. Anyway, another thing that I would like to suggest to the council is not a tax on butts but, indeed, a deposit on butts. I pick up litter. There are a lot of cigarette butts around and it's offensive. And let's put a penny tax on them, 20 cents a pack, ok, and they will be marked so all you have got to do is save them and turn them back in, and there is no cost involved for anybody. And if you don't people can go around and pick them up and turn them back in and get money for them. Ok. No cost. Stop this. People from -- and I have a low pressure I have a slogan, pick your butt so I don't have to. Thank you. I talked about the computerized elections, ok, and you know, there never has been an election in this country overturned on the basis of computer fraud. It's either a or b, take your choice. Either it's all above the board and everybody is legal and nobody is cheating, or it's a perfect crime. Now, I recall in my last testimony I mentioned Florida and bush and I followed this closely since I litigated it in Alaska, there were five computers that had more votes on the computer than ballots, in the ballot box. And there is only one way that happens, and then you saw things shift quite rapidly to the butterfly ballot and shift again to hanging chad. Thank you. I appreciate the time.

Hales: Thank you. Next person, 1382b.

Item 1382B.

Hales: Good morning.

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Matt Smith: Good morning. Thank you for giving me the time to speak today. I wanted to ask the council to pass the resolution declaring support for Portland's Muslim community and censure Donald trump. My understanding last year this was a council item, and the election rules, state of Oregon election rules did not allow the promotion or opposition of any candidate, so the resolution was passed without the president-elect's name in the text. So I wanted to explain why I supported the resolution then, and why I think it's important to pass it now in the manner that it was originally intends last year. The resolution does two things. First it declares support for our Muslim community. Since the election and since last year, December, there have been a number of acts directed towards the Muslim community, not just towards the Muslim community but towards other faiths, as well, and the president-elect has promoted to high levels in his administration of people who are, who have demonstrated intolerance themselves on the national security advisors likened it to a cancer. The hud secretary has stated publicly he believes it is incompatible with the constitution. These are not views that I think exhibit the best views of our country. Secondly the resolution asked the president-elect to acknowledge the decisive, hurtful, hateful rhetoric, to acknowledge it and apologize, it does not ask for an apology but this is a goal of mine. He said acknowledge, apologize and promise to refrain from further decisive, hateful speech. One of the key ideas, I think, of this last entry is that the universal declaration of human rights says dignity and equal rights is a foundation of freedom, justice, and peace in the world. So beyond creating the moral obligation, it's in our self-interest to uphold and promote the dignity and equality of our fellow citizens, if we are interested in justice and peace in the world. So beyond just merely a philosophical segment it is in ourselves interest to promote dignity and equality and I ask the city council to pass a resolution with the president-elect's name in there asking him to convey an understanding of the basic human, the way that the human nature operates according to the united nations, declaration of human rights and demonstrate and understanding in shared values with our community. Thank you very much.

Hales: I appreciated you raising these issues. I just came back from the west coast mayor's office summit, and I think you are going to see a lot of cooperative effort among the cities on the west coast, the mayor was there from l.a. And the mayor from san Francisco and so on, and we, actually, did sign some joint letters to the new administration about housing and homelessness, and about climate, and so I think that you are going to see that kind of concerted action among west coast cities that are tolerant, inclusive places as we are, so thank you. I appreciate you raising these issues and it's nice, actually, I think it feels good for me and I think it feels good for everyone to know that we in Portland are not alone in having these values, but that we have a lot of solidarity and company with other communities on our side of the country.

Fritz: As you note we did pass the resolution supporting our Muslim neighbors, and I think we've all been thinking about what should we be doing here in Portland, Oregon, with regards to the things that are happening at the national level. One of the things that we're very concerned about is to make sure that we do things with the community rather and we may be able to get something on the December 21st council session to make some kind of statement. We're also working with mayor-elect wheeler, even if we do something, we will be more inclusive early in the new year, And I know that the mayor-elect wheeler is concerned about that. One thing that I wanted to get on camera and make sure that people in the community are aware is that for people here under the deferred action for childhood arrivals or daca, that if you already are confirmed, now would be a very good time to apply for a continuation of that benefit. If it hasn't happened yet, it's probably back in the way so I wanted to make sure that I could state that on camera. That refers to our employees, some

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of whom are working with the rules that they presented and put into place, so we definitely share your concern and thank you very much for coming.

Hales: Thank you. Thanks a lot.

Hales: Ok. [applause] we have a consent calendar, and I don't believe that I have had any requests to remove items from the consent calendar, is that right? Anyone want to remove anything? Let's take a vote on the consent calendar as printed and we will move onto the time certain items.

Novick: Aye. **Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye.

Hales: Aye. Time certain item 1383.

Item 1383.

Hales: Good morning, please to welcome Susan Anderson, Courtney duke and Ingrid Fish to talk about this work and we have invited testimony coming in from the community on this. We are here today to consider this 2017 electric vehicle Strategy, which is part of what we are trying to do as a community to be responsible about climate and to make a difference. And I think that you all know I just came back from the c40 summit and proudly wearing my c40 pin today where Portland was recognized for having the best climate action plan in the world, which we should thank Susan Anderson for, so let's hear it for her great staff and great work. Just a few years on this subject since the first version of that was adopted in 1993. And not only are we doing the right thing in making a difference, but our brand around the world is important. The reason we're in the c40 organization is not because Portland is big, actually, now the 90 cities in the c40 represent 600 million people, so we're not there because of our size. We're there because of this kind of early adoption and policy leadership, and that's why we're here, as well, today. And our brand is a lot to do with transit and a lot to do with walkability but also because we have been early and effective adopters of electric vehicles. Including in our own fleet we are 20% of our city's sedan fleet is electric and poised to increase that to 30% by 2020, so these strategies that incrementally keep advancing the agenda and changing how we use energy and how we relate to the climate are both important here because they improve quality of life and air quality in other things that we enjoy about Portland, but they also continue our commitment to, actually, work with all these other cities around the world as we are on fossil fuel exports today, and on this policy to bend the curve of what happens to our world by what happens here and in other places that follow our leadership, so thank you all for leading this work and queuing us up for an important discussion this morning.

Susan Anderson, Director, Bureau of Planning and Sustainability: Thank you, mayor. Good morning. Susan Anderson, director of the bureau of planning and sustainability and with me are Ingrid Fish our policy lead on electric vehicles and other things and Courtney duke from the Portland bureau of transportation. As the mayor mentioned we have had an aggressive policy and plan looking at carbon emissions for 20 years and the results have been significant. We have reduced carbon emissions by 21% since 1990, even as our population has grown and has jobs have grown, and at the same time emissions for the entire united states have gone up 7%, so we're going in the right direction. Our current climate action plan includes a goal to reduce the carbon emissions by 80% from 1990 levels, by 2050. Transportation accounts for nearly 40% of Portland's local carbon emissions so reducing vehicle miles is absolutely important. We need to create one of, walkable neighborhoods and ways for people to walk and bicycle and take transit but also Important is switching to low carbon fuels such as electricity. The city's first electric vehicle strategy was adopted in 2010, and we did that in anticipation of the new car called the Nissan leaf at that time, which was, you know, crazy new and we were trying to figure out how we were going to integrate electric vehicles into our own fleet and now seven years later, the market landscape has changed dramatically, and it has grown so we're updating

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the strategy, and the new strategy includes 50 actions to be completed or significantly underway by 2020 so we're moving quickly. It includes all sorts of actions that Ingrid will talk about including more electric vehicles in the city's fleet but also ways that we can encourage more electric vehicle charging infrastructure in our new commercial buildings and especially in all of the new multi-family and buildings that are going to be built over the next 20 years. So with that I will turn it over to Ingrid and Courtney and walk you through the strategy.

Hales: Good morning.

Ingrid Fish, Bureau of Planning and Sustainability: Good morning. Thank you for the opportunity to talk about this plan I've been working on the last two years. If you look at this slide, our transportation hierarchy and should look familiar. It's in our action plan, in our comprehensive plan, and it's referenced in the transportation assistance plan. It really guides us to create policies and make investments to encourage complete communities, that's to support walking, biking, and transit before accommodating the automobiles. So when we design programs to encourage people to drive ev's, we want to make sure that the option is attractive to Portlanders but not so attractive it takes people away from doing the good things they are doing like biking and walking and taking public transit. So we have many goals and policies in the city that are, that guide us to reduce the amount of people who commute by car. And we know that even when we reach these goals. there will still be some cars on the road, and so this strategy is really focusing on electrifying those cars that will remain on the road in 2030, and also focusing on transit and bikes. So these are here now. We have -- we have a lot of vehicles on the road right now and we expect them to grow exponentially over the next ten years, the state of Oregon has signed onto, or committed to a goal of having all new cars be electric vehicles or zero emission by 2050, right now we have over 10,000 ev's in Oregon and a majority of those are in the Portland metro region. So when people think of ev's they think tesla and expensive. But in reality, there is a large range of options. Lots of cost options for evs and options for range which means the amount of miles you can drive on a charge. There are 28ev models available On the market right now, and you can buy 27 of them here in Oregon. And the trend is really that the cost of these cars is becoming much less expensive and the range, meaning the miles you can go on a charge, is decreasing, so that's really good news for evs.

Fritz: And even the tesla will have the normal person's version of it.

Ingrid Fish: Right, the model 3s coming out soon. So when we are talking about electric vehicles what we know is we know electric buses and electric bikes, scooters and great and trucks, so it's really kind of incorporating all sorts of different vehicles, not only cars. So there is the primary goal is to replace the gas and diesel vehicles with electric vehicles, and we have kind of four categories of work that we're going to do to achieve that goal. The first is to increase awareness of evs and access to chargers. This is a big one. The biggest barrier to the ev updates. We're also going to work to increase affordable access to, especially to low income populations and people of color. We are going to work to electrify our fleets and support innovation, and I will run quickly through highlighted actions, but help us to achieve the work in each of these categories, so the first one is to increase our e.v. Awareness and access to chargers. The city is going to support Drive Oregon's effort. They are building a northwest ev showcase which will be a physical location which will be an education campaign. It will be located at the world trade center at 2nd and salmon and they will have electric vehicles on display and charging infrastructure on display and people to talk about the benefits, the financial benefits and environmental benefits of evs and answer people's questions, and doing drives where people can get into the cars and exposed to the vehicles, and they will have ev ambassadors so people who

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own their own evs and are excited about the cars and want to talk about how great the cars are. We will also -- the city will explore options to require new construction, commercial and multi-family buildings to be ev ready. We know having the conduits and electrical capacity to be able to support chargers. And if we do this we will be one of the last cities on the west coast to make that happen. We will be working on increasing our ev charging pods, so our electric mobility hubs where this is like electric avenue which is on 2nd and salmon where we have four fast chargers and two level two chargers and working with our community partners to build more of those electric avenue type of pods and put those around the city. And we're going to be working -- pbot we'll be back working on our right-of-way policies to make it really clear as to where we want to put chargers in the right-of-way, publicly accessible chargers in the right-of-way and where we don't. And the second area of work is increasing affordable access to evs. We are going to be working with partners to develop electric car, car share, and e bike share pilot projects. Tina Scott from hacienda cdc is here and will talk to you about the project that they are doing which is a car share project that is focused and targeted towards low income folks. We are also working to seek funding for an e bike loan project where we will loan out electric bikes to women and people of color, which are the two demographic, two demographic groups with the lowest ridership for bikes. And we're going to be working with drive Oregon to do pop-up ev showcases so like the showcase I talked about that will be at the world trade center, there will be differing outreach and education campaigns similar to that all around the city, and including east Portland to kind of go beyond downtown Portland. The housing bureau is working on an affordable housing green building policy, and a provision will be that the city investments for affordable housing will have -- those projects will be ev ready, again, means having a conduit and electrical capacity to support the chargers. We are using -- we're working with partners to provide used ev buy programs where people can access used ones in which there is a big inventory right now, and be able to get those cars at a discount. We're also working with opal and drive Oregon to do mobility needs assessment so talking to low income people and people of color to actually really figure out what their mobility needs are and what their issues are and try to figure out whether or not evs are a solution for those issues. We are going to be working to electrify fleets. Working to electrify the delivery vehicles and eps has an e bike that they are piloting in southwest Portland, and we are the first city in the country to have this pilot, and they are using an e-cargo bike, they expect to expand to the pearl district and we would like to encourage more companies to do this, follow their lead, as the mayor and Susan mentioned we are electrifying our own fleet. Right now we have 20% of the sedan fleet is electric vehicle and we want to up that to 30%. We're working with the tri-met on a long-term electrification plan, and they received a 3.4 million grant to have four e buses and we are encouraging them to locate those e buses in areas of town that have high air quality issues, so that everyone can benefit from them, from the electric buses, and the last area of work that I would like to talk about is supporting ev related innovations. We are kind of working to support electric shared mobility and trying to figure out what the city can do to incentivize car shares to be electric. Right now we have one car share company that's electric, and we would like to encourage more companies to follow their lead. We would like to continue working on the smart city's work. We developed a great proposal for the dot grant opportunity and we really want to kind of leverage that work and continue the momentum for that work. We are looking to seek funding for, to elect partially electrify the bike town which would expands the boundaries and expose more Portlanders to e-bikes, and pdc is doing a great job working with you, to support ev businesses, connecting local manufacturers to national ev companies and regional companies and also working to connect underemployed and unemployed Portlanders to jobs in the ev industry. And lastly,

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we will be working on an economist vehicle or self-driving vehicle policy, and trying to encourage the cars to also be electric. And this is a picture of my family, and our electric vehicle. It's my primary mode of transportation, and I believe if a mom and two kids can get around Portland on an electric bike that might also be an option for a lot of other Portlanders. I would really like to thank pbot, pdc, the Portland housing bureau, and drive Oregon, pge, pacific power, tri-met, hacienda cdc, psu and the Oregon environmental council for their help with this plant. Now Courtney duke from pbot is going to give you comments.

Hales: Thanks, Ingrid.

Courtney Duke, Portland Bureau of Transportation: Courtney duke from p-bot, and I work on other things other than the comp plan. So we're excited to be working with the bureau of planning and sustainability and the other bureaus as she mentioned, such as pdc, bds, the bureau of housing and city fleet to ensure that we can meet the goals of the climate action plan and the new strategy. Pbot's mission as you know aligns well with the principles of the ev strategy and the city's transportation hierarchy known as the transportation strategy goal 9.6 in the comp plan. We want to make sure that as we work to reduce the miles traveled and transportation options that the cars do remain on the road are the cleanest as possible so a couple things we're doing is working with the city and external partners to ensure that there is sufficient access to all Portland residents, for public charging with a special focus on communities that may be underserved with limited transportation options and working to ensure that the elements of the strategy were incorporated into our capital project considerations, and consistent with our own transportation goals, and we are working on the next phase of the system plan, both with autonomous vehicle goals as well as these, and we'll see if we need additional objectives to integrate this. We are working to develop streamline processes in our parking facilities and right-of-way and will talk about that in a second and Specifically we're looking at broader deployment of just, not just ev passenger vehicles but e-bikes as she mentioned along with the bike town, as well as e-scooters and looking to support with our partners or transit and great deployment, so of the 50 actions that are in the strategy, over half of a pbot lead or partnership, and especially ones that relate to the infrastructure of the charging stations in the public right-of-way or in public parking facilities. So some of the highlights that we're working on, and we have hired a consultant to help us with this implementation, he's James mast who worked on the original plan in 2010, to help us to move forward with this strategy, especially working with our right-of-way and parking partners at the bureau and planning section, to make sure that we're working together to be able to implement these strategies. So especially that is related to the right-of-way work because not only do we have parking in the right-of-way but permits and things to do at the state level and the local level but what we're allowed to do or not, so we're working on that, and we're increasing awareness and use of existing chargers in the city garages, and the improved signage and other education outreach and we want to integrate the e bike charging with the bike parking in the title 33 code and we have some staff and a committee working on that. We are seeking funding for partial electrification of bike town, something that Ingrid mentioned and I think as I mentioned we're seeking opportunities to pilot electric autonomous vehicles in Portland and looking at autonomous vehicle policies and objectives given that direction by the Portland sustainability commission as a part of the comprehensive plan and tsp update so we're excited to be working with Ingrid and our consultant to be implementing this flew both the processes and policies at the high level as well as internal.

Hales: Great. Thank you all. Questions.

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Fritz: I have a couple. Are we working with the Oregon department of transportation to put chargers at the rest stops on the highways?

Duke: I do not know the answer to that.

Ingrid Fish: I know that there has been an effort to put charging infrastructure along the i5 corridor. That's definitely continuing. They have someone that's the lead, he works on shared vehicles, he works on evs and car share, Andrew dick, so I am in close communication with him, and I know that they are trying to expand that charging infrastructure.

Fritz: This might be a direction just to the bureau, to the department rather than any legislative changes, or should we put -- I am going for, should we put this in our legislative priority package to make sure that yes, you can get around Portland but also get to Eugene and Ashland if you want to?

Anderson: We can check in with them and find out if it's in there, we can coordinate with in that and we will get back to you.

Fritz: Thank you. Second question, is there a charge for charging the electric vehicle in a public spot?

Ingrid Fish: It depends on where. Mostly yes. Right now electric avenue, there is no charge to charge but that's because they are trying to get a franchise agreement with us and once that happens we will -- they will be charging the charge.

Fritz: Good because I am appreciative of the commissioner novick getting the gas tax passed, one of the reasons we know that we have enough money for infrastructure, we are losing the gas tax so although we want to encourage the electric vehicles for climate change reasons we need to maintain the roads and they will be used, to making the same kind of damage on the road surface so I would like something added to the proposal to address that.

Fish: This is really outstanding work. I want to offer a friendly amendment, not really directed to you but to city fleet. And in the text, it says that the long-term goal is replacing the 10,000 gas powered vehicles with electric vehicles and then in terms of our piece, it's add 60 electric vehicles to the fleet and move forward to a bigger percentage. So what that means is there is going to be a lot of money spent somewhere on these vehicles. To me it would be ironic if we went well outside of Portland to buy vehicles that were subject to a warranty and we had to drive a long way to have them updated and serviced. So here's the friendly amendment. Can we develop the most legally aggressive buy local program that's allowable so that we ensure that to the extent possible we buy these vehicles from local vendors? The local vendors pay the license fee and they are closer to our place of business, and if we are going to make this investment and try to essentially shift the landscape, I would ask mayor that we research the most aggressive buy local program that the law allows so that we spend as much of this money here in Portland.

Hales: A great suggestion, thank you.

Fish: I kept it as a friendly amendment.

Hales: I have a question and a similar suggest for how you make some of these general 49 strategies specific, as commissioner Fish just did. The question is about number one the commercial and multi-family buildings. Do we need the state building codes division or the legislature to open the door for the city to do this? Or does the city council have the authority to do this on its own?

Anderson: We are going to propose that as part of the central city plan, and actually it's part of the mixed use already.

Hales: So we have the ability to do this as we did with bike parking, we don't have to ask The state?

Anderson: We believe that we do until challenged.

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Hales: Ok, I like that attitude. And then number 15 just a suggestion, it's a broad provision about providing more opportunities for charging on private property. I usually take the red line to the airport for obvious reasons but I did drive one of our evs to the airport and they have done a great job of providing charging stations in the short-term parking garage but I don't think that they have them in the long-term parking garage.

Ingrid Fish: They have, you know, I am not sure about the long-term parking garage but they have it at the parking that you have to park and then get a shuttle in.

Hales: So there is places like that where other public agencies, if we can fill in the gaps like that, obviously, if they are in the long-term, there is more time to recharge and short-term, might not. The other agencies you know, that have parking lots or parking garages, we just got the -- you have got the charge to go and do that here under no. 15 but I noticed that particular one. I am sure that they have started to do the right thing and I am sure that they would like to do more.

Anderson: On any of these do you want to make official amendments or can we put this in because this is a resolution?

Hales: It is a resolution I think you got a sense of how you carry this out and I don't think we have to change the words but if the buy local direction and find more agencies, whether it's odot or the port to implement, certainly, what we want to see you do.

Saltzman: What are we doing to encourage gas electric vehicles, hybrids?

Hales: Hybrids?

Ingrid Fish: We like hybrids. I think that, and a lot of ways they make sense, depending on kind of what your use is for the car, and so in terms of goals for the city fleet we do include hybrid electric in that goal, and we understand it makes sense in some instances. I think the trend is going to go towards more all electric but yeah.

Hales: As the range gets better.

Ingrid Fish: It's included in our definition of what an electric vehicle is.

Fritz: I would suggest it has a built-in incentive because of the gas, you have to fill up with gas so the fact that you are not doing it as often or having to put as much gas in, I think, is for our family a financial incentive.

Hales: Ok. Thank you very much. Great work and we have a panel to follow your presentation here. Jeff Allan from drive Oregon, and Charlie Allcock from Portland general electric and Corey stop from pacific power and Jeanna Scott from hacienda community development corporation. You are all here, come on up and pull up another chair if you need a fourth chair if there is one free there, there might be. Karla, would you grab one of the loose chairs in the front row. Thank you. Put you to work. Thank you. Welcome.

Jeff Allan: Good morning. Good morning, so I guess we can go in the order we called. Mr. Mayor and members of the council I am Jeff Allan with drive Oregon, and we've been in front of you a couple times, we're a nonprofit working to grow the electric vehicle industry and promote transportation electrification, and we're up to over 100 members, ranging from most of the major auto-makers down to local entrepreneurs and folks who are tinkering in their garages, a number of advocacy groups and local governments. I don't want to repeat too much of what has already been said but we are very supportive of this electric vehicle strategy. I did want to highlight a couple of points. First of all, as stated there is a missed perception that electric vehicles are expensive and tesla has been the best and the worst thing that's happened to us in that regard. And we just wanted to highlight that there is a half dozen models, you can lease today, brand new for less than 200 a month, and when you consider that you are driving on the equivalent of \$20 a month, in electricity, typically, it makes a lot of economic sense for a lot of families. You can also buy now a three-year-old Nissan leaf like the one that I have parked outside for

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8,000 or 9,000, and again you are paying \$20 a month for electricity to run it and virtually nothing for maintenance.

Fish: On that point I took an eco-cab, and it was the same cost as, you know, a competitor that was gas fueled so at least in that industry it seems like there is parity.

Allan: That's right, and their business model is based on the fact that it's much cheaper to operate an electric vehicle, the equivalent on running dollar gallon gasoline and even though the gas prices have dropped we are not down to \$1. I want to emphasize the economic value. You were talking about buying local and one of the things I want to emphasize is not only are they good for the environment but we don't have gasoline refineries or oil wells in the state of Oregon thank goodness. So every dollar you spend on electricity and on other products, instead of oil, circulates in the economy and creates a study in California found every dollar you shifted out of oil created 16 times as many jobs, and they do have some oil refineries down there so in Oregon the number is probably higher. And then I think that the broader overarching message that I wanted to send is this is really the logical next step in mobility and sustainability mobility for the city. As a lifelong bike commuter as well I can tell you that the early adopters will ride bikes even if you have to lock it up to a dumpster somewhere, but as we have added bike racks and added lockers and showers, it encourages more people to ride as we have added bike lanes, and better signage for cyclists it encourages more people to ride, and if you look farther back my neighborhood in northeast Portland still has rings for the horses to tether, and my office neighborhood in northwest Portland has train tracks, old and new, and as I have learned the hard way on my bike, so we have always accommodated new transportation modes and this is the next step and as it is great to have a bike rack in the basement of your office building in the parking garage, you want the bike rack out in front of the building as well to send that message to people that says, I could have ridden my bike here today, and that's what we're looking at with charging. We have chargers in the city garages, a great, early step, and we also need to see those chargers visibly like we do at electric avenue where people say oh, look at those electric cars charging up there. There are places to charge, that's a viable option for me. The same apply this is workplaces, one of the actions that we were happy to see is having the city take a harder look at workplace charging and same thing as with bikes if you can park it at work or have a safe place to put it in a locker or a shower you are more liable to drop to ride your bike, if you have a place to charge you are up to 20 times more likely to drive an electric vehicle rather than a gas vehicle. So we would like to see the city join the businesses, and Employers in the country that have embraced providing workplace charging and also encourage other businesses in the region to do that as well. I think I will stop there except to note on the question about corridors, just wanted to high that's another place where the state has been a leader so we have the entire length of i-5 electrified and all the coasts, we were the first not only public beaches but electrified beaches in the country, so weather permitting I am scheduled to hop in my leaf and drive down to Salem after this hearing. Their chargers down and back that will allow me to do that, even in the cold weather.

Novick: Jeff I have a question, it's reply understanding that the vw diesel cheating settlement that the federal government concluded with vw says that they are going to have to make a substantial amount of money available, I think a couple billion dollars for electric vehicle infrastructure and it will be on a competitive basis so now, which is possible that the trump administration will tear up that settlement and give vw a prize for cheating in vehicle emissions but are they thinking about how the state or local governments might go about applying for some of that money?

Allan: Yes. Absolutely. Folks at this table and others, I've been talking with each other and with Volkswagen and our neighbors up to the north about just that. It is about \$2 billion

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over ten years, and 800 million straight to California which leaves 1.2 billion over ten years so 120 million a year in 30 months, so the first pot is only about 300 million. Only. Only. Our understanding is they are going to focus that in a few key corridors and key metro markets, and you can be certain that we are making the case that Portland needs to be one of those metro markets, and I think that having things like this plan in place, things like the showcase that we're working to open in the next few months downtown, are going to position us to be in a better competitive position for some of those funds.

Hales: Great, thank you very much. Who would like to go next?

Charlie Allcock: Members of the council, on behalf of pge, Charlie Allcock with pge, I wanted to commend the city for this electric vehicle strategy calling upon many city bureaus to work together with community counterparts and stakeholders to make this vision come, to a reality. There many benefits of the transportation, electrification, it has been mentioned here, before by many folks, but again, the low cost of operating the vehicles, the lower carbon emissions, one of the things that has not been mentioned is that these vehicles are quieter, and so as we move into garbage trucks and other vehicles like that, that operate in more dense neighborhoods, there is the, the noise emission reduction as well. They use energy sources here that are produced locally, and as an electric vehicle driver for the last six years I can attest that these are fun vehicles to drive. We have not talk about the fun factor. But that's a lot of what drives the purchase decisions here in our country or around the vehicles, so if you have to drive, having a fun one, is also a key consideration. So I think that the idea is we want to bring all these benefits and make them available to as many of our citizens as possible so that everybody can enjoy them, and that's really the priority for pge. Kate brown signed the Oregon clean electricity act which includes a mandate for Oregon utilities to advance electric transportation in our state. Later they will be submitting a plan to the Oregon public utility commission to comply with this law, and many of the initiatives will support the goals for electric vehicles that is before you today so this is the collaboration that we've been doing, and many conversations going on with your team and your staff and other stakeholders so this is a team sport and a team approach that we are using to move this forward. We would like to work together with the city and tri-met to clear the way for public charging stations and electric buses and we want to collaborate with business and employers and home builders to make sure that the people have access to the charging, and either at work or at their homes, and we want to work with the community groups to make sure that these resources and access to these resources and this technology is available, and the benefits of the electric transportation and clean air is something that everybody can do. We have been a leader in Portland, and in Oregon on electric transportation, and along with this leadership we need to embrace innovation. We are not going to get this all right every time. I think that the secret is that we try new ideas, we learn from our experiences, and quickly iterate and get better as we go along and implement the strategy that we have in front of you. And working together across the many stakeholders and the Portland region is a bi-state region. It involves a much broader group than just the city so working together collectively to make the system work is really what this vision is really all about, as we look forward to the future so thank you very much for the opportunity to speak this morning.

Hales: Thank you. Appreciate you as a partner. Thank you. Mr. Scott, welcome.

Corey Scott: Thank you, good morning. I am Corey Scott, the director of customer solutions at pacific power. Part of my responsibilities there include pacific power's initial efforts to help enable and accelerate the transportation electrification. Thank you mayor and commissioners for the opportunity to speak today in support of the transportation electrification efforts here at the city. We are without trying to repeat a lot of what's been said, where this makes sense there is a lower cost to operate, fewer emissions than

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traditional fuel vehicles, and pacific power and the city are well aligned in our joint commitment to increase the transportation electrification as part of the clean energy future. I want to thank the city and Ingrid Fish for a thoughtful and robust process around the city's ev strategy and we look forward to being a part of the policy and implementation process. Following up on comments from our colleagues at pge we're also preparing plans to file our initial vehicle electrification programs in the state which will be filed by the end of the year. We think that they align well with the policy that we're talking about today, or the ev strategy we're talking about today. Three points in particular I would make in that regard. The first is building awareness and education resources. We heard it over and overthrew our stakeholder process that's a place that the utility can play an important role and certainly a place that we hope to do so. And forming partnerships that enable innovative and community driven projects, and I would say that the balance there is that there is a lot of players in this market, including money that will come in from Volkswagen and our partnerships with the folks at this table so offering flexibility through the program to make sure that we can enable thoughtful projects that coordinate across these movers and finally helping to increase the access to a robust network of publicly available charging equipment. We would like to express support for equity and increasing access in underserved communities. We announced a partnership with the city, hacienda cdc that you will hear from and drive Oregon to test an electric vehicle sharing program for affordable housing, we look forward to the opportunity for these partnerships and a focus on making electric transportation available to all. We are pleased to express our support for the ev strategy. Synergies with the programs we plan to file, and look forward to working with the city and other communities we serve across Oregon to continue to work on the ev programs as part of that approach in a cleaner energy future. Thank you.

Hales: Thank you very much. Good morning.

Jeanna Scott: Hi, there. I am Jeanna Scott, the asset manager at hacienda cdc and --

Fritz: Move the microphone over.

Scott: In our portfolio we have nine low income multi-family properties, which comes out to 381 units. Seven of these are in northeast Portland. One is in north Portland and another one is in Molalla. Five of the properties and our new green office building are centrally located in the cully Neighborhood, so that's our main campus. Recently we partnered with drive Oregon to provide five Hondas to the staff and residents. Right now we're working on getting the charging stations going, three of the stations will be on our main campus. Two others will be in nearby properties. The next phase we will roll it out, to our hacienda cdc staff. Our staff will be able to use the vehicles free of charge, and we're hoping that it will create exposure to our residents, and we have a lot of program staff who, actually, go out to the sites and visit families so they will be able to take these vehicles to our properties and expose them to the low income folks and get them excited about the project. A couple months later we will be allowing residents to use those and there is talk about later on, providing those to the community. We are hoping that our community members will use the electric vehicles to take trips to grocery stores, doctor's visits, anything that they would normally drive, their 20-year-old vehicles to go to. After the project was over right now we are leasing them, from drive Oregon is leasing the vehicles from Honda for one year. After that unfortunately we have to relinquish the vehicles but we can keep the charging stations and we're excited about seeing how this project performs and then taking that to the next level and seeing what other projects we can implement using These -- this infrastructure that we created. I am very excited about the project and I can't wait to see how things turn out.

Hales: Questions for anyone. Thank you all. Appreciate your partnership. Thank you. Thanks for coming. Do we have other folks signed up to testify?

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Moore-Love: Yes, we have eight people signed up.

Fritz: I am not sure if the extremely well behaved young ladies, you folks --

Hales: Are you on this item? Ok. All right. All right.

Fritz: Very well done. You did very well. We appreciate it.

Hales: Good morning.

Mia Reback: Good morning, I am Mia reback and I am a stock organizer with 350pdx, and really excited to be here from climate action and we want to start by thanking the city council as well as city staff and pbot for putting together this strategy. We think it is important that we ramp up our alternatives to fossil fuels especially as the city is taking steps to move away from fossil fuel infrastructure. As climate change gets worse and worse and the prognosis of what work we have to do increases, we are also facing a federal government where action is likely to stop if not becoming a pro fossil fuel pro extraction agenda so our work has to increase along with this. We have to do more and we have to do it faster. And part of that is insuring that when we charge our evs, we are charging them with a renewable energy, so in addition to supporting this policy, we really want to encourage the city council as well as our utilities to adopt a renewable first agenda where we're insuring that we're not building new fossil fuel power plants, such as those that are being proposed out in eastern Oregon by pge to power the metro area so we really need to ensure that we are building the renewable energy capacity to power these charging stations so we're not just switching from one fossil fuel type to another, especially with natural gas taking into account the life cycle emissions is just as bad as coal. So we really need to be looking towards these visionary solutions, to support all of our climate action, and we're so lucky here in the city of Portland that we have is a city council as well as the bureau of planning and sustainability and internationally recognized as leading on this, and we're so excited to be here this morning as an organization and want to thank you all and support you in adopting the electric vehicle update as well as home energy scoring and the fossil fuel terminal zoning code amendments later today, thank you.

Kathryn Stevens: Katherine Stevens, first plus one everything that she just said. That was great. Two I just bought an electric car two months ago, it's fantastic. I love it. It's been fun to drive. I feel really good being in my car and using renewable energy. But it's kind of like a video game in that you get sick or you get an injury you have to look for an anecdote so you are constantly watching your life drain out and you are panicking because you don't know if you can find that before you lose your game or get to the post office before it closes so I want to encourage more charging stations because that's been hard to deal with and this is a fantastic route our city is going so thank you for considering making more ev infrastructure.

Hales: Thank you. Good morning.

Charles Johnson: Good morning. For the record Charles Johnson, and these are -- it is easy to overlook the importance of this, in light of the fact that the leading nominee for energy secretary is rick Perry, and rex tillerson, now that national foreign policy of the united states is going to become oil bearing expansion and zones of influence for oil companies. So if we are not going to kill off our children, or the generations of climate change, as the mayor pointed out we need resilient cities moving away from fossil fuels. There is an important time that hasn't been discussed enough and that is air quality so just beyond the long-term general ethics of all people in the city and state pressuring pge and pacific power to move to renewable generation, for the sake of children and grandchildren, we need to do it right now, to keep ourselves alive by breathing less toxic air, and with the city also needs to be mindful of how it's going to firmly commit to and work with the state to build powerful and effective local air quality units systems so that when we are here next year celebrating the funeral of the environmental protection agency, we will still have

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regional things like California's air quality system that will not have average income in poor people, breathing toxic air and not being able to get healthcare because we might not have that either so it's a very challenging time. I am glad that the power company is -- sent their representatives and are here to remember that. If they gave us a system that has 10% higher per kilowatt cost or one cent increase in what they might get in using a bunch of methane going into the system that's a good investment to tell us that we have to pay more for cleaner, safer electricity, is the moral position. Putting rex tillerson and the cabinet is not a moral position but means we need to not be scared of Hitler but learn how he staffed the rex chancellery. Thank you very much.

Hales: Thank you very much.

Hales: Good morning, who'd like to go first? There is a little button on the base of the microphone, just push that and it will light up.

Adrian Russell-Falla: Thank you very much. Adrian Russell-Falla, I appreciate the opportunity to talk with you today. Having done a relatively hasty review some of the planning question, I would like to commend the direction and intent very much, very enthusiastically. But I will say that as an opening I think that the degree of change that it envisions, may be rather insufficient. Ron clever from an excess of caution, I want to tell you about my background to cast any criticism. Serial high technology entrepreneur, founded a series of companies here in Portland, and in the software business for a couple of decades and now interested in stuff that's more tangible and climate related. And my companies -- [inaudible]

Hales: Sorry. Go ahead.

Fritz: Sometimes it gets further away.

Hales: Slide that box a little closer to you.

Russell-Falla: So my companies generated a back of the envelope estimate by 500 employee years. So far of good jobs and good taxes. I am an entrepreneur at heart. And I cycle to work in all my companies. I had options in all of those companies to move the companies out of the city, to more tax efficient places for either the company or myself in the event of a happy outcome. And I have declined to do those because I believe strongly in the commitment that one has to the community, that makes it possible to do these things. So we cheerfully paid the taxes and we'll continue to do so. I signed up for the Nissan leaf rollout, 2011, and we had already purchased a solar array for our house, in anticipation of the combination being really compelling. I noticed that did not come up in the discussion thus far. We have done that, and I can talk to that -- I won't but I can talk to it as the cows come home. We didn't qualify. We did not get a leaf in 2011 because like many households in Portland, we have to use on-street parking. There is no reference to that, that I picked up in the plan. The focus is understandably on the new fleet, the new fleet of vehicles, as the vehicles change, and the new fleet of buildings as they are upgraded or knocked down and rebuilt, and we do infill. And that's great. That makes compelling sense, and in fact, I would say it's effectively the low hanging fruit in its picture, but here's an enormous fleet of buildings, households and vehicles today that we also need to find a way to transition, I am aware that there is challenges with that because it's used between a number of departments of the city, as I found when I tried to get permission to set up curbside, in the public right-of-way, charging for an electric vehicle.

Hales: I will ask you to sum up because of time.

Russell-Falla: Yes. There are a bunch of subtleties. This one I wanted to address, commissioner Fritz, your concern about the tax base and relative to the road wear and tear it's understandable. I would observe the majority of The wear on the road surfaces I drive on for lift in my leaf, are not good. It's mostly due to heavy vehicles. If you talk to a road

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engineer, they will explain the private cars make very little difference at all. It's all the heavy trucks. We have a --

Fritz: I need to interrupt you. I appreciate it. I think I didn't explain myself properly we rely on tax gas before doing basic resurfacing and such so we all know that the heavier vehicles cause more damage but we are all wanting to drive on that trip.

Russell Falla: My specific point is that we have a reverse incentive there, and the wear of the heavy vehicle produces is inversely related on the axles it has, and the state's fee-based system, penalizes the truck operators for having more axles. And I see trucks even for the usps coming through town here, which have retractable extra excels lifted up. And it would not be difficult for me to imagine anyway from my side of the table the city could do something which systemically incentive truck operators to put those extra axles down in the city.

Fritz: Thank you very much.

Hales: Thanks so much. Aye.

Mathias Quackenbush: I am a resident of the hopsford Abernathy neighborhoods and I don't drive. I ride my bike and take public transit but like all Portlanders definitely have a really strong stake in this, air Quality is a huge issue, and asthma, snow advisory, disproportionately affects low income communities and communities of color and I worked as a intern last year with Multnomah county and learned how asthma is one of the issues of chronic absenteeism of children of color which drastically increases the already pre-existing, you know, performance disparities in school as a function of those actors, as we all know recent federal level developments, it is more essential that we take leadership in the transition away from our nation and ultimately suicidal reliance on fossil fuels. The achievements are impressive. We cannot rest on our laurels, as a Portland resident I support you all in voting to support this, and in conjunction with the broader transition to an exclusive reliance on renewable energy sources. Thank you.

Hales: Thank you.

Janice Thompson: Janice Thompson with cub. Our energy testimony in Portland is usually given by my colleague, Samuel patrick but he's gone to I am here this morning. Greenhouse gas emissions from plants generating low electricity are -- this is a good thing are going down. And they are now less than greenhouse emissions from the transportation sector. So we have long supported evs but this trend of the greenhouse gas emissions from the transportation sector being the major growing concern, just bolsters our advocacy for evs, Particularly within the utility regulation world. That work has garnered national attention for example this fall, our executive director spoke at a meeting of public utility commissioners. And in Oregon cub was a key player in the coal transition legislation, in large part because we kind of, oftentimes there was a bridge. We understand the world of utilities as well as the climate change policy strategies. I mentioned that because one element of that coal transition bill is for utilities to file transportation electrification plans with the state public utility commissioner puc, and we've been involved in the rule-making, governing the development and evaluation of those plans. And I have no doubt that bps staff are tracking that puc activity but I want to highlight it because that's a venue that provides cub an opportunity to push utilities to integrate the use of evs in ways that support the electric grid as well as reduce the costs for all customers. Obviously, there is cost advantages for those individual customers who buy them but I think that there is system-wide benefits so it's benefiting all of us. One example is how recharging cars at night might balance with wind energy patterns, and the city of Portland's ev efforts, you know, could well help to meet these support the grid, reduce the costs for all customers' goals that cub has, and we anticipate following up to explore ways in which Portland's efforts could be

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synergistic with cub's work on transportation electrification in the puc arena. And urge a yes vote.

Hales: Thank you very much. Thank you all. A couple more.

Joe Walsh: I am Joe Walsh, and this is a really good program. Congratulations on this, I don't often see that from any of you but I will say it as a group. Congratulations on this because almost sure you are going to vote for this, and may be wrong, I was wrong on trump. That's the reason that I wanted to talk to you today. Trump. One of the things I am very concerned about is that we continue as normal, and it's not normal. Come January and February I don't want this council, do not want this state to -- do not want this county to be taken by surprise. This guy is a lunatic. And he's going after you. If you call yourselves progressives, he's going after you. He's already asking for a list from the department of energy of people that attended climate control or climate causes put out by the u.n. And do you know how scary that is? My concern -- two things, number one, just as an old oiler-maker I always see the source of the energy, where is the source of your charging for your electric cars? Is it going to be oil? Is it going to be coal? Is it going to be gas? You must have a source, and as you increase one end you are going to increase the other and that's my fear, with this administration coming in they think and they are going to convince Americans about clean coal, there is no such thing. If you hold coal in your hand it will kill you. Eventually. It will eat you alive. A hunk of coal will kill you eventually. There is no such thing as clean coal. But this guy, the president of the United States on January 20th will say, my god, I heard you, the three of you that remain on this council, and you have to prepare for this guy and put monitors out and say, what is the air quality? We need to know the division. We need to know Burnside. We need to know Glisan. You have to start spending money to send me along because our air quality is not going to improve. That's my concern. Let me say this clearly just like Richard Nixon. Thank you.

Hales: Thank you, Joe, Mr. Walsh. All right. A hard act to follow, go ahead.

Lightning: I am lightning and I represent lightning watchdog pdx. One of the -- first of all it's interesting why this has taken you so long to finally end up doing something like this. And one of the things, you know, watching Elon Musk in what I think is one of the best innovative entrepreneurs in our lifetime is that he's pushed this along in my opinion at a rapid pace, and these other companies now are really seeing the benefits and they are jumping in right now in trying to step in front of him in the direction that he's going. In my opinion we should invest more money in his companies, solar, electric vehicles, and space exploration, everything that he's doing, he's, he's in the lead and they are jumping in following him. And we need to show him respect by investing in his companies because he's truly the innovator, in my opinion, on these electric vehicles. He's truly stepped in as the smaller entrepreneur going up against these large companies that were not going in this direction before and now are all jumping in. We need to invest more money in his companies and understand that he deserves the respect and he deserves the financing in his new developments, and he deserves more money put into his companies as the true innovator, entrepreneur, of electric vehicles, the solar system and what he's been talking about, on clean energy, he has blazed the trail for these followers trying to capitalize off his ideas. Issue number two on autonomous vehicles, I think that we need more discussions on this. I think that we need to have an understanding what's going to happen within the central city itself. I think that we need to talk to some of these larger companies, either Google, Uber, the larger people that can come in and buy the exclusive rights to the central city for autonomous vehicles, and to have them put a number down on the table for that right. We need to also balance like you were saying on the gas tax itself knowing that this will begin to decrease at a rapid pace. And again like I have stated before I want to see more investment and dollars going into Tesla. And as far as President Trump, I agree with

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bill gates, let's give it some time, and let's see what direction he's going to go, and give him a chance and remember a lot of the stuff up to this point was rhetoric. Now it's time when he gets into the white house to get down to business and make some serious positive changes for the united states. Thank you.

Hales: Thank you very much. I think you wanted the staff to come back up? Come on up, please, Courtney and Ingrid and Susan. We had a question from commissioner Fish to respond to.

Fish: On the buy local piece I am happy for this to be a friendly, or for this to be in the record and therefore we don't need an amendment. But what I would like to request is that before we expand our electric vehicle fleet, that you or the fleet team send us, provide us some documentation of how far we can take the buy local values of the city with respect to this program. And include in that if you would any guidance if we have to Strengthen our existing program to give a preference for local dealers. So that would be my request. And I think I have the mayor's office support and I don't need an amendment to codify that.

Hales: That's very helpful. Commissioner Fritz?

Fritz: I just wanted to make sure that we know that in the comprehensive plan in the infill project we directed the bureau of planning and sustainability to look at parking and see whether it should be increased or decreased off the street. I think that it was a valid point to be raising about on-street parking and charges so I am sure you will look into that and thank you and my last question is, should we add -- I appreciate that we are adopting rather than just accepting this, which does give it more oomph. Should we add to the last, be it resolved that bureaus directive to implement the actions identified in the 2017 Portland electric vehicle strategy as binding city policy? I believe that's when it gets into the binding city policy records. Maybe the city attorney has advice on that?

Hales: If we add the words, as binding city policy, to the direction of the bureaus that increases the heft of this, you see any legal obstacle to us doing that? Ok, so commissioner Fritz moves that addition to that and I will second that. Further discussion on that amendment? Roll call please on that Amendment.

Novick: Aye **Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye.

Hales: Aye the only thing I would add before we take the vote in terms of the sensitive council I heard some things at testimony today, this point about making it feasible to have more charging stations in the right-of-way for people to park on the street, helpful, and an emphasis on renewable power as a source, and which we as a community believe in and doesn't just be on the electric vehicle strategy but makes it more valid and the third is, was also mentioned the testimony just looking at, in the future whatever ties we could make between incenting people to install solar panels in their homes or on their buildings and to have that connected to the ev strategy so that people will tend to do just that, have the panels and the ev. So those are not new concepts, I know to the three of you but to the extent that those could be follow on actions I think that would be helpful. Ok. Further discussion? Let's take a vote please on the resolution as amended.

Novick: I really appreciate the hard work everybody has done on this and appreciate our partners coming here today and appreciate Ingrid and Courtney and Susan. Thank you very much. Especially Ingrid I appreciated your comment that we prefer the people bike and walk, and that's because electric vehicles have less carbon emissions than gas vehicles, but as long as fossil fuels are responsible for a chunk of our electrical production, electric vehicles produce carbon and we hope that our electricity would be produced more by renewable energy but it will be a heavy lift to get the current use all done by renewable energy let alone that we are increasing the use by electric vehicles so what we really want is a society where, to paraphrase there is that most interesting plan in the world ad, I don't

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always drink beer but when I do I drink dos equis and what we want is a society where people say I don't always drive cars, when I do, I drive electric, aye.

Fritz: This is another great example of how this form of government can work well with the bureaus and elected leaders, and work together for common good. So thank you very much. It's an important report, and thank you, mayor Hales for your leadership and commissioner Novick for your partnership. Aye.

Fish: Susan thank you to you and your team for your leadership here. Very proud to live in a city that is leading in the area of moving to a clean energy future. And this is just another example, and Charlie thank you for the passion that you brought to this cluster of issues, and we have a lot of them coming today. And they are important. I was in Cully over the weekend at a celebration of five families that got their first keys to a home. And that's because Habitat for Humanity was building homes down the street from Hacienda. And it occurs to me when that partnership gets it right, in terms of car sharing with Hacienda it will also benefit Habitat families down the street and the community. So I am really excited about that. I now rent an apartment within walking distance of the city. Of my office here. And my wife and I walk to work and walk home and that's our little part that we're contributing and frankly, last night I made the mistake of driving to the spirit of Portland, and I should have taken the max because it took 45 minutes to get from here to the Lloyd district so if more of us get out of our cars and use public transportation we will be better off. Thank you for your good work on this. Today I am proud to support it. Aye.

Saltzman: Thank you for a good policy, aye.

Hales: The leadership on climate and sustainability rests with the cities, it did before and now it really does. And this is important work that our staff and our community somewhere been leading for a long time. I have used that phrase a couple times and I will use it again, classic Susan Anderson where we're moving forward in a very collaborative way to be a leader here for the people we serve and a leader far beyond here so this is great work and really important, the C40 cities, 90, C40 cities, if we do what's in our plans these kinds of actions, small and in some cases add up, those 90 cities will account for 40% of the change that needs to be made to hold us below a degree and a half rise in global temperatures. That's a big deal. That means that how people walk or drive to work, matters. If they walk more and drive less it will add up and if they have panels on the roof of their house or garage it will add up. If we have more EVs and less gasoline consuming vehicles it will add up and in fact, the C40 group says now, we not only have to keep making these small steps but need to make more of them faster. And that's a challenge to us all. The leadership is here in our city and in cities around the world that believe as we do that the science is real, and this mandate is ours, so I want to thank all of you for being great leaders in this work and the work will continue after I am a private citizen of the city that does it right. Aye. Thank you very much. Well done. [gavel pounded] ok let's move onto our next item. That is 1384.

Item 1384.

Hales: Commissioner Saltzman.

Saltzman: Thank you mayor. Today we will be receiving a fire prevention annual report from the Portland fire and rescue. And we'll be recognizing the amazing fire prevention art work from local students, and we will also highlight two new policy changes that we are announcing today. And several other projects. Last week our country witnessed a terrible tragedy in open California. When an old warehouse caught fire resulting in the death of 36 people. The ghost ship as the warehouse was known in the community, was a popular place for the art, arts community. I was saddened to hear so many of the 36 were young artists so it's very sad and we regret the loss. And the image that was later revealed at the scene of the ghost ship warehouse was chilling, fire hazards, makeshift wood structures,

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unpermitted electrical work, and no working sprinkler systems. And unfortunately when people have to search for housing solutions, outside of typical multi-family buildings, that may be out of the purview of city officials tasked with ensuring the building's habitability and the safety is at risk. As a city this is why we prioritize fire prevention. It's a critical component to our city's public safety agenda. And while I am very confident that our fire and building code officials are doing the most to prevent these tragedies from occurring, we remain committed to reviewing our current practices to close any potential loopholes, work with vulnerable communities and to understand the challenges that they face and to ensure that our policies are doing the most to prevent, to protect life and property in our city. In 2014 when I, shortly after I became the fire commissioner, one of my first actions was to bring an ordinance to the council which we passed. It required sprinklers in all nightclubs, an issue I am passionate about. Today we are announcing a new policy change that will fix what we believe is a loophole in the original ordinance. We will begin requiring that special event permits in large occupancy venues, such as warehouses, must be held, must have working sprinkler systems. This is an effort to reduce or to reduce the larger events in old warehouse type of buildings that are potential fire hazards, and the second change will create more consistency in who is responsible for maintaining smoke alarms or fire alarms and testing and specifically insuring the landlords are doing their due diligence in testing and maintaining these alarms. In the city last year two of the three fire deaths that you'll hear more about were a result of malfunctioning smoke alarms. So beginning in January Portland fire and rescue will set the precedent with landlords in our city that they are responsible for keeping and maintaining records indicating what smoke alarms are tested and it really is the landlord's responsibility to make sure those smoke alarms are in good working order not the tenants responsibility. I believe this is an important and much needed change to the way we conduct inspections as a responsibility that we should expect from property owners in our city. So I said we will recognize some art work, but I want before we do that to turn it over to fire chief Myers, fire marshal Nate Takara and Senior fire prevention specialist Kim Kosmas for more information.

Mike Myers, Chief, Portland Fire and Rescue: Good Morning mayor and commissioners thank you for the excellent introductions. For the record mike Myers, fire chief for the city of Portland. Just want to take a couple of moments and set the tone for the discussion today for the prevention report, I've been the fire chief now since July 1st of this year so almost six months' time and during that six months' time there have been a few things that have come to my attention as I just reviewed the departments structure some of the strategic planning objectives that we have as a department. During that time in that review I found a couple areas where we have opportunities for improvement. Over the last 60 days or so we have done 90 station visits, over 100 independent site visits, gathered over 400 items of information, dozens of performance metrics and measures. We have discussed the opportunities and drive home a new, more strategic plan. We're taking the current plan adopted just a few months before. We're going to keep that information. It's good stuff. About a 30,000-foot view of an organization, gives us a good north star look at where we need to go but in my estimation we can be stronger. We have more potential to give. There's more opportunity for achievement within this organization and we need to push harder and farther than before. So many of those efforts are lined all over the organization but many of them reside right in the prevention line of business. I'll give you an opportunity for the chief Takara to talk about that report and some things they will be doing but I want to set the tone for a couple of world class goals going forward. The goal of the new strategic plan we're developing that I hope to present to you in the next couple of months will take us from January 2017 to January 2020, a three-year strategic plan, a snapshot in time, to world class. Our goal is to be world class Portland fire and rescue world class by

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2020. It's aggressive, it's bold, but I believe it can be done. Prevention is broad. It is a lot of prevention event detailed right to the public health threat and social health determinants that affect our community every day. We can't forget there's always a consistent fire danger and regarding fire prevention and the goals for fire related deaths we're going to make a very bold statement today that will reside on that strategic plan. That's a commitment by 2020 that Portland fire and rescue have zero civilian fire deaths every year. Zero.

Fritz: Zero fire deaths?

Myers: Extremely bold goal. Never done in the city of Portland before. We have always had on average five, six, arch, eight deaths every year on average. I have been in an organization this large where you can get to zero citizen fire deaths. There's just a way you have to do it so we're going to push hard. It's a bold goal. Why wouldn't you have a zero civilian fire death goal? That's going to be our goal. The next one that's bold is zero firefighter fire ground injuries. I'm also a realist. We have over 600 firefighters we fight a lot of fires in the city of Portland so we will have minor fire ground injuries. I would love to keep those limited and reduce those. We're talking about the firefighter fire ground injuries that yield an emergency room visit and overnight hospital stay. I want those to be zero and there's opportunities to get it to zero and that should be our goal over the next three years. So yes, it would be bold. It will take strong action, bold action. A lot of community involvement, a lot of commitment from this organization but I believe they are achievable. With that to set the bold tone for the day I want to turn over the opportunity to talk about it to deputy division chief nick.

Nate Takara, Portland Fire and Rescue: Thank you, chief Myers. Mayor. Commissioner Saltzman, thank you for allowing me to be here to talk about our fire prevention report and two opportunities for change that I believe can help us reach the goal basically when we look back in 2015 it was a terrible year as far as fire deaths we had 11. In the past ten years we averaged 5.6 fire deaths per year. In 2016 we were down to three, below the average. Three is still too many. So when you look at national fire protection association's report they claim 60% of home fire deaths results from homes without any working smoke alarms. So two out of three fire deaths in 2016 no working smoke alarms. This past summer we had an apartment fire where two young children were severely injured in an apartment fire. Upon investigation, again, no working smoke alarms. One of the steps we have here is to state law requires in every apartment, unit, the smoke alarm is tested. The responsibility is made upon the tenant. We're taking a step forward just like any sprinkler system, fire alarm system, fire protection equipment we require documentation that's been properly maintained. We're going to include the fire alarm and smoke alarm systems. Moving forward January 1, 2017, we'll implement that when we do inspections we'll require documentation that every smoke alarm and everything has been tested. Working on this policy I have worked with probably five of the major rental association groups. I'm very optimistic of those five they have a periodic check where they do an inspection at least once a year. Really what this policy does is bring everybody, encourage all the landlords, companies operating at the same bar, which is at least testing it, documenting it that it's been tested at least once a year. It's state law that smoke alarms are tested. We're getting everybody to be doing the same test on an annual basis. Besides that, we numerous other programs which we'll continue to do being managed by senior fire inspector Kim Kosmas and the public education office. She will be introducing some of the programs we have.

Fish: Fire marshal, can I ask you a question? I'm encouraged you're working with responsible landlord groups and property management groups to implement this decision. Over 80% of the short term rentals that we know of in the city are currently illegal. We have wholesale noncompliance with city code. It requires basic life safety issues to be

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addressed before a guest is allowed in someone's home or apartment. What additional steps are you contemplating to make sure the short term rental industry is part of this compliance effort?

Takara: Right. As far as our authority we have authority for any multi-family complex's with three or more units. Some short term rentals are family homes which lies within the responsibility of the building department. We have been working with the building department and in doing so will take a title change and I believe the building department to start enforcing this law. We have been in communications with them regarding our change.

Fish: It's your hope that you're going to pick up the folks that are actually renting out the units in multi-families by getting the entire building and property manager to be in compliance?

Takara: Exactly. The rental units are multi-family building and we would take jurisdiction over that and during our inspection process we would require that.

Fish: Thank you.

Hales: Good morning.

Kim Kosmas, Portland Fire and Rescue: Good morning. Thank you for having me here, council and mayor. My name is Kim kosmas, senior fire inspector with Portland fire, of course. So I just would like to start by sharing information with you about our public education team which I manage. We offer targeted community outreach programs targeted and implemented through our local schools, businesses, community organizations and events throughout the city. This is also implemented through our fire station. Our public education team we also partner with the bureau of development services for landlord training classes in the spring and the fall. They educate property owners and managers. Some of the other programs we offer include free smoke alarm programs which also includes specialized smoke alarms for the deaf and hard of hearing. Also for free home safety checks, which has been very successful. Mentoring appeared educational activities with the sun school program and fire prevention week coloring contest for the youth. The coloring contest teaches students about the importance of topics like not playing with matches, having working smoke alarms and also planning an emergency exit plan with their family. So the students submitted their artwork this year in October. The majority of them expressing the importance of having smoke alarms and emergency exit plans. Today we have our two top winners from the contest this year. Our runner-up for first place is Avery smith. We have her artwork here. Then our grand prize winner is Indra fox. I would like to call them up.

Hales: Please come up. [applause]

Kosmas: I'll hold up their artwork so you guys can see them.

*******:** It's my honor to hold them up.

Kosmas: We gave them certificates that basically thanked them for participating and creating their beautiful pieces of art for us this year for the contest.

Hales: Good work. [applause]

Hales: Future fire chiefs. Thank you.

Hales: Outstanding.

Kosmas: One last note, commissioner, we have copies for you too that are in your office.

Saltzman: Very good job. Very good job. [applause]

Hales: Going to order one for my office. Well done. Thank you very much.

Takara: I have one point I'd like to make; after the Oakland tragedy we did a reflection as far as the type of programs we have to ensure something like that doesn't happen in our city. I have looked at fire safety perspective the Oakland tragedy and broke it down into two parts. The first is the illegal occupancy where they are actually living in a warehouse. I looked at that and I looked at how we would potentially eliminate something like this from

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occurring. We do periodic fire inspections so every couple of years our inspectors are in the building inspecting. They do a great job of enforcing and maintaining what the permit was for. The second program is what we call company referrals our crews are responsible for 0 to 10,000 calls a year. They are in all these places. Any time they see something not quite right we have a mechanism where they can report it. Fire marshals can follow up, make sure if there's a problem we correct the issue or work with the building owners to resolve it. One of the most important things we have a really good working relationship with the building department. Our partnership with them when we do have issues we can work together with the landowner and the business owners to resolve these issues. So it's not something that a problem gets stuck between two different agencies. Looking at the unpermitted event that occurred that night, we have a public assembly team inspecting businesses. But the other thing they do, looking for underground special events, events that occur without proper permits. Part of our permit process whenever we have a business or they want to have an event that attracts more than 50 people but don't have the appropriate assembly place they will ask for permits. We permit these activities and we inspect these buildings to make sure that we have proper exiting, it can occur in a safe manner. Things like trade shows, art shows, et cetera, occur frequently, especially this time of year. We have holiday festivals, et cetera. We go out there before the event occurs, we inspect it, we try to make sure exits are appropriate and current safe conditions. One thing that commissioner Saltzman alluded to. There's a loophole. This is in total alignment of our fire safe ordinance we passed three years ago that talks about when we have these types of events that turns this into a nightclub. We have the event was a nightclub that attracts hundreds of folks into some of the warehouses that are not protected. Beginning January 1, 2018, I'm going to change the policy so if you want that type of event in a warehouse it has to be protected by sprinklers. That gives me time to work with business owners, the entertainment community. See what we can do to help them along so the change can be implemented. At the end of the day this is really striving about having a goal of zero fire deaths in the city.

Hales: Thank you all very much. Anyone else that wants to speak?

Moore-Love: Two people. Charles bridge crane Johnson and joe Walsh.

Walsh: Good morning, my name is joe Walsh representing individuals for justice. You did a report that fire or forgotten realms it took the fire department 20 minutes to get there. We also got a report that the people that were involved in the fire were banned from the park. We also got a report that the fire department decided it was an accident caused by a connection that was a brand new connection. There was no negligence. Would you answer those three questions for us? I cannot believe these are accurate. I really can't. I have had the unfortunate experience with the fire department and the ambulance coming to my house twice. Once I was unconscious, the other time I was conscious. They got there within five minutes. What's the difference? I would like to know that. That fire was in a homeless camp, which is really vulnerable. We all know that. If the fire department can't get there in 20 minutes they should just bring the hot dogs. You know? It's over in 20 minutes. The first three minutes, and I'm not a fireman, it's pretty close, first three minutes of a fire is really important. The next ten minutes it's over. 20 minutes, you're dead. So what happened? They have information on that I would really appreciate it because we need to know that kind of stuff. I also would like to know from you, mayor, somehow, why these people were banned. I don't understand if the fire department said there was an accident and there was no negligence in it why were they banned? Would you ban me from my house if I have a fire? I'm not a very good cook. I have to watch it a little bit. Would you ban me?

Hales: Good questions. We'll try to get answers for those. Thank you. Good morning.

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Johnson: For the record I'm Charles bridge crane Johnson. Hopefully I'll never have to incorporate any fire equipment into my middle name. I thank commissioner Dan Saltzman for taking a moment to recognize the interesting and tragic climate we're in following the deaths in Oakland which makes it all the more disappointing that there only a three-page pdf attached to this. In Portland we don't have a comprehensive that I have seen overview of public safety, the fire bureau and the police bureau have separate commissioners and then of course we still among metropolitan counties remain bifurcated where we don't have a unified government between city and county. But we also have just three pages -- what we really need to do if we want to be a city with a good heart and progressive, it needs to say who died. I know it's called fire prevention report so arguably forward looking in preventing future deaths but Dan has been good about lowering the flag in the city when average people, some who indicative of societal concern, have died. When we talk about fire prevention, we need to be very open appeared transparent about fires generally kill poor people. Some of the poor people are victims of slumlords or property managers. Coming four years those people are going to being increasingly marginalized. It was unfortunate the losing candidate used the word deplorability because god knows this has opened a season of insulting and unfortunate language. The problem with -- didn't touch as much as I would like. We're trying to keep poor people with lesser quality or predatory landlords safe. For example, in the situation of Oakland, if you shut the whole thing down, in this case they would have lived and not died from something on the streets but that's not always the case. People who live in unsafe situations need to know that the city has their back and is going to develop a system to make sure that nobody because their inability to generate high income is at increase of death in the city. Thank you.

Hales: Good morning.

Lightning: Good morning one of the concerns I guess when we were setting up Airbnb to actually operate in the city is that I wanted to have an emphasis on having a fire extinguisher in every room, and it's very important to do that because I know people in this room maybe had a small fire, they were able to put it out immediately if you have access to a fire extinguisher. When you watch the nightclubs, warehouses, they need the backup battery lights in certain areas marked, clearly marked and fire extinguishers alongside. They need to make sure those are inspected on a regular basis and it's amazing when they have access to those type of extinguisher or just hit a backup light with a battery, the difference that can make in a short time frame on putting out a fire that could potentially take the whole building down but was stopped immediately. Again the focus needs to be on those fire extinguishers in these properties, especially on the short term rentals where they might not have any access to any water in the room to were this -- where they can put the fire out but they need those extinguishers in there. It's a public safety issue. They need to be inspected on the regular basis. We need to make sure a list is provided on any short term rentals to have discussions on this issue. We can't leave it by chance that the fire department will get to your property in a reasonable time frame. There are ways to put the fires out and prevent them from causing damage to the whole property. Such as this homeless camp. What would have happened if they had some good fire extinguishers in that camp that we were provided from the city. I can assure you this fire wouldn't have gotten out of control the way it did. We can prevent it by understanding we have to have the right things in place to prevent these properties from burning to the ground. I have pushed for fire extinguishers. I understand the importance of having them. I was on a property a while back where we had to have ten of them and have inspectors come out on a regular basis. That was required from the fire department to pass inspections. We need to focus on that to prevent the fires from getting out of control, especially in warehouses or nightclubs and any type of homeless camp.

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Hales: Thank you. I believe we're ready for a motion to accept the report.

Saltzman: So moved.

Novick: Second.

Hales: Let's take a vote, please.

Novick: Really appreciate the presentation. Really appreciate all the work the bureau is doing. Really appreciate the commitment to getting to zero fire deaths. I with was delighted to hear chief Myers say it is possible. Thank you very, very much. Aye.

Fritz: Thank you commissioner Saltzman for particularly the new policies obviously we want no accidents or deaths in Portland. Aye.

Fish: Dan, this past year you hired chief Myers and he's been a great addition to the city family and to the fire bureau. Congratulations and thank you for this report. Aye.

Saltzman: Once again I want to thank fire chief, our fire marshal Nate Takara, chief mike Myers and senior fire inspector Kim Kosmas for all the great work and our artwork winners, Avery smith and Indra fox. Aye.

Hales: Thank you for this report, commissioner Saltzman, and for this very timely change in our policy to dealing with these large assemblies. I think that's extremely important in tuning of our rules. That's what this work is all about. Public education. We saw how well that can work today with the winners of the art contest. It's about public engagement and equipping people to deal with risks on their own but it's also about what the rules are. Much needed that we do that. As it happens yesterday I spoke to Oakland mayor Olivia schaff and she told me with tears in her eyes that no mayor, fire commissioner, fire chief, no community should have to go what Oakland has gone through. You're going the right thing to make sure it doesn't happen here. I completely support and appreciate that. Aye. Thank you very much. Let's move on to our next time certain item. 1385.

Item 1385.

Hales: Council has done great work on this. I believe we're ready to vote. Roll call.

Novick: Thank you, mayor, for your leadership on this issue. Really proud that Portland is adopting this policy. I do want to add a word of caution, which is that I think we have learned from the war on drugs that interrupting supply of an addictive substance is a strategy of limited usefulness. We need to focus on strategies to reduce the demands for fossil fuels like transportation policies and investments that create a community where it's easier to bike and walk and take transit. So again, proud of this move. But we can't forget the demand side either. Aye.

Fritz: I'm very grateful for staff and community work on this and mayor hales' for your leadership in going for the most restrictive and careful policy possible. So some people may come in festive clothing in fact I've got red for fossil fuels and green for the cannabis this afternoon aye.

Fish: I appreciate the public forums and the testimony and the work that's gone on to get to this day. There actually was a lot of drama that preceded this. Today it's drama free. We are united in taking a step and I think we got it right. Aye.

Saltzman: thank you, mayor, for your leadership on this. Aye.

Hales: I want to thank the activists in our community that have called us to our conscience on this issue. Some of you are here today. You've worked long and hard to make us a leader. I'm proud that we're a leader. I'm wearing my c40 pin because I was at the conference to accept an award. I didn't expect to deliver the applause line and my ego didn't require it but I did. That's because as I was accepting that award I looked out over the crowd and pointed out my colleagues, rahm Emanuel from Chicago was there, Eric garcetti from Los Angeles, Ed Murray from Seattle, Greg Stanton from phoenix and Steve Adler from Austin. I said to the group of worried cities around the world who are partners in this work that regardless of what your reading or hearing about the united states that the

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cities of our country that are climate action cities are still in this work, and are still committed. What you're doing here by pushing our city to keep adopting the kind of policy which we're taking action on today is making those words real, showing that we are climate leaders. Best of all, most of all this is how we're expressing our values about the place we live in. We live here together. We want this to be a sustainable, responsible community. You have helped us be just that. I'm very proud of this day. Aye. [cheers and applause] thank you all very much.

Fritz: Thank you for coming to share this moment with us. I really appreciate it you followed through every time.

Hales: Thank you.

Saltzman: We're voting on the amendments from yesterday.

Hales: Let's do energy performance first. [audio not understandable, someone speaking from audience.]

Hales: Let's move on. [speaker interrupting from audience]

Hales: I'm sorry, sir, could you please let us continue? [speaker from audience interruption] I'm going to have to recess for a minute. Sorry.

At 11:32 a.m. council recessed.

At 11:33 a.m. council reconvened.

Hales: Thanks very much for good work. [applause]

Fritz: Just comment just because we care about one thing doesn't mean we don't care about other things we just do each one as we get to it. Thanks so much for being here again.

Fish: There are some who are intent on snatching defeat from the jaws of victory. Thank you for the dignified way you conducted this conversation of the.

Hales: Let's take action on 1396, because that's a second reading, then return to the rest of the agenda.

Item 1396.

Hales: This is the third of our trifecta of responsible environmental actions. Unless there's further discussion we'll take a vote.

Novick: This is a great policy. People all want to reduce their energy costs and most want to reduce their carbon emissions. Having a mechanism where people are aware when buying a property of what its energy consumption is and gives them opportunity about reducing energy consumptions of their home is a fantastic idea which I think will bear significant fruits. It's another significant step in placing Portland as a climate leader. Thank you very, very much, mayor hales. Aye.

Fritz: Thank you to director Susan Anderson and your team it's amazing how much work you've done on multiple things which does show we pay attention to a lot of things. Just because we pay attention to one thing doesn't mean we're not paying attention to others. Thank you, mayor hales. I appreciate it. Aye.

Fish: Could we ask people to just --

Hales: Please be quiet enough so we can hear. Thank you.

Fish: I thought the forum and hearings were really interesting. I appreciate that the council drill down on a number of the key issues that came to us from the community and that included protecting low income homeowners and protecting the privacy of certain classes of people. I also appreciate that we look very closely at a question raised by our friends the homebuilders whether we should exempt new construction. At first blush a number of us thought that warranted a first look but when we got the follow-up information from the bureau it became clear current law doesn't go far enough. Over half of the new homes fall below eight out of ten on the u.s. Department of energy scores and also when we looked at sister cities Boston was not really the best example. Berkeley is the better example I

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think. For me this is about right to know. I'm actually going to bring some proposals forward next year which build on this because there are toxins in people's homes that a lot of home buyers don't know about. One of the things that's frustrating to all of us about federal and state regulations is they are generally around mitigating risk, not eliminating risk. The way you eliminate risk is you get the bad stuff out of homes, not just notify people that there is bad stuff in their home. I think there's additional notices that we have to consider which will give buyers more valuable information in the future but I think this strikes the right balance. I'm pleased to support it. Aye.

Saltzman: I want to thank once again mayor Hales for your leadership on this. I think home energy performance ratings, I think maybe Susan Anderson said this, home efficiency is the biggest frontier in terms of reducing energy consumption and reducing carbon emissions. We have to make sure people buying or selling homes have this information on a consistent scoring approach so it's easy to understand. I do think this is probably far from the top criteria under which people decide to buy a home but it's important. One that people are paying more attention to. I think it's important we make sure this information is there and done by qualified professionals with consistent, easy to follow scoring format. Pleased to support it. Aye.

Hales: I have background in construction. I put myself through college with summer construction jobs and I worked with homebuilder's association for a while. All that we have had a principal disagreement with some of our friends in the construction and real estate industry I do believe this is what will happen. Jane, with your members' cooperation, this will become part of the discussion for every home purchase and it's the most important purchase we make and that we will rely on the construction and real estate commission to make this work as we implement it. I believe it's exactly what the public wants to learn when they make this the most important purchase that they make. As I mentioned last time we talked, one of these days we'll sell the house we live in today and this will motivate us to make the last energy conservation improvements to our house that we should have made before then. Will have a positive effect on the quality of homes available to people, the quality of information and the quality of life in a good place. Thank you, Susan, and your team for great work from the bureau of planning and sustainability and for us being a leader. Aye. Thank you all very much.

Hales: Dan, did you want to return --

Saltzman: Yesterday we set over the hearing on the inclusionary housing to vote on the amendments today.

Hales: So good.

Saltzman: We have seven amendments moved and seconded yesterday.

Moore-Love: Read the titles? 1381 and 1382.

Item 1381.

Item 1382.

Hales: Okay.

Saltzman: The first amendment was a substitute ordinance for item 1379 containing a number of technical fixes to title 30 and title 3 council documents.

Hales: Commissioner Saltzman moves.

Fish: Second. [speaking simultaneously]

Saltzman: They have all been moved.

Hales: Let's take a vote on that.

Novick: Aye.

Fritz: I wasn't able to attend the hearing yesterday I do appreciate all of the testimony that's come in that all of my staff and I have reviewed. Aye.

Fish: Aye. **Saltzman:** Aye.

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Hales: I likewise have review the record and testimony. I appreciate the good work. Aye.

Saltzman: The second was to title 33 containing technical fixes as well.

Hales: Roll call, please.

Novick: Aye. **Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye.

Hales: Aye. Number 3.

Saltzman: The first was an amendment to title 33 adding in the phased inclusion rate. This was incorporated in the housing documents but needed to be reflected in the zoning document as well.

Hales: Roll call.

Novick: Aye. **Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Hales:** Aye.

Saltzman: Commission novick had an amendment relating to measure our use based on family size criteria.

Hales: Further discussion?

Fish: As we get into this list I think it would be helpful if you state your position and housing bureau's position.

Saltzman: I support this amendment.

Hales: Let's take a vote then, please. Number 4.

Moore-Love: I have number 4 as the Fish amendment.

******:** That's what we were calling number 4 yesterday. If I think, I have it as number 6.

Hales: Number 6. We understand the substance.

Moore-Love: All I have the novick amendment on 5 and 6.

Novick: I think we ended up with two family size amendments one relating to tile 30 and one relating to title 33.

Fish: Since Dan has his script if it doesn't inconvenience let's stay on the order that Dan has.

Hales: This is the family friendly unit proposal.

Novick: Thank you. Aye.

Fritz: Aye. **Fish:** Thanks. Aye. **Saltzman:** aye.

Hales: Aye. Next?

Saltzman: Next is the historic transfer amendment that was seconded yesterday.

Hales: Further discussion? Let's take action on that.

Novick: Really appreciate commissioner Saltzman's concurrence with this. I think it will be important as we adopt rules requiring retrofits to accomplish some financial incentives to help make the upgrades. Aye.

Fritz: Thank you, commissioner novick, for briefing me and my staff. I'm certainly looking forward to seeing the details of how this would work out. Appreciate the amendment of. Aye.

Fish: Aye. **Saltzman:** Aye.

Hales: Aye. I appreciate a tuning in favor of historic preservation. Aye.

Saltzman: Next is on parking. Commissioner Fish. Oh, novick. To collapse the mixed use zones into one zone in the central city and I do not support that amendment.

Fish: Commissioner, the staff could come up on this and just by way --

Saltzman: Microphone. Talk to us.

Fish: By way of context before you go can I just if I may -- this was pitched to us yesterday in order for it to be before us. I agreed to second the amendment to put it on the table and the understanding was we would have a brief staff presentation and get a recommendation.

Shannon Callahan, Commissioner Saltzman's Office: Just to remind everybody besides this amendment there are two others to deal with. There's parking amendment from commissioner Fish and also commissioner novick had to amend the code in two

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different places for the family size. Both title 30 and 33. You have to do that again just so we don't lose sight of that. Thank you.

Curt Kreager, Director, Portland Housing Bureau: We circulated a memorandum late yesterday which I hope you had a chance to look at. We basically concluded by merging the districts for purposes of far that properties would be unduly enriched. The developers would be receiving more offset than they actually need to, to afford the cost of the lower density typologies. We have background evidence to support that.

Fish: Here's my question. Because this is so complicated I'm loathe to make a judgment on the fly, was there something in that recommendation that you think we should take a look at down the road? Is there a kernel of good idea there that you want us to consider beyond this hearing?

Kreager: Well, we always want to monitor residual land values. We benchmarked the residual land values for purposes of all of our typologies to market rate housing then tested as we added the various offsets whether or not people were being enriched over and above what they would be provided for in market rate housing. We found the merger would cause that to happen but going forward we always want to look at residual land values. We know the tectonics of real estate economics is going to change over time, that the cost of money, interest, cost of labor and materials will change. We want to probably look at this in year three to make sure the calibration is correct.

Fish: You recommend a no vote?

Kreager: Correct.

Hales: Further discussion. Roll call.

Novick: I appreciate commissioner Fish seconding the motion. This is a concept brought to us by the locus group. I thought it was plausible enough that it deserved attention. Obviously don't want to give people a windfall by giving more subsidy than they are having costs imposed on them. Given that the commissioner in charge is opposed and I expect commissioner Fish to follow up and measure the impact I vote no.

Fritz: No. **Fish:** No. **Saltzman:** No. **Hales:** No.

Hales: Next.

Saltzman: We did an historic transfer? Oh, we did the family size we need to do it in title 30 and title 33.

Callahan: Maybe you could do it in title 33 on commissioner novick's family size.

Fish: Thank you for keeping us on track.

Hales: That's the amendment. Roll call, please.

Novick: Thanks to Lauren king for noting that we had to change it in both in title 33 and title 30. Aye.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye. **Hales:** Aye.

Saltzman: Last was related to parking from commissioner Fish.

Hales: Further discussion?

Fritz: Could you just remind me of what this one is please?

Fish: This is the amendment that codifies on the i.d. Side what council decided in terms of elimination of parking minimums in certain circumstances to inclusionary housing. Since it's already been adopted in our previous discussion this is the amendment that folds it into the inclusionary housing proposal. It's been reviewed and approved by the bureau.

Fritz: If I remember correctly it also included a directive to planning and sustainability to monitor and come back to us with more advice on increasing or decreasing parking requirements in mixed use zones.

Fish: And the it doesn't add or subtract to what the council has already approved.

Novick: It does. This says if you take the fee in lieu option they are still subject to the minimum parking requirements. I don't think that that's something we addressed when we

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looked at this issue previously.

Fish: That's a question I think we should put to staff. I asked for planning and housing to prepare an amendment which incorporated an amendment we already agreed to.

Fritz: What you said is what we agreed to.

Fish: It's not my intent to add or subtract.

Fritz: We're not wanting to give a windfall to certain developers. We want consistency.

Fish: But look at the crowd cheering. I never had any support for an amendment before.

[laughter]

Matthew Tschabold, Portland Housing Bureau: The current structure of the amendment is that if the units are provided through on site in the development itself or one of the two off-site options even dedication of existing units as a construction of new units, that the parking minimums would be exempt for the entire building but if the fee in lieu were paid it would not be as an additional incentive to develop the units on site or off site.

Novick: What I thought we were saying when we said over my objection that the minimum parking requirements are waived if you're in the inclusionary housing range was they would be waived if you were participating in the inclusionary housing program by either building units or paying the fee in lieu. I do think this is a new thing that we would be doing here today.

Hales: Let's take a vote.

Novick: I strongly disagree with this amendment. Minimum parking requirements drive up the cost of housing as Pam noted in a report a couple of months ago. We have a housing affordability crisis in the city not just for people below 80% but people 90, 10, 125% of mfi. If you pay the fee in lieu you're subject to minimum parking requirements we all drive up the cost of housing for the people who live in that new development. Also minimum parking requirements encourage people to continue to drive and emit carbon. I think it would make a mockery of the votes we cast on home energy scores and fossil fuel terminals to adopt a policy which encourages carbon emissions. No.

Fritz: I appreciate this amendment clarifying. This was my understanding when I supported commissioner Fish's motion during the other planning process, so it particularly since the previous process directs the planning and bureau of planning and sustainability to go back look at parking requirements and either increase or decrease as seems appropriate in a full public process. Again, thank you. Aye.

Fish: I appreciate the spirit of disagreement on this amendment but as the sponsor I want to make sure we're clear what we're doing. We anticipate that in a broad number of instances that the parking minimum be waived under this amendment. The question is does it become an entitlement where you get the benefit and the savings or are we going to use it as a credit towards an incentive towards people exercising inclusionary housing and getting to a deeper level of affordability. Frankly this was not my idea. It came from someone smarter than me. The first cousin is the struggles in the past when we talked become putting new transportation lines in different parts of the city and how do we create incentives for affordable housing. One tool not available to us is down-zoning in anticipation of an up-zoning to give someone the benefits. It struck me if we're in effect waiving a parking minimum requirement we ought to get something for it. Because inclusionary housing is on the horizon it seemed like a perfect linkage. What my goal is, is to avoid a developer windfall while also moving towards waiving the parking minimums more broadly. I think that's what this does. In terms of the fee in lieu let me be very clear. I appreciate that we have a fee in lieu provision in all that we're doing here. I'm strongly opposed to the fee in lieu system. Because the whole purpose of inclusionary housing is to get housing built as quickly as possible in high opportunity areas. The fee in lieu allows people to effectively opt out of both. It's wonderful to get the money which we can park

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over here and find land sometime in the future but the whole point is to get the affordable units and the development in the pipeline in high opportunity areas. I'm not a huge fan of fee in lieu although I understand why it's there. For all those reasons I think this is a good amendment. Aye.

Saltzman: Just to finish commissioner Fish's thought the fee in lieu I would agree that we want to all other things being equal we would prefer the units be built in the development and not a fee in lieu paid but we're required by senate bill 1533 of the state law to offer the option. Aye.

Hales: Aye. Further --

Saltzman: That completes the amendments and it moves to second reading next Wednesday.

Fritz: I have a question. Commission novick I realize you didn't support the last amendment. And commissioner Saltzman could we possibly add an emergency clause to this so we stop the clock or no.

Lauren King, Deputy, City Attorney: Because the fee is involved in the ordinance in the inclusionary housing program you can't pass it to an emergency.

Hales: We'll come back next week.

Saltzman: Thanks.

Saltzman: Now we're returning to regular agenda item 1397.

Item 1397.

Saltzman: This is a grant which we accept many times before from odot for special speed enforcement programs. Urge adoption. I'm sorry.

Ty Engstrom, Portland Police Bureau: Good morning. Ty engstrom if anybody has any questions I'm here to answer them.

Saltzman: Anyone have any questions? I think we're pretty familiar with these grants by now. So thanks for being here.

Engstrom: Yep.

Saltzman: Anyone else wish to testify? Is this an emergency? Yes, it is. If you could please call the roll.

Novick: Aye.

Fritz: I want to mention colleagues; my brother is a county counselor in England. They have a system in his borough where citizens are equipped with speed guns and cameras and such and they then send the photograph to the county council and then send a very kind letter saying you've been observed by a fellow community member speeding and please don't. It might help your long time frustration that there are not enough people within the bureau, obviously this grant helps and I appreciate it but I think we should move forward. Aye.

Fish: Aye.

Saltzman: Very interesting idea. I like it. Aye. Ok let's move to item 1398.

Item 1398.

Saltzman: Okay.

Bryan Parman, Portland Police Bureau: Hi. Last minute switch Members of council, I'm Bryan parman in the Portland police bureau. We're asking you to approve an ordinance allowing the Portland police bureau and the Washington county sheriff to formalize an agreement providing mutual aid to each other sharing tactical resources in the events when our respective teams are unavailable or they have been given missions that exceed the capacity of the team in general. This is a relationship that Portland police bureau has had with Washington county for over 20 years. We worked very closely with their team. We believe their team is similarly structured and equipped and the right team to provide support in the events that our team is unavailable.

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Saltzman: Questions? Thank you. See if anyone wants to testify. Do we have anybody? Okay. Seeing none it's an emergency ordinance. Please call the roll.

Novick: Aye. **Fritz:** Aye. **Fish:** Aye.

Saltzman: Aye. The ordinance is adopted. 1399.

Item 1399.

Saltzman: Give us an overview, please.

Andrew Scott, City Budget Office: Good morning. Andrew Scott, city budget director. With me is Susan Anderson from planning and sustainability and Alexis Estevez. This is a little bit of a technical ordinance but also sort of exciting. We wanted to give you a sense of what we're entering into here. It authorizes a contract between the city of Portland and the world council on city data. You may be familiar with the wccd, but if not they are an international nonprofit up in Canada engaged in an effort to create an international standard that would allow cities to compare data between one another. Somewhat recently they have actually gotten an official iso its international standards organization certification and Alexis will talk more about that. The standard that actually -- there's 100 different metrics that allow cities to compare themselves to one another. There's been some work before in the planning bureau and interest from Portland state university. I was at a conference last year and they sought me out because they knew I was from Portland and wanted Portland to participate. The agreement is \$35,000, very low cost. It's really exciting. What it's going to allow us to do is really I think up our performance management game further. We have been including performance measures in our city budget since 1977, increasing over the last few years release of those performance metrics and analytics through online dashboards. What this engagement with the world counsel and city data allows is us to improve that performance further, to make sure the city of Portland receives specialized certification that our standards do meet the international standards. It's going to allow us to incorporate applicable measures from this standard into our own performance measurement system, most importantly allow Portland to collectively learn and compare ourselves to peers throughout the world, Boston, los Angeles, Amsterdam, Buenos Aires, and Melbourne other cities as well. I just wanted to give Alexis a chance to talk about the standard. He's a Hatfield fellow from Portland state university, also a Fulbright scholar. We were fortunate enough to keep him in February. We're going to keep him until the end of his Fulbright scholarship before he returns to Argentina to take the great knowledge here back there.

Alexis Estevez, City Budget Office: Thank you, Andrew. Alexis Estevez, city budget office. Iso 37120 is a global sustainable government of communities that provides indicators that are applicable to any local government that undertakes to measure its performance in a comparable, viable manner irrespective of size and location. The World Council on City Data will certify Portland's progress on these 100 indicators and include the city in its global cities registry an interactive tool that provides trend analysis for everyone from students to city leaders, to explore, compare and benchmark utilizing data provided. Portland is a city that is systematic acquisition of knowledge develop mechanisms to store, disseminate and with this engagement verify occurred knowledge and apply it to solve local problems. With this the city will support the exchange of ideas about policies and practices to validate present performance benchmark against others and shape long term change. I would like to thank john frank, senior advisor to the president of Portland state university, for his collaboration in having this collaboration take place as well as his contribution with data director Anderson will discuss the connections of the initiative with the vision instructed by the Portland plan and comprehensive plan.

Anderson: Susan Anderson, director of the bureau of planning and sustainability. I'm really excited to join Andrew and also Portland state university to promote the use and

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collection of quality data and to learn from other cities and more importantly to take action because of the things we learned from all the other cities. One of the components of the Portland plan is that there are a dozen measures of success in these metrics are related to everything from environmental health to economic prosperity in housing. The 12 measures of success are a snapshot of how we were in 2012 when we adopted the plan. They highlight the challenges of where we have been and where we want to go. We're currently completing a report of the success and status of the Portland plan and the 142 action items and 12 key measures of success. That report will show how we're doing and show where we have improved and areas where we have gotten worse. In January Andrew and I will be back with a report on the Portland plan and the measures of success and the 142 action items to let you know where we are and what we propose doing next. One of the great things about this project is the metrics from the world council on city data provide a nice match. They overlap. We already collect a lot of the information but it gives us a way to bench mark ourselves against other cities. I think the comparison will show us where we have opportunities most just from other cities but also where we are doing well and where we should teach ourselves to be able to tell the world about how we are doing well in a lot of areas. Finally, I think this project will help set the stage for offering more access to open data. So that the community at large can have a better opportunity to understand how Portland is doing and the trends affecting people throughout the city. It's a great partnership. Thank you.

Saltzman: Questions? Thank you all. Good presentation. We'll see if anyone wishes to testify.

*****: I think there are a couple.

Saltzman: Anyone wish to testify? Come on up. Welcome. If you could give us your name. You have three minutes.

John Fink: I'm John Fink, senior advisor to the president of Portland state university. I wanted to echo what my colleagues have said about this opportunity that the world council data offers in addition to all the things they mentioned it also gives the opportunity for federal funding through doing research that can be quantified and calibrated using these data sets and comparing what Portland is doing with other cities. We have a really good track record of Portland state working with the city to get these kinds of grants both in transportation and in bps. This is another opportunity that I'm very enthusiastic.

Saltzman: Thank you.

Fritz: In nearly eight years on the council I can't think of another body other than the world council on city data that would be more likely to be appreciated by nerds and wonks like us.

Saltzman: This is an emergency ordinance.

Moore-Love: Nonemergency.

Saltzman: It moves --

Moore-Love: I'm sorry, it's an emergency.

Saltzman: It's confusing. The item has an emergency.

Moore-Love: It does have a clause.

Saltzman: But we lack the requisite number -- we'll wait until somebody comes back to vote. Move to item 1400.

Item 1400.

Saltzman: Let's do a presentation. Go ahead.

Larry Pelatt, Procurement Services: Okay. Good morning. I'm Larry Pelatt from procurement services. You have before you the procurement report recommending a contract award with streamer sheet metal works for the Mount Scott community center hvac heating, ventilation, air conditioning for \$828,585, the engineers estimate was

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\$581,525 and the bureau's confidence level was moderate. On September 28th 2016 council approved ordinance 188012 for procurement services to competitively solicit the hvac replacement. The project was advertised by the city's electronic procurement system and bids were opened on November 1st 2016. Three bids were received in response to the solicitation and streamer is the lowest responsive and responsible bidder at 828,585 which is 29.85% over the engineer's estimate. However, the original budget was developed keeping current control of equipment in place. It was determined that replacing current equipment with new but significantly more efficient controls would provide energy and maintenance savings well beyond additional costs. Sufficient funding is available in the budget. Portland parks and recreation along with procurement services identified a goal for certified disadvantaged minority women and emerging small business subcontractor at 20% of hard construction costs of the project. There's a total of \$294,325 or 36.5% of the dmwesb participation including certified subcontractor portion as follows. For db disadvantaged business enterprise \$187,537 performing abatement piping and providing a select equipment. Esb, emerging small business, 106,788, which miscellaneous contracting and balances. Streamer sheet metal is in Portland, Oregon. They are not a state certified disadvantaged, minority, women or emerging small business contractor. They do have a current city of Portland business tax registration eeo certification and are in full compliance we have quality benefits program.

Saltzman: Questions? This is --

Fish: Move the report.

Fritz: Second.

Saltzman: We'll see if anyone wishes to testify. Don't see anybody. It's been moved and seconded. Please call the roll.

Novick: Thank you. Aye.

Fritz: Thank you for your work as always. I'm very proud to see the level of participation. I also want to thank geri verhoef of Portland parks and recreation. She's been there a long time. Explaining to me about the advantages of this improvement. Because it's an improved system we'll be able to allocate a certain amount of system development charges to offset increased costs. Aye.

Fish: Aye.

Saltzman: Aye. The report is adopted. Item 1399 for a vote.

Novick: Aye. **Fritz:** Aye. **Fish:** Aye.

Saltzman: Aye. 1401.

Item 1401.

Saltzman: An explanation?

Aaron Beck, Office of Management and Finance: I'm Aaron beck with the office of management and finance business operations division. My role is to provide financial support to the project team. The Portland building reconstruction project team. This morning I'm going to discuss the ordinance before you to increase the project's fy 16/17 budget appropriation. Council approved the reconstruction project in a resolution back in October 2015. At such time the project shall be completed no later than 2020 for an amount not to exceed \$195 million. One year ago we developed the 2016-17 requested budget for omf, including this project. But at that time we did not have yet the design-build-relocate contractor on board. They would not come on board until July 2016 so we didn't have specific information on the project's approach, schedule, costs over time to really have a good, solid budget projection to base our costs and to put into the budget. We didn't start getting these cost projections from our contractor until the summer as the team worked to get a better understanding of the project's approach, schedule and costs over time. Now based on the current projection we see that we could run out of appropriation in

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2016-17 around about February or march. That's this coming February or march. The primary reason for that is cost that we thought primarily for the temporary space that we're going to be incurring for 17-18 are now in 16-17. Plus some other costs we're incurring earlier than anticipated. So we would anticipate we could run out of budget appropriation in February or march. So through this ordinance we're just shifting budget appropriation that we originally planned for 17-18 into 16-17. Normally we would do a budget adjustment like this in, say, the spring bump, but that's not going to be approved until April, so that's why we need to come before you with this special ordinance.

Saltzman: Want to add anything? Just here to answer questions?

*****: I'll answer questions.

Saltzman: Questions? We're keeping within the 195 million total budget?

*****: Yes.

Saltzman: Other questions? Thank you. Does anyone wish to testify on 1401? Seeing nobody, this is an emergency ordinance. Please call the roll. [roll call vote]

Novick: Aye. **Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye.

Saltzman: The ordinance is adopted.

Novick: I have a special request. I wonder if it would be okay to move 1407 up because pbob has changed to the sdc methodology we have a consultant here from Seattle who is worried about getting on the road because of the weather.

Saltzman: That seems like a very good reason. Let's move to item 1407.

Item 1407.

Saltzman: Okay, are you going to explain this?

Christine Leon, Portland Bureau of Transportation: I am. I'm Christine Leon from the Portland bureau of transportation. With me today dr. Kelly Clifton from Portland state university as well as a consultant from Seattle, Kendra breeland. Thank you for moving this up. She has to get back before the snow. This is a very exciting time for us. We're going to be updating our transportation system development charge and we're trying to in 17 to do that update. In the process of looking at our sdc, we realized there are some this evening we want to advance on so we asked for a critique of our current system and hired Kelly to do that. One of the things that we want to advance on is how we quantify the trips made that are the basis for our transportation system development charge. We were one of the first in the country in 1997 when we put in place our sdc that actually have a person trip methodology, but it's through a series of gyrations starting with vehicular trips. So what this resolution is today is to open the door for the public comments on moving towards a pure person trip methodology as the basis for our system development charge. We have a fairly quick presentation that Kelly, who is really one of the leading experts in the country, with her work at trek, is going to run through then Kendra breeland will wrap us up. Thank you.

Saltzman: Go ahead. Kelly?

Kelly Clifton: So I spent my 20-year academic career looking at the transportation impacts of land development. Historically we have focused on vehicular traffic impacts on adjacent facilities to new development. The kinds of performance measures that we use have to do with vehicle delay or volume to capacity at the facility or intersection. They focus on the peak hour of traffic. As our cities are evolving they are interested in more sustainable options, multi-modal options. We want more out of our transportation system. We want to plan for all modes. As mentioned earlier we're looking at new performance measures so California, for example, has moved to a vehicle miles' travel reduction performance measure. We have a number of climate and air quality performance measures, health, safety and so on. These traditional methods are not capable of examining these kinds of performance. We're starting to collect new data, not just in Portland but around the country, and this historic practice we're starting to realize how

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limited it is to serve our needs. Then there's research by my team at Portland state but also around the country. So Portland is renowned for its planning, also the region and the state well known for its transportation planning tools and models. But one of the issues here is that we don't have consistency across the scale. The plans may be consistent. But the plans in methodology can be approved to speak to one another and inform one another in ways that they haven't done historically. One of the goals of course is to put people first so our traditional methodologies start looking at vehicle trips. We want to start looking at putting people at the center of our analysis. People generate trips, not land uses. People make trips, not necessarily just cars. We have about 30 years of research looking at the impacts of the built environment on people's travel choices. None of this academic research has made its way into the current methods for looking at transportation impacts. Again we want to consider all modes so the current methodologies were developed some years ago again to think about cars in a more suburban context. But those methods have contributed to the marginalization of other modes over time when we're just planning for cars and only have a system that accommodates cars. As you know Portland has been progressive in thinking about its multi-modal transportation system and we need to have our methods be commensurate with our plans and goals. I was here earlier for some of the ev discussions and talking about new modes coming on deck, electric vehicles, autonomous vehicles. We don't know exactly what the future holds but there will be new options and we need methods that give us the flexibility to account for and plan for them. We need to be able to evaluate these performance goals and we need to be able to fund our infrastructure. One way that we can think about changing practice is shifting from this model that looks at just vehicle trips to starting with person trips. It's a good starting point one because we can start to think about how all the person trips or how people travel get distributed across new modes and different places in our city and we can make adjustments to the person trips as we collect new data. From the person trips perspective we can start to think about developing tools. Our regional travel models start with person trips. It would make sense to look at local site development impacts we also start with person trips. Gives us the option to think about how we go from a site in the neighborhood to the city to the region and back down again. So many cities, universities, states are starting to think along these lines. It's not just me at Portland state. San Francisco, New York, Washington d.c. Are making concerted efforts to collect new data and develop new methodologies. California because of their strong climate agenda is also thinking about person trips and has invested in a number of studies some of which I'm involved in around affordable housing and transportation impacts, also relates to some of the discussions you have entertained earlier today. Then our research here at Portland state. The national institute for transportation and communities has funded a number of studies. Some of which the work that I have done in Portland but also in other places looking at these issues. The institute of transportation engineers, which has not historically been an actor, is starting to respond so thanks again to the efforts of Portland state and ours we're poking them in the ribs getting them started thinking this way. So person trips is going to be included in their trip generation handbook. Finally, we have a number of opportunities in Portland. We can again continue our trajectory of being a leader in this area. Transforming the way, we have are assessing our impact on new development. We can start to think about differential impacts on different modes and how we can encourage different modal distribution instead of following an historic trend we have a better ability to plan for what we would like.

Kendra Breeland: Thank you, Kelly. Again I'm here assisting to update its transportation sdc program. Something we're really excited about is that Portland has had a program actually since 1997. However, since the last time the program was updated, lots of

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academics and cities around the country have really started improving the methodologies and how we structure these program. We see a real opportunity to update the sdc's program methodologies to be more in line with person trips and to work through the methodologies to have -- set up a program so it's really, truly embodying Portland values. What we're recommending here is that we are instead of where possible we're incorporating the new person trip data that's available. Where that's not available we have some approaches which we have used for a long time using existing vehicle trip data and its data that get into person trips but as a part of this program it's a commitment to start developing more person trip data collection in Portland such that we can update and improve the program over time. Why do this? Person trips I think the one thing that we read for the program that is a risk is thinking that all person trips have the same impact. As you can see on the screen, no, they don't. This is an image same number of people being carried in sovs versus in a bus. So we definitely as we structure this program make sure that we're being fair and we're recognizing that not all person trips have the same impact. We have an approach moving forward for this. We're very fortunate in this region that the Oregon household travel survey provides really good data set around person trips that are occurring. So as we're structuring this program the thing we'll be looking at is how does the mode share of person trips vary in different parts of the city? Certainly in downtown where you have a lot of transit availability, ped and bike infrastructure. It will be here this afternoon in other parts of the city. We're looking at survey data to understand what is the mode share and how is it different maybe in downtown versus your centers and corridors. Some of those unique geographies you recognize within your comprehensive plan. Just where we are in this process I'm going to pass it back over to Christine but there's a lot of other things going on. First and foremost, outreach really critical to the city. We have got an online open house and there are other outreach mechanisms going on. How does this change an sdc methodology's impact different groups? That's something the city is really interested in. We're looking of course at what types of projects to fund moving forward, how does that align with Portland values. Then again the commitment to improving methodologies to make sure we have the optimal out comes in terms of recognizing impacts appropriately and making sure this system is truly forwarding your values.

Leon: Next steps we have gotten some public input from the experts that deal with these transportation impacts. We will continue working on this. The resolution asks that we return to council next year to give an update on the person trip methodology. This is important for Portland to be leaders. There's low risk to us to get this methodology in place as the foundation and again we can tie this all back to the different planning methods that we do here in Portland and the different targets that the city council as well as metro have adopted for climate change and growth and reducing the vehicle miles traveled in sovs. Thank you for your time.

Hales: Thank you all. Questions. Thank you. Anything else for the team?

Novick: Thank you, dr. Clifton, another advantage of this is that right now sometimes developers challenge our sdc assessments if they are in transit rich areas says the manual doesn't properly calculate the path. If we have a methodology that is fair and based on the best science to begin with we can avoid those debates and avoid losing.

Leon: Yes, indeed.

Hales: Thank you all. Do we have anyone signed up to speak? Anyone want to speak? Then let's take action, please, on the resolution.

Novick: Thank you very much. Aye.

Fritz: I'm glad to be a leader in this as well as on the park system development charge. In both cases much more sensible and cognitively understandable than the current methodology. Thank you. Aye.

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Fish: Aye. **Saltzman:** Aye.

Hales: Well, this is great work. Such a polite reference to the slow pace of change in the national manuals. [laughter] brilliantly done. Glaciers are moving faster now, unfortunately. That's good work that we're actually influencing the national technical practice here in ways that Portland has done before so thank you. I also had the chance to work as a partner and they have been real progressive and effective consultants for Portland and other places where I worked like Salt Lake. Thank you for great work between the professional community and our own approaches always in the city, this is the right way to go. Aye. Thank you very much. 1402 we're sending back is that correct?

Novick: We're taking it back.

Hales: Let's do that.

Item 1402.

Hales: Without objection that is going back to commissioner Fish's office. We ought to take a break at about 1:00 perhaps. Let's take a pause for process to make sure we know what we're going to try to cover. You want 1412.

Fish: Second reading.

Hales: Then we'll also try to do 1409 and 1410 before we break.

Fish: Mayor, I'm normally in favor of a break but given the weather, I would be willing --

Hales: Shorter?

Fish: To push through to get the morning agenda through.

Hales: I think we could probably do that by 1:30 if everyone's blood sugar can manage it. Somebody can hand out candy bars if we start to fade. [speaking simultaneously] let's take 1412.

Fish: Vote only.

Item 1412.

Hales: Roll Call Please.

Novick: Aye **Fritz:** Aye

Fish: Thank you Teresa Elliot and team aye.

Saltzman: Aye. **Hales:** Aye.

Hales: Ok let's go back to 1403.

Item 1403.

Thomas Lannon: I'm Thomas Lannon with the bureau of revenue financial services, I think we initially anticipated there might be some testimony, but I don't think that will be the case today. So there are two items before you today the first is a transient lodging tax code amendment and the second is a conforming amendment to the tourism improvement district code. I'll speak to the tl code first then I'll talk about the tourism improvement district, the amendments before you today really accomplish four things. First a recent ruling by the u.s. district court in city of Portland versus homeaway highlighted that clarifications were needed to a number of definitions in the code to better hold short term rental websites accountable for tax a regulatory provision in the code. The key definitions being clarified are booking agent, host, hotel, operator, rent and room, these changes are consistent with the prior intent of the city council, and hearings related to short-term rental platforms and merely are clarifications. Second a number of housekeeping items are cleaned up related to modified language using gender neutral phrasing. Third, some hotel operators are confused by the current mid-month due dates on the tax returns and so these amendments would move the due date to the end of the month, and that's a industry-friendly amendment. Fourth and last, we're clarifying the divisions authority to let the presumptive taxes, in instance where taxpayers refuse to file a tax return, presumptive taxes are based on the best information available to the division and actual tax filing. This is authority we currently have just want to make it express. And turning to the tourism

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improvement district code amendments the changes being proposed in the tid mirror those in the t.l. Tax code, and those changes are for conformity and ease of administration. I would specifically note that the changes being proposed to the tid do not involve tax collection obligations for Short-term rental websites. And I will stop there.

Hales: Ok. Good enough.

Fish: I've been reading in the last week or two about settlements that other cities have entered into with the short-term rental industry, and you are tracking those closely?

Lannon: Very closely.

Fish: And getting all the help you need from the city attorney's office?

Lannon: Absolutely.

Fish: And if there are standards being set elsewhere you will come back to us with recommendations?

Lannon: I will.

Fish: Thank you.

Hales: Thank you very much. Did anyone sign up to speak on these items, Karla? Either one?

Moore-Love: Charles Johnson.

Hales: Did you read 1404? Could you read that one as well?

Item 1404.

Hales: Mr. Johnson, are you here? Anyone else want to speak? If not, 1403 and 1404 pass to second reading next week. Ok. 1405. Actually, that needs four of us so let's move - - we have four of us.

Item 1405.

Hales: Ok Sam I think you waited a while to this item. Have questions about this, have they all been resolved?

Sam Hutchinson, Fire, Police, Disability and Retirement: I had no follow-up questions just a recap. This is a extension on the fpd&r building 1800 southwest 1st, the lease will extend this through to October 2020, about the time that Portland building will be ready to occupy, and at that point we will have a decision made whether the fpdr moves into the building or not.

Hales: Ok. Makes sense. Thank you very much. Questions for Sam? Anyone want to speak on this item? If not, it's an emergency ordinance. Let's take a vote.

Novick: Aye **Fritz:** Aye. **Fish:** Aye.

Hales: Aye thank you, same Ok. 1406. Why don't we wait for commissioner Saltzman to return.

Fish: Are we going to take 1406 and 1413 together?

Hales: I think that we should wait for commissioner Saltzman to come back so let's move onto 1408.

Item 1408.

Hales: Ok.

Andrew Aebi, Portland Bureau of Transportation: Good morning, mayor hales, Andrew abei, south side portal project manager, I have some amendments that I am going to pass out here.

Hales: Ok.

Aebi: So as you know, we had the first reading of this on November 16, and we had a council work session earlier in the month. Last week we had a very productive meeting with the south Portland neighborhood association, Len, who will be speaking momentarily and sally from the johns landing neighborhood and Michael Harrison from ohsu. That was a productive meeting, and we have written up some amendments here. The changes that we would make to the resolution before you would be to for now retain the bond avenue,

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south of southwest Bancroft street. The southwest Hamilton street and also retain southwest Hamilton street from southwest moody avenue to southwest bond avenue. And there is a directive to do further analysis of retaining those two streets, and then to bring back a final decision for the future council before June 30, 2017. In response to some of the concerns raised by john's landing --

Fish: I am sorry to interrupt you but we have a lot on our plate today, could you state that again? You had we're going to retain and at that change could you flip it and tell us what's different here than what we had before us.

Aebi: We are going to make the other changes, for example the Lowell extension, moody extension down to Hamilton court, Hamilton court still becomes a public street. So that's still embedded in here. So like I said, the two changes are to at least for now retain bond avenue, south of Bancroft street and retain Hamilton street, and the other change that I was getting to was also to address the concerns from johns landing, would be to just acknowledge that when we do the moody extension, have a funded project, we will evaluate the boundary and macadam intersection. We don't believe there will be any issues but we're more than happy to take a look at that once it is funded.

Fish: Thank you.

Aebi: There is also the addition of an exhibit f, which is attached to the memo, and that shows the street to be retained, pending a final council decision next year, so we're hoping the map adds an additional level of clarity. And finally before you vote on the amendments, in the underlying resolution I wanted to particularly thank Len Michon from south portland. He provided good input on the amendment and I appreciated that input.

Fritz: I assume the landon drive condominium owners were also involved in this process?

Aebi: Absolutely.

Hales: Thank you. Other questions for Andrew? So do we have a motion to adopt the amendments?

Novick: So moved.

Fritz: Second.

Hales: Further discussion? Let's take a vote on the amendments.

Fritz: Does anyone want to testify?

Hales: Sorry, I didn't ask for that. Anyone want to testify on this item? Please come on up. Good morning.

*******:** Actually, it's good afternoon.

Hales: It is good afternoon. I couldn't see the clock for a second.

LenMichon: Good afternoon, council members, len michon, south Portland neighborhood association president. I just wanted to make one Comment with regard to the future studies that will be done with regard to bond and Hamilton street. And that is being that I want to ensure that, and we have discussions with Andrew, to ensure that the south Portland neighborhood association has a place at the table whenever there is further discussion with the landowners, where the properties could be impacted with the maintenance of those two streets. So that's basically it.

Hales: Great, thanks for your help on this. Thank you. Ok. Then this is, this is the resolution? Sorry. So we can act on this, right? This is accepting the findings. So this is not -- this doesn't have to come back for second reading so we can vote now having amended it on the findings as amended.

Moore-Love: The amendment, novick.

Hales: We did the amendment.

Moore-Love: We did not vote on it.

Hales: I am sorry because I had not taken testimony, ok, who has low blood sugar, not me. Let's vote on the amendment.

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Novick: Aye.

Fritz: Thank you very much for the process in getting this, this is a much better plan, aye.

Fish: Aye. **Saltzman:** Aye.

Hales: Aye. [gavel pounded] now on the findings as amended.

Novick: Really appreciate all the work everybody has done in the past couple of weeks especially len, sally, Michael, Dan, andrew, Kurt, and Erica. And it's a good thing we're pass thinking today because we did not get this done this month we would lose \$250,000. Aye.

Fritz: You could have mentioned that earlier.

Novick: I was holding it in reserve.

Fritz: That's a powerful incentive. Thank you very much, and to Andrew Aebi, and once again you exemplified the kind of customer involvement and community involvement that we really want to see. Aye.

Fish: Aye.

Saltzman: Thank you, Andrew, aye.

Hales: Well I appreciate the good work on this, I appreciate exhibit f, and formalizing and institutionalizing the street plan as amended. And I am a little fussy on that subject. I was starting to organize things in my office and found a photograph of Vick Rhoads standing in front of a streetcar and so in Vick's honor this is a better plan than we drew on a bar napkin but what we had in mind. Aye. Thank you. Ok. Let's go back to 1406 and its companion since commissioner Saltzman is here. 1406 and 1413, right? Yes. Could you read those two together?

Item 1406.

Item 1413.

Hales: Commissioner Saltzman anything further before we vote.

Saltzman: No, I think we discussed these last weeks and ready to vote.

Hales: Let's do, please.

Novick: Aye.

Fritz: This is very helpful to have the extra week to get our questions answered, commissioner Fish noted at the hearing that since we are performing the functions of the oversight committee I appreciate the extra diligence of all my colleagues as well as your staffing housing bureau, this is a phenomenal purchase and I am very proud to support it. Aye.

Fish: Yes, I want to echo what commissioner Fritz just said. We had a chance last week to have a hearing. Thank you Dan and Kurt for the follow-up briefing that I got and all the questions that were answered. I think that it's important to note that in fact, none of the bond proceeds will be -- are being authorized currently, will be invested currently in this purchase agreement that, in fact, other funds are being used and the bond proceeds will be presumably applied next summer which does give us another bite of the apple where the oversight committee can review and bless this transaction. But this is an example of being opportunistic and striking when there is something in front of us, and I am persuaded that if we did not see this opportunity a lot of people would be hurt. So thank you, Dan, for leading this effort and director kreager and your team for explaining it and I feel that I have sufficient information to enthusiastically support this acquisition. Aye.

Saltzman: I am also very Excited about this acquisition. It is, I think, it's fitting. Maybe we should have had more time but the real estate market doesn't allow us more time. We have to be opportunistic and act to acquire these 263 units of affordable housing on 11 acres of property and relatively inner northeast Portland, and it will prevent displacement of the residence and also assure for a long-term, for the long-term. We have affordable houses, or affordable apartments in this particular parcel, and I think that it's a great, a

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great buy, and as commissioner Fish said we won't expend the bond money until later so there is time to get the oversight committee up and running. The bond oversight committee up and running and to get their input on this decision. But it's an outstanding purchase in my opinion. Aye.

Hales: Well, you know, when we declared a state of housing emergency 14 months ago, this is the kind of thing that we hoped for, and thanks to your leadership, commissioner Saltzman. Here we are one week having been recognized for accomplishing the goal of being the first west coast city to end veteran's homelessness on a numerical basis, of course there are more homeless veterans all the time but housing them faster than they are unhoused. And we have housed 1,294 of them. And now we have acted on inclusionary zoning, something that was simply a hope at that point, and put serious money into housing preservation all in a good week's work. Thank you very much for your leadership. Aye. Ok let's vote on the companion item 1413.

Novick: Aye **Fritz:** Aye.

Fish: I can't support this -- [laughter] no, one thing that I did want to add is in that we hear from our critics about the benefits of new construction and preservation. This is an example of a big example of the benefits of preserving the existing housing and it is a unique parcel of land. Aye.

Saltzman: Aye.

Hales: Aye ok. Let's see, we now are at 1409, correct? Yes, we are.

Item 1409.

Hales: Commissioner Fritz anything before we take a vote on this idea of yours?

Fritz: No thanks.

Hales: Roll call please.

Novick: Very pleased to support this as part of our agenda. It's a progressive agenda to remember. I think that restoring this will encourage people to run for office who might have been deterred in the past because they don't happen to personally know lots of people that make 400,000 or 500,000 contributions and beneficial for people successful in our existing system because one of the problems with raising a lot of money is that it takes time and in order to raise enough money to run a city-wide race in the allowable amount of time the most efficient thing to do is to only talk to people who can give 500 or a thousand dollars which means you hear the concerns of people who can write those collection, and it's not that they are bad people but just that our political leaders, are better off to talk to a wider range, if you are calling somebody to give a 50 contribution, that really turns into 350, so you can afford to spend time talking with people that could only afford the 50 contribution and hear their perspective. So I think that this is a wonderful way for commissioner Fritz to round out this year and I am pleased to be a part of it. Aye.

Fritz: Thank you to all of my colleagues for being part of this, the discussions on this for these many months and thank you for our community partners who are here today to celebrate this occasion, and I won't go through the whole list because I will forget somebody but Kate and Danielle and everybody that started on the list and it isn't good to go down there. It's been a community driven process, and it's been a partnership in that, and the product that we have here is informed by the discussions of each of my colleagues so I thank you so much for that. And let's be very clear this is not voter run elections this is open and accountable elections, and it's a system that has been tried and true in New York city for many years, and some people say that we should be referring this to the voters Since the previous system failed at the ballot in 2010 by 1600 votes, after 210,000, and at the time when the fire bond only passed by 1600 votes as of 210,000, and that, you usually get 70 to 80% approval rating. But more recently, measure 26184 was just on the ballot in November, and it's a county election reform measure it got 90%, I got it wrong

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when I discussed it last time because I thought the 87 couldn't possibly be right. 90% support. So why you would spend hundreds of thousands of dollars of the taxpayers' money to put it on the ballot, it just doesn't make any sense. We voted on many other things on this council, and every year, and we allocate over 400 million of general fund money, to things that we believe are important, which we know the citizens want so this is really no different from that, because it is coming from the existing general fund, it's not like the construction excise tax when we passed as a council without referring, and that is, that cost is extra for some of our community. So I am very grateful, particularly, to those who made suggestions to make it better and then also to all our community partners. Thank you to Christine Nieves and my policy advisor who is currently in Chile with her family, but we rejoiced greatly last week. And thank you also to Tim Crail, my chief of staff, who has been working on this since he first was my treasurer in 2005 of the voter run election system, did the same in 2008, and has been working with me since. And I do want to thank also Amalia Alarcon De Morris. When we were trying to figure out where this program could be housed, since the auditor declined to have it be part of the elections, the process that she manages, I asked our director of neighborhood involvement, could we do this, and she said yes, let's figure out how to get it done, and that is what we do in this community. We think about how can we get this done. This is what the process has done. It's going to open it up to more kinds of people. Commissioner Novick says if you can afford to give 50, you can have such a great return. If you could afford to loan 50, you can get this -- you can support the candidate and claim that \$50 back at your Oregon tax credit, so we already have a system of public campaign financing at the state level I believe that we really need to be able to do it here, so that more people get talked to and more people get listened to and more people really feel and know that they have made a huge difference whether they live in a mansion or are selling street roots on the street so thank you to all of my colleagues. You are part of something which I believe is really great today, thank you. Aye.

Fish: I want to start by thanking my colleague commissioner Fritz for her hard work, developing this proposal. And I appreciate that for you Amanda this is the issue. I want to thank the public interest groups that helped to shape this proposal. If I were king for a day I would overturn Citizens United, shine the light on the dark money in our elections, and amend the constitution, state and federal, to limit campaign contributions. But none of these issues will be resolved any time soon. Today I cannot support this proposal for one fundamental reason, in 2010 we asked voters for permission to continue the voter-owned elections program. The yes campaign outspent the no campaign five to one and still lost. The public was asked, the public spoke, and the program was repealed. Under these circumstances I am just not comfortable taking taxpayer money to fund my own campaign without their permission. I offered an amendment to refer this to the voter, actually Dan offered it in my stead and it failed, referring big questions like this to the voters is routine, not the exception. During my eight years on the council we have referred the arts tax and gas tax and housing bond, marijuana tax, I think we even referred the children's levy twice. In each of these instances I think that we strengthened the cause by referring it. I strongly believe in the concept of reform. But I fear respectfully that by bypassing the voters, a well-intentioned proposal to strengthen the public trust could, instead, end up undermining it. Without a referral I cannot support this proposal. I vote no.

Saltzman: No.

Hales: Commissioner Fritz, you know, you started talking about this in thoughtful earnest discussion before the national election. Well before it, of course, and we just talked earlier today in which Portland is proving itself to be a good and different place at a time where we wonder about our country. And now that's especially true with respect to this piece of work. Is it perfect? No. We will find out. It's good, and it's much better than the previous

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mechanism, I believe, so thank you for good craftsmanship. More importantly thank you for reinforcing a value in Portland that our politics should be legitimate and open, at a time when our national politics have been manipulated by a foreign power, and where the majority didn't rule. People might wonder why bother to participate, and I hope that we all don't have that instinct but instead to say no, let's participate even more. And here in Portland let new people come forward and run for office and let everyone have the opportunity to compete on a fair playing field to lead the city, and let's keep it clean and open and available for everybody to be a good citizen of our city. Thank you. This is a good day and a good piece of work. Aye. [gavel pounded]

Hales: Thank you very much. Ok. [applause] thank you, Amanda. 1410.

Item 1410.

Hales: I understand that we have some amendments. And we have our team here to explain where we are. Thank you.

Aebi: Good morning, maybe good afternoon now. Mayor Hales, I am Andrew Aebi, local improvement district administrator joining me is Sandra Burtzos for the Portland parks and recreation, I have some amendments to offer up to you that I just passed out. So I just passed out some amendments so Portland state university asked their lid obligation be changed to a different property, so the amendment before you would change that. We also

--

Fish: Does it change the amount of the obligation?

Aebi: No, it does not change the amount.

Fish: A technical substitution.

Aebi: Correct. The other change is I think you all know we made a hard push to get this project funded and the additional week was very helpful. I am pleased to report that we closed the gap by 80%. We are a bit short of our goal, and so the other amendment just reflects that we are a bit short of what our \$2,150,000 goal is for the lid. And the new amount of the lid is -- so \$119,900 short of the goal. So the new amount is \$2,030,100 for the lid.

Fish: Andrew and Mayor Hales what are our options today for closing that gap?

Aebi: I would just note Commissioner that there is language in the ordinance that allows us to continue negotiations with property owners and to increase the amounts or get new property owners to join the lid. So I will turn it over to Sandra and see if she wants to add anything to that?

Sandra Burtzos, Portland Parks and Recreation: We were just going to reduce the budget by that bit or, as well, the Halprin Conservancy is kicking off their separate private funding campaign here in January or February so I think that that's very possible that they may close up that additional gap that way.

Fish: I would hate to reduce the budget, Mayor, and that almost sounds like lowering the river rather than raising the bridge, and this -- the conservancy has taken on a traditional government role in raising private funds to support the work of restoring what is considered the great master work of urban design in America. And it is a space that will be enjoyed by people who live in every corner of our city. It is, in my view, I think it will become in time one of the signature destinations of our city, and I just -- I know that the Mayor has been on the phone, and I know that the conservancy folks have been working hard, and I just -- it would grieve me Mayor if today we conceded that the budget would be reduced rather than find a way to plug it in.

Fritz: I appreciate that. I was very clear at the last hearing that that was the expectation, and I don't want the community groups to think that -- they make a great effort and then we are going to plug the gap. My understanding is we're going to continue to do the private fundraising and that we are hoping with the engineering we may be able to do the entire

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project and I really do appreciate the partnership and also we're allocating the system development charges which we have put a bunch of into this project. In various other parts of the city.

Hales: I have a suggestion, which is, and we might want to call miss Williams and Mr. Greg forward because we don't want to put any sort of a chill on the effort to secure funds from additional property owners but I also want to make sure that there is an expectation on the council here that failure is not an option and we don't want to thin the soup, and what needs to be a fully funded project, so I would certainly be interested in a contingency, in a request to contingency from the city to fill a remaining gap if there is one after the fundraising efforts now underway are carried to their conclusion. Hopefully you get to yes with the remaining property owners. But if you don't, I believe that enough funds have been raised from private property owners here for a public purpose that a contingency request from the city council to our contingency fund is appropriate. Doesn't have to be the whole \$119,000 but may be a portion of that. So again we don't want to put a damper on your efforts or send a signal that no one else needs to help so I am not sure quite how to articulate that other than again, I think that it's a shared belief that we should not fail that we should not tap sdc's, but that we should also back your play.

Aebi: Mayor if I may, on the Vancouver lid we brought forward two years ago we had a few loose ends and we went ahead and formed the ordinance and were able to bring back the amendment to the ordinance, so I just want to take you back to our original concern that we've been having these discussions for three or four years now, and there is a lot of property ownership turnover, so it's really important for the lockdown of the pending liens, it would be easy to come back in a couple of weeks or months or whatever, do an amendment to the lid formation ordinance. That would be a relatively simple exercise and we could amend it to the council's satisfaction.

Fish: You know I appreciate that at various times all my colleagues declare what is an issue near and dear to their heart. And we have a great tradition of keeping track of that. I will just say that as the prior parks commissioner, that was involved in some of the early discussions, this issue is near and dear to my heart and if the record is now sufficiently clear that we're going to all work together to try to close the gap, I think that we should go ahead and approve the lid and keep our options open. But at a time where partnership is so vital to the success of so many things we care about, I am grateful for the folks who stepped up on this project and I want to do everything in our collective power to get to the finish line.

Hales: Can we call on Ms. Williams or Mr. Greg or Mr. Naito to comment on where we are in this process to make sure that the other side of the partnership is clear and empowered?

Aebi: Mayor I have a couple of brief housekeeping items before you vote.

Hales: Ok. How are we doing here gentlemen?

*****: We have currently 30 properties in the lid. 16 property owners. At least seven of those property owners have, actually, raised the amount from their original commitments. All, all those were local. And there are, our only holdout has been a union that is equity partner or equity owner, in the cyan based in San Francisco. And so that -- of the large scale contributions, that's the only holdout. As we have outlined to you, Mayor. And you have made the heroic effort to try to reach them but they, they are not interested in playing, apparently. We are still working some other angles to try to put some pressure on them from above. But --

Fish: We transfer it back to Gerding Edlen and be done. [laughter]

*****: Yeah. It's really one of those questions, you know, what they asked us was how do we justify this to our shareholders and apparently we did not make a successful argument.

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Fritz: In a normal local improvement district even if people, some of the property owners are not happy about it, if a certain amount of agreement, becomes a lien, I know you wanted to keep this as a voluntary program, but I will be asking Mr. Aebi later when he comes back, is that even an option in this part because in addition to my concern about the dollars being needed for elsewhere, if I was a property owner who was paid up I would be miffed if somebody else didn't and got bailed out by the city.

Bob Naito: I am with you. Honestly.

*****: Yeah, I am sorry.

Naito: It's the great problem of the free rider, and when your free rider, in economics, when they are in the asset manager, basically, bureaucrat in san Francisco, and they are planning on selling this thing in two or three years, at a profit, to take the profits for perfectly legitimate pension fund cause, I mean, but they don't even the mayor can't persuade them that here's this project that is going to add value to the property and help them to realize the profit that they want in three or four years, so I have no problem with it, but because I don't know what else that we can do other than, I mean, it's really going to be time consuming if we have to start going after every small property on that list. I mean I don't think that we have got the horsepower in our little group to do it.

Fritz: You said it's a union. So I would certainly build it as a current union member myself to see if we could enlist them -- I would like to talk to you about which one because one of the principles that we have in Oregon is that there are no free loaders and you have to pay fair share, even if you don't want that to be in the union so I think that we should, maybe, approach it from a labor standpoint that this is their fair share.

Hales: So perhaps making this mandatory for the property owners would be the appropriate amendment for the council to consider?

*****: That's your step.

Fish: You can give us a recommendation?

*****: Well, let me put it this way, they sit on petty grove park. They have an absolute benefit from this project. So I would be in favor of doing that.

Hales: Thank you very much. I think that's what we needed to know. So sounds to me like we have an interest at least among many of us on the council of making this requirement mandatory on the remaining property owners?

Fish: What does that mean if we wanted to go that route?

Aebi: So mayor hales, you know we certainly have the ability to come back and amend the ordinance after the fact. We certainly have provided the means of notification that's required by the city code that this hearing would be held. We did not do a mail notification because we did not contemplate a pending lien for cyan but if it meets with the pleasure of the council and you want to direct an additional amendment to the amendment I put forth to you, we can certainly do that and direct that there be an amendment.

Fish: Can I ask you a question? If we make such an amendment and we set this over for a final vote next week would that satisfy any procedural issues that we have to worry about?

Aebi: My main relation commissioner is I don't like doing lids on emergency clause basis so if you are going to set this over to the 21st, that's fine. I just would --

Fish: We adopt the amendment and take the vote next week. Does that ensure good process?

Aebi: Yeah, you just want to have a week between making the amendment and doing the final vote.

Fritz: Or we could just pass it today and then with the direction, please explore this and come back and amend it.

Aebi: You would pass the amendment today but take the vote when we come back.

Hales: Or do it now.

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Fish: Mayor why don't you make an amendment.

Hales: I move we make that amendment imposing the lid obligation on the remaining property owner or owners as needed to close the gap.

Aebi: And then I need container or Bob to remind me what the property address is in question.

Hales: The property address? We'll get that.

Fish: I will second the amendment.

Hales: Ok. So I understand, everybody is clear on the intent here that we will add that remaining property owner to the lid by this action. And --

Aebi: Correct and we are doing that today? We will adopt it today and it and it will come back next week.

Aebi: I want to walk through the memo is everything is clear so we are going to do the cyan amendment, and we are going to keep, I am looking at page 2 of my staff memo dated December 13, and we are going to keep item number one. We are not going to keep item 2.

Hales: It's going to go up.

Aebi: Right. And then we are going to keep item no. 3. We are not going to keep item 4. Number five is the map, and so we're going to further update the map to reflect the cyan property shown in exhibit b. So exhibit b rather than being replaced with what's attached will be replaced by another updated map that will include the cyan property and then exhibit c, the item number 6 will no longer apply because the budget will be, still be \$2,150,000. Item 7 on my memo we are going to keep the first part that talks about 310 southwest Lincoln street going away and being replaced with 1600 southwest 4th avenue for psu. And the second sentence is Amended to say that we will strike the additional petition support and I will provide a new exhibit E reflecting these amendments and then exhibit f, item 8, stays and we will keep item 9 in my memo so I didn't mean to take up so much of your time.

Fish: That was a tour de force.

Hales: So commissioner Fish moves and I second those tactical amendments so let's vote on the amendments as just reviewed and then we'll see if anyone wants to testify on this item.

Novick: Aye **Fritz:** Aye.

Fish: Commissioner Fritz thank you for suggesting a very artful compromise here. Aye.

Hales: Aye. [gavel pounded] ok so anything further that we need to do?

Aebi: Really quick I know you have had a long day but I promised wells Fargo I would do this, so this is not reflected in the ordinance, but wells Fargo wanted to make it really clear that their intent was to satisfy their obligation in such a way that it was not passed through their tenants. So there will be a follow-up where the city attorney will approve an agreement that I drafted with wells Fargo, I won't get into the technical details but they are going to provide the funding for the lid in such a way that does not get passed onto the tenants. What I really want to point out is the incredible generosity of wells Fargo because what wells Fargo said in their letter and You have a copy of this dated December 6, is that even if council for some reason were not to pass this lid, that the city of Portland could keep their \$175,700 contribution, and use it for another purpose to be mutually negotiated between the city of Portland and wells Fargo. So that certainly appears to be a moot item right now. I just really wanted to point out how collaborative wells Fargo has been. And last but not least and this concludes my remark, I would be remiss if I did not acknowledge that we have two council members here for whom this will be their last lid vote and I wanted to point out that assuming the southwest 47th lid gets approved in January that will be the tenth local improvement district that we have moved forward in the past four years, and

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particularly I wanted to recognize mayor hales and commissioner Saltzman who redesigned the lid process prior to my tenure. I don't think that we could have contemplated we would be using an lid to fund the park improvements so I wanted to acknowledge that, as well as commissioner Fish for nominating me for this lid and commissioner Fritz for your confidence in moving this forward and commissioner novick to your steadfast support for lids over the past four years, so if you have any other questions I am happy to answer them but otherwise I think that you are ready to take a vote next week on the ordinance as amended.

Hales: Anyone want to testify Today before we do?

Moore-Love: Mr. Johnson, Charles Johnson.

Hales: I don't believe he's here, Andrew thank you very much, and back at you. And you know the good policy-making that gets done is supported by professionals that make that possible so thank you.

Aebi: Thank you.

Moore-Love: I have a question, for the, as a remaining property was that updated in the memo, too, or is that a separate amendment?

Aebi: I am going to send you an updated memo, I will send you an updated memo.

Moore-Love: The attorney has a question.

King: So there were two, it was a separate motion though so it will be -- it will be in the future memo so they don't need to vote again? I guess that I heard two motions. One to adopt the memo and one to add the --

Hales: Let's make that clear. I think that we have adopted the technical memo but not the actual addition so let's vote on the addition, please.

Moore-Love: That's the same motion by the mayor and seconded by Fish. Ok.

Novick: Aye.

Fritz: The virtuous unions that I know would be very supportive of this lid. Thank you. Aye.

Fish: Aye.

Hales: This may be a case where we're making someone wealthier over their objections. But it's the right thing to do. Aye. [gavel pounded]

Fish: One more matter.

Hales: Thank you for good Work this comes back on second reading for a roll call vote next week. It's done. Thank you. One more item this afternoon, and that's 1411.

Item 1411.

Hales: Commissioner Fish.

Fish: Colleagues the hour is late, and we have Shannah Anderson with us today and I am going to read the introductory remarks and I think this is all you will need and we will take questions. The December 2015 storm resulted in presidential disaster declaration for approximately 12 Oregon counties including Multnomah county. Because of the disaster declaration grant funds are available for projects that will reduce the impacts on the future floods. The bureau of environmental services is seeking grant funds to purchase the property in flood prone areas that can be converted to restoration sites, and the state office of Oregon office of emergency management is facilitating the grant application process. Approximately 8 million is available statewide. Properties that meet the criteria can be acquired with 75% of the cost covered by fema. Bes has identified and reached out to 20 property owners in our Johnson creek willing seller target area that might be candidates for the hazard mitigation grant program funding. 10 property owners have signed a voluntary participation form to pursue sale of their properties. Our grant request is approximately 2.5 million with a proposed city contribution of approximately 750,000 from Johnson creek willing seller program funds. And bes first purchased the flood prone properties in Johnson creek in 1996, under the same grant program, since then the city has restored 150 acres

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of natural area, and created 250 acres of, excuse me, acre feet of flood storage. Foster road which once flooded an average of once every year is susceptible of flooding only about once every six to eight years reducing the damage and inconvenience to businesses, and residents and commuters.

Hales: Excellent.

Shannah Anderson, Bureau of Environmental Services: He said it all.

Hales: Questions? Anything else you need to add to that fine presentation?

Anderson: Thanks for pushing through the agenda.

Hales: Thank you very much. Ok, anyone want to speak on this item? If not, emergency ordinances, let's take a vote.

Novick: Aye **Fritz:** Aye.

Fish: Thank you for your good work, aye.

Hales: As a resiliency discussion amongst the west coast mayors and this is an example of how we have done it well here in Portland and other places might do well to emulate.

Aye. [gavel pounded] ok we are recessed for 40 minutes until 2:00 p.m.

At 1:17 p.m. council recessed.

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Key: *** means unidentified speaker.**

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Hales: Council will come back to work here for the afternoon session of the December 14th city council meeting would you call the role Karla?

[roll call]

Hales: And before we get into our agenda we need to take a moment and recelbrate the long overdue and understated recognition for the job that Karla Moore-Love does as our council clerk. Thank you so much. Please. She was the recipient of the spirit Oregon award last night and you are indeed the spirit of Portland.

Moore-Love: Thank you. You're welcome.

Hales: All right, let take up this afternoon's work and adopt -- accept the work in front of us. Do we do these together?

Item 1414.

Hales: Mr. Engstrom.

Eric Engstrom, Bureau of Planning and Sustainability: As we get started I want to remind you what we'll be adopting. This is the ordinance which would adopt zoning code and zoning map amendments to adopt the new comprehensive plan you adopted in June. It includes phase 2 of the tsp update including updated bicycle classifications as Karla mentioned a new community involvement program, also intended to implement the policies in the new comp plan. Also accepting a report from the community involvement committee which has been our watchdog to oversee process doing this work and several other directions are included in the ordinance per some of your earlier amendments. Where we are in the process you met on the 22nd of November to consider amendments to the package after having a hearing on those amendments on the 17th. You have before you now a substitute of exhibits that correspond to the adopted amendments. After you -- the next step beyond today, assuming this goes to second reading would be staff is going to be submitting the package to the lcd for their review and acknowledge. There will be several follow up projects following up per the direction you've given us in the ordinance and then we'll gear up for staff training to implement this for 2018 working with pbot and bds in particular. In terms of process, this is the first reading of the substitute ordinance. We brought the record with the testimony from that time. This is not a hearing about the new amendments, although today, you'll ask if there's any comments. That is just focused on the ordinance and findings that are new.

Hales: So the action before us this afternoon is to make a motion and take action on adoption of a substitute. The substitute captures all of the amendments that we brought forward, considered and adopted that retuned the plan in many cases and many different sites and a number of policy issues. We have a couple clarification items we need to act on, right?

Engstrom: And I can walk you through. There's two clarifications that we just want to be sure you understood. One is that we've brought a revised exhibit h for you today, which has been passed out. During the amendment process, commissioner Fritz made some Amendments to title 3 language, which is related to the community involvement, committee appointment process. And we realized the verbal description that was discussed and the

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written description didn't exactly match and I believe it was the commissioner's intent that the council confirm the appointees to that committee and that was not how it was written on the amendment, so we want to have you reaccept that motion to readopt that amendment with that language which is reflected in the revised exhibit h.

Fritz: Would you like us to do that now?

Hales: Go ahead. Any question on accepting the updated exhibit h? I believe we need to take testimony on that, we'll take testimony on the adoption of the substitute if there's any. Take a vote on that.

Novick: Aye **Fritz:** Aye **Fish:** Aye **Hales:** Aye

Hales: And then Exhibit o?

Engstrom: This is a typo. Since it was written incorrectly when you voted we wanted to make sure you understood. Exhibit o is the list of sites you'd like us to reconsider and do further research on and come back later. One of the addresses was off by one number and it should have been 506 and northeast Thompson rather than 505 and we want to correct the record, so we substituted that. You don't have a new version of that because we caught it before we distributed the larger package.

Fritz: Would you just do that as a stenographer's mistake?

Engstrom: We want you to be aware that we corrected it.

Fish: I'm not the only one who does that.

Hales: Noted as a correction.

Engstrom: Since it involved an address.

Fish: I'd moved that I still use my old zip code.

Hales: I will move the substitute ordinance as amended. Is there a second?

Fritz: Second.

Hales: Is there is anyone want to testify before council takes action on the substitute? If not, take the roll call vote on accepting the substitute please.

Novick: Aye **Fritz:** Aye **Fish:** Aye

Hales: Well I have a few more things to say next week Mr. Engstrom about you and the rest of your team about the good work on this, but this is a mammoth undertaking, as the paper stack indicates, that only a little bit is revealed by the size of the stack of paper, the thousands of people that participated and significant direction as a city we're taking to accommodate growth. So I have more to say then, but I really appreciate the good work from this bureau. This is a map of a city of 850,000 people. That weight of that number has been on our shoulders and I think we got it right. Aye. Thank you so much and we'll see you next week or second reading at 2 p.m. On the 21st.

Engstrom: Thank you.

Hales: Well done. Unfortunately, we didn't schedule these items without a break and so we have to adopt 1415, but then maybe that's going to take us a little while but we'll probably have to take before three so let's take 1415.

Fritz: How terrible that would be.

Item 1415.

Hales: Commissioner Novick do you have some comments?

Novick: I was told since it was the mayor's idea he would have comments. Comments for both of us. I'll give me mine first. Earlier this year we adopted a new comp plan policy calling new connections through blocks to improve access for community destinations in the eastern neighborhoods pattern area. This ordinance builds on an already existing code requirement that requires no changes to title 17 or title 33. The ordinance provides further guidance on the application of existing street connectivity requirements when redevelopment occurs in designated sectors of eastern neighborhoods. And in addition this council action will direct pbot to consider whether developers who create new street or

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pathway connections should receive transportation system development charge credit as part of the tsdc update currently underway.

Hales: The only thing I'd add is this is technical stuff and some people's eyes glaze over when we work on this kind of think and ours don't. The hardest thing in urban planning today is very different from the hardest thing 20 years ago. How do you take suburban places and actually make them urban? We got a lot of the city that was built around the far and the car only and really without good circulation for cars in some cases so this effort to try to carefully knit those pieces of the city together is really important so Denver thank you.

Denver Igarra, Portland Bureau of Transportation: It's a major challenge. Good afternoon. My names Denver Igarra I'm a senior transition planner with the Portland bureau of transportation. Following up on your action on the comprehensive plan early implementation package three weeks ago you approved one amendment, number 50, which directed pbot to prepare the ordinance that's here before you today. This ordinance advances new policy direction that was adopted in June with the comprehensive plan. Specifically, it calls for new connections in eastern neighborhoods and also future street connection plans and centers the areas that are targeted for the most growth and change over the next 20 years. Historically Portland has placed requirements on development to meet street spacing standards this has produced the gridded street neighborhoods in your neighbors. Our existing street spacing standards per our comprehensive plan policy tsp objectives and the city code are 530 feet between full street connections and 330 feet between pedestrian bicycle connections. We also adopt street plans in some areas to find where we anticipate new streets to be located in some areas that's not the spacing standards that's required we adopt these street plans to guard the alignment and function of those new connections. Gateway regional center is one example it's had a conceptual street plan since 2000 it was last updated in 2009. There are several of these city wide. As one step toward advancing those policies I mentioned a moment ago, pbot funding for the current fiscal year 16/17 to carry out a connected street plan which is a more comprehensive planning effort, opportunities for connection in the jade district and rose neighborhood center. The outcome will be a tailored plan for connectivity specific to those areas and that plan will also create a model we can use in other centers city wide for choosing connectivity that will be completed next year. Another step to advance the connectivity policy is the ordinance that's before you today the connectivity strategies in eastern neighboring. This would adopt a strategy to achieve connectivity in these centers as you can see in the map there shown in dark grey, the strategy offers further guidance on the existing city code. In essence it would strengthen our commitment and result to improving connectivity in these centers. The aim is to avoid missing connections and opportunities for new connections as development occurs with the newly adopted zoning code. Most importantly where the connections are needed the most which is in these centers in eastern neighborhoods where we lack basic connectivity and level of service from our street network. The parcels further away from a parallel street and parcels larger in size that's essentially what the ordinance directs pbot to do. At the same time, it also directs pbot to look at the potential for credit to developers who create new connections as part of the transportation system development charge that's underway. Again this ordinance would not change existing city code. The final slide I wanted to show is from the investment strategy. The circles are shown are centers city wide. The ones to the right are the centers that are target to accommodate more growth. The ones at the stop are the centers that are most deficient in infrastructure. The dark red circles are centers with higher average concentrations of vulnerable residents and the centers in the eastern neighborhoods on the map, that's being adopted with this ordinance are the ones being

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shown in yellow. As you can see these are primarily the ones most efficient of the centers and also the ones that are in those areas with higher vulnerable residents.

Hales: And the size of the circle represents?

Igarta: It represents the type of center so we have central city which is the largest and then the regional centers get gateway and then the town centers are the next ones down and the neighborhood centers are the newly adopted centers that we adopted in June.

Hales: Thank you.

Fritz: I have a question the blocks downtown are 200 by 200. So I would wonder why we want more connectivity to pedestrians at 165.

Igarta: Well the way that works is that the connectivity standard is actually 330 between pedestrian connections but what this strategy says is that the parcels that are 165 feet from the nearest connections. So if you have two connections that are spaced 330 feet apart the furthest any parcel would be is the 165 so it's the same as our standard so it actually is 330 feet between pedestrian connections rather than downtown we have 200 feet block frontages so it's 200 feet between full street connections so it actually is further apart than the downtown grid.

Fritz: I'm not following that.

Igarta: The specific strategy is talking about the parcel so if you have a property and it's on a block that has the standard spacing which is 330 feet between pedestrian connection, the furthest that parcel can be from the closest connection is 165 feet so that's where the 165 feet comes from.

Novick: Did we clarify downtown with the 200 foot blocks the furthest you can be from a connection is 100 feet.

Igarta: Exactly.

Fritz: So do we require pedestrian connections through city block downtown?

Igarta: No because its already a parcels would be no more than 100 feet away so it would need, it would already meet the standard.

Novick: Right wherever you are downtown your no more than 100 feet from a connection because your 200 feet foot blocks if your smack in the middle your 100 feet away. So the idea here is to make sure in these centers your no more than 165 feet away which would be midway through a 330 foot block.

Igarta: That's correct.

Fritz: And what about the 265?

Igarta: That's our standard street spacing, which is 530 feet between full street connections so that's where motor vehicles is have access by distinction.

Hales: Which is 10 per mile?

Fritz: Well, again, in somebody else's neighborhoods the block is 200 by 450. So this seems like half of that would be 225 and now we're saying 265.

Igarta: That's right. That's our standard street spacing the 330 ped connection and the 530 feet between full street connections is a metro regional transportation plan standard that we have adopted.

Fritz: Is this intended to be the same as other neighborhoods, the same as downtown? Why did you choose those numbers?

Igarta: Because this is what our existing code is. It's not a change to our existing code. Our existing code has on the earlier slide I showed the spacing for pedestrian connections is 330 and the existing is 530, so there's no change to what is already in the code. This is specifying where the parcel would be in relationship to the next parallel street.

Hales: What's your underlying concern.

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Fritz: Are we making it connected enough or are we being more restrictive here or requiring more streets than we do downtown and how does it reflect the lot pattern in east Portland with more of the junior acre type places?

Igarta: Part of what we're doing is with this we're emphasizing the centers the areas where we anticipate the most growth, the areas where we affect the most pedestrian activity, so we're trying to achieve the connectivity that we have city wide. We're trying to achieve the connectivity that we have as a standard city wide that's partly why I was explaining the connected centers plan project because for jade and rosewood what we're trying to do is come up with a more tailored approach more strategy for eastern neighborhoods so as part of that we'll have a tailored street plan for that center and my plan is that we can use that as a model to do more tailored street plans.

Fritz: I'm, sorry to be dense on this. It's been quite a day. You're in the middle of a block. You turn 65 feet from either parallel street. That's more than in my neighborhood where it's 450 for the long access of the block.

Igarta: Our current standard would require that a new street connection be improved if it's triggered for the development. So that's our current standard.

Hales: Maybe try a different angle. It's not about the maps. It's about are we being reasonable and equitable across neighborhoods and I think -- this is a concern I want to make sure -- are we working with the pattern that's there? Is the way I would put it. The pattern is there, it can get better through more connectivity, but because of how it was plated the first time there are some limitations to how good it's ever going to get from a peer planning stand point. So is the 265 foot rhythm the right one to take advantage of whatever the lotting pattern is in east Portland or in areas where that would be posed.

Fritz: Now I understand there's something in the middle in lot town center neighborhoods like mine you would require a street closer together than what we're requiring here?

Igarta: These are centers shown on the map and not--

Fritz: The block length would be 200x550 right.

Igarta: The block spacing would be for full street 530 feet between full street connections.

Hales: Both directions.

Fritz: In my neighborhood it's 450, so why is it greater in a town center than it would be in a neighborhood like mine that doesn't have any semblance of a town center?

Igarta: It's the current standard that we have in place.

Hales: Maybe that should change, too.

Igarta: I think that's true. It's part of again, why we are doing this connected centers street plan is to do some more detailed analysis to identify the opportunities and see realistically how we can produce the connectivity that we will need in these areas.

Hales: You're not codifying this now?

Igarta: No.

Hales: So as you go into codifying this I think that's a good question.

Igarta: That is a good question, yes.

Hales: We shouldn't be bound by either old policy, or metro policy but we're going to exceed the intent of metro policy with what we're doing, but it ought to be reflective of the reality of how that district got laid out in the first place. What's our best scenario in the future what's the streets and then are we getting it right in terms of increasing that frequency of connection in the centers which is what your map appears to be doing.

Igarta: We recognize that city wide standards have not been successful and that we need to tailor our approaches to the pattern areas for the direction of the comp plan.

Fritz: Leaving aside measuring from the middle, here the blocks will be 350 by 550, right?

Igarta: Here the blocks for full street connections would 530 feet.

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Fritz: Yes. I guess I'm asking for you to go back and look at is a very kind of rural well not rural outer kind of neighborhood pattern of the streets the right thing in our town centers and our particularly in our business areas where we want more connectivity than we found in a residential area.

Hales: I guess again one of the philosophical drivers behind this is look the real estate market is really good, a lot of stuff will get redeveloped over the next 20 years, got a second chance to get it right, albeit with what constraints on what's actually possible, 122 and division, but we should go down that direction towards connectivity as is feasible and talk about the south water front very different situation, but come on, develops there can afford to build some streets as that redevelopment occurs and I don't think that's not going to be true five years from now. So do you feel a need to amend a what we have, Amanda?

Fritz: Yes, I don't think it's intense enough for the town center. Particularly under b 2 which is where it says about the halfway being 165 and 265 that is fewer street connections then in an outer neighborhood.

Fish: I understand this would be changing the current standard.

Igarta: No.

Fritz: This doesn't change the standard, what I'm saying is I think it should be.

Igarta: With the directs we had, we recognized that we were not -- we were not having the time to propose a code change and before the adoption, and so we were working within the existing code, which gives us the authority to make the required connections at the spacing standard we currently have.

Fritz: And does this go into effect right now? Does it do into effect in 2018?

Igarta: Yes.

Fritz: Right now, or later?

Igarta: Right now.

Fritz: I'm comfortable with making this cause at least we want this right and could we add commissioner part D that directs you to go back and look at actually what kinds of connectivity do we want in each of these areas.

Fish: I offer a second to that amendment.

Novick: I also just wanted to note that this was prepared pursuant to an amendment we presented November 22nd. So there's been a rather short turn around time.

Fritz: And I really appreciate you getting it and also an explanation that helps me to understand it so yes, I think we should definitely don't them. Probably we're going to want to have 200 by 450, not 200 by 200 in some of these areas.

Fish: Why don't we treat that as an amendment?

Hales: Yes. So pbot can report back with recommendations for revised spacing standards.

Fritz: Yes, and it might not different in each of the areas.

Fish: The only thing I want to say in sport of the amendment given the morning we have i'm astonished Amanda is able to focus on this. My brain is already frazzled. I would move the amendment.

Hales: Make sure I've got the sense of the people, that pbot is going to report back about the revised space for each center.

Fritz: Thank you.

Hales: Further discussion on that amendment? Which is going to be a new item d under council direction. Anyone warrant to speak to that amendment?

Novick: Aye

Fritz: I really appreciate you helping me puzzle it through cause usually I think of these things 10 minutes to late, Thank you. Aye.

Fish: Aye.

Hales: Aye.

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Hales: Okay, anyone else want to speak on this strategy overall?

Fish: I have a comment. It's not directly related, if you'd give me indulgence?

Hales: Of course,

Fish: we went long and we missed a very important event, which was the ground breaking on the county health building congratulations to chair Kafoury for moving that forwards. You said something a few minutes ago that stuck in my head, which is you talked about moving from a suburban style to urban style forum. About seven or eight years ago, or just after Amanda and I got on the council, we had a plan for the access center and it was on block U. There was a lot of history about where it would be located. It ended up in block U. As the new housing commission I was presented with a diagram that showed a three storied building designed by host architecture and it was a big community win. And I was having breakfast with al Solhein who knows something about development and I was describing this project in the pipeline and he looked at me kind of crooked and he said why on earth would you put a three-story building downtown on a block-like at that. So he took a napkin in the diner and he redesigned it and said instead of taking the whole block why don't you redesign the building. He said by the way you want to put it on Broadway to have the nicest building adjacent to the street. I took the napkin, I think I have somewhere, and went back to the team. It was Margaret, it was Steve, it was pdc. I said al Solhein said why are we doing a three-story building. They came back with a new concept where they just stacked the building and since the whole block was going to be divided into three quadrants, they stacked them and made a urban building. What it did is it opened up the second half of block u and that was now found space. City I think on your -- either just before you came in or just after you came in, the city finalized a transfer where we donated space to the county and then under a previous deal around urban renewal money that Jeff cogen negotiated where the county got some money in exchange for a new river district. The county came in and said we want to put a county health building there and if we had not -- and today the groundbreaking on a building that Debra is leading. To your point if we had gone to a suburban style two or three story structure there we would not have the county building there. Now we'll have two buildings side by side because we observed the urban form and I want to just do a shout out to al solheim because I wasn't smart enough to catch that.

Hales: And now it's going to be overshadowed by the scale of what happens on the post office site, so it would look even more absurd to have a suburban scale development there where the bud clark commons is.

Fish: What an irony. The posts office site wasn't even a twinkle in our eye and the county actually had to go back to the neighborhood and get permission for a taller building because we weren't sure if it was out of scale now it's actually one of the more modest buildings.

Hales: That's why this stuff is so important because that's a concrete building, it will be there 200 years. Nobody is going to move Broadway; Broadway will be where it is forever. That's why this work you get one second change in these areas that have the wrong street spacing because the first time around it was cheap cinder block buildings That are going to last less than 50 years and they're going to go away. When somebody build a four-story concrete building on that site that streets never moving, that's why the work their doing on this is really important to get it right a second time because we won't get a third chance. Alright anyone else to speak on this item? So it's going to pass to second reading as amended next week with the comp plan. Good work. Thank you. We're going to take a 20-minute recess and come back at 3:00 for our final item today.

Hales: good afternoon. We'll return to our business with item 1416 please.

Item 1416.

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Hales: Commissioner Fritz.

Fritz: Thank you mayor as we all know we have been continuing to work on the cannabis program within the office of neighborhood involvement with all of your input. We had the council work session on November 8 and today's hearing is the next step on what will be a series of discussions and improvements to our Marijuana regulatory program. I want to very much commend the office of neighborhood involvement staff who have taken steps to rename the program the cannabis policy program as advised by community representatives, but since this only regulates marijuana and marijuana products we can't make a blanket change from marijuana to cannabis in city code and we'll be approaching that issue a little more delicately and surgically. We are shifting our policy to cannabis wherever that we can another point of concerns I heard from some local owners who own existing medical dispensaries but are not fully licensed to sell recreational cannabis. Those that have been selling recreational cannabis during the grace period that sun sets on December 31 of this year will be able to continue to operate. We want to be very clear that the city and the cannabis policy program will not be taking any enforcement measures against any legally operating marijuana business that is currently waiting in line for a license to be issued. If you're in the line for a license we will not shut, you down and will continue to work with you as we have over the past year. I do realize there's a backlog on the Oregon liquor control commission side as well and the office of neighborhood involvement staff is working closely with their olcc counter parts to help businesses transition to the recreational market. Of course, council will remember last year we had a series of several hearings in which industry representatives and community folks helped us to set up the program with its 1000 foot buffers from different kinds of establishments and a number of other safeguards. So this is a and we said at the time since state rules keep evolving then ours should as well that we would be coming back multiple time and so today we're considering a set of technical and a few more substantial code fixes to provide parse with the state rules as well as to introduce a new license type. Commissioner Saltzman and his staff from the bureau of development services have proposed additional amendments that Matt Grumm was going to come and present on behalf of commissioner Saltzman, the commissioner had to go home. And I stress that I believe we've come to consensus within the city bureaus about today's package of amendments including this one.

Matt Grumm, Commissioner Saltzman's Office: Yes, thank you, Matt Grumm with commissioner Dan Saltzman. You have before you the substitute exhibit A the hopefully we can move and put on the table and basically its very straight forward and simple and you definitely wanted to undo some of the backlog that we've heard about that Bureau of Development services we know has a lot of people trying to get permits right now in our city. And what we've basically done the key is page six and there are copies on both sides for the public to take a look at them. What we basically said is while you're going through that permitting process as long as you've done the applicable permits you can show your working with them then one will be allowed to give the license to operate the retail or wholesale establishment this does not deal with producers or processors and therefor people can start their business and get through the normal process as like any business would do in Portland.

Fritz: Yes, and I said earlier that since commissioner Saltzman is in charge of development services and fire obviously it's his call on whether the businesses should receive marijuana license before or after that process is completed, in some business cases they would have to complete that process before getting their certificate of occupancy so in this case accept for producers and processors that, that's the direction that commissioner Saltzman advises that we take and we support that.

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Fish: If you put this on the table I'll second it in Dan's absence.

Fritz: Thank you. So we propose the substitute which contains what Matt Grumm just described thank you.

Fish: And I'd be pleased to second it.

Grumm: Thank you

Hales: So should we accept this amendment yet?

Fritz: No what I'd like is to put more on the table and take testimony and then vote on each amendment at a time.

Fritz: Second amendment is mine. What is the second amendment?

Fish: We can call Liam Frost out from my office since he just became a citizen he knows the constitution really well.

Novick: Do you have a personal right to carry marijuana or only for a part of a well-organized militia [laughter]

Fritz: As you remember a couple of weeks ago we gave people the right to possess cannabis in city parks and that was an amendment. Of course, you can't use it in public or alcohol, but it's okay to have it in your pocket. The second amendment is to the minimum standard in 14 b130.040 and this is for -- to make sure that -- I'll just read it, it says currently no medical dispensary marijuana retailer may operate or conduct business within a 1000 feet of a school and various other things. We want to amend that to add marijuana retail courier which may locate its license for business operations in other words if you live near a park you may still be the beneficiary of a delivery service when it sets up and this amendment makes that clear. Would you like to second that one please?

Hales: I'll second that, so couriers can operate in public right of way and deliver to customers but can't set up the business operation.

Fritz: Right their main place cannot be, but they can deliver once both the state and we allow that kind of business to be licensed. And then victor Salinas will walk us through the other proposed changes.

Hales: Thank you.

Theresa Marchetti, Office of neighborhood involvement: Before we start, I'm Theresa Marchetti I'm the livability programs manager. It came to my attention that in the ordinance document under number six, the third sentence has a scrivener's error, so I'd like to propose a change to that. The sentence currently reads this license category would allow marijuana retailers and marijuana items available for purchase sole through delivery to establish delivery businesses in the city.

Fritz: I have to interrupt you. Has everybody else found it.

Hales: Page six of the substitute?

Marchetti: Page six of the original.

Fish: It's in our book.

Fritz: What section number.

Marchetti: Number six of the ordinance.

Fritz: What's the code section number.

Marchetti: It's not the code its just the ordinance documents section one. Number six under the findings.

Fish: That begins with if the application is for?

Marchetti: It begins with the regulated marijuana industry.

Marchetti: The third sentence of the sixth paragraph should read. This license category would allow marijuana retailers who want to make marijuana and marijuana items available for purchase solely through delivery from established businesses in the city.

Hales: So instead of to its from?

Fritz: We just insert that because it's to established delivery businesses.

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Marchetti: Delivery from established businesses in the city.

Hales: Changing to too from and getting rid of delivery. That's a housekeeping change.

Victor Salinas, Office of Neighborhood Involvement: Good afternoon, commissioners. I'd like to offer a presentation on the proposed code amendments this afternoon. This is a reminder for the community the city council adopted or enacted the marijuana or cannabis policy program to develop local regulations to meet the needs of the community of our geographical area differently than the regulations that were established by the state they cover a broad range of environments from the coastal region to the southern eastern regions. So the regulatory framework is grounded in collaborative enforcement to provide clear guidelines and expectations for marijuana businesses to mitigate harmful impacts. So the purpose of establishing the cannabis policy program was to inform and develop recommendations on cannabis policy for the integration into the industry into the business community of Portland to address potential environment impacts related to the livability, public safety and to address of security of the industry, community expectations and unlicensed locations who are currently not -- not addressed through oha or olcc. They can only address license locations. So the first point I want to speak on are proposed code amendment to allow recreational delivery in the city of Portland, so it would lift restrictions for delivery of all marijuana retailers including retail including couriers which I'll speak to in just a moment. It would allow to increase accessibility for consumers that don't want to leave their house and be able to receive delivers at their home for economic development to allow market entry to a broader range of entrepreneurs and reduce the possibility for dui. The other proposed changes we are making are the micro entrepreneurship this would add four new license categories. The first being the marijuana retail courier. This would not be a delivery service, but rather a marijuana retailer that only makes marijuana items available for purchase through delivery and not on-site sales. The next two are the micro producer tier one which is an opportunity for micro entrepreneurs to be able to enter the market with lower capital investments. Micro producer tier two the same thing, tier one is for canopy sizes and that the size of a canopy under 649 square feet and under. The micro producer tier two is for 1,249 square feet or lower. The last one is the micro wholesaler. It allows market entry with a lower capital investment. It still requires a olcc marijuana retailer license with endorsements for delivery to operate. They can only make marijuana available through delivery and no on-site sales. They're exempt from the thousand-foot requirement for marijuana retails however they still need to be at least 1,000 feet away from schools.

Fish: To be clear the way this is written, you couldn't sort of qualify here and then like a good humor truck park on the street and open for business. This is just a courier.

Salinas: They need to follow the regulations established through the ora, Oregon administrative rules that the olcc has established. So you have to have a physical location, you have to use bonafide orders, received ahead of time to be able to make the delivery. For example, somebody wouldn't be able to have a call that's driving around and have them deliver marijuana items.

Fish: Thank you.

Salinas: So again, they would need a physical location to operate within the city of Portland. They're not allowed to conduct on-site sales. They must abide with the olcc rules on recreational marijuana and delivery. So some of the things they can't deliver after 9 p.m. The orders have to be received between -- I'm sorry, 8 a.m. and 8 p.m., and the licensing fee for it would be 2,000, similar to a medical dispensary. Marijuana retailers will also be allowed to deliver, again, recreational marijuana, not just the couriers. Tier one, 649 square feet, or less and require the micro producer tier one license. The tier two is 1,249 square feet or less and they require micro producer tier two through the olcc. And

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lastly, we have micro wholesalers, so it would allow market entry with a lower capital investment and they would only be allowed to purchase from micro producer's tier one through two license through the olcc as well as through the city. Additional code changes is a requirement to remove the final inspections permit requirement for wholesalers, retailers and dispensaries as introduced by commissioner Fritz. This would maintain the requirement for producers and processors to mitigate potential harmful impacts to the community and lifesaving incidents, but remove a requirement for licensure for wholesalers and retailers and dispensaries.

Fritz: I haven't had a chance to discuss this with commissioner Saltzman, but I would assume there would some kind of evaluation period to see how it goes. We had that discussing this morning about unsafe electrical systems and various other things that can sometimes be corrected or has to be corrected when the occupancy permit is issued. Commissioner Saltzman feels comfortable allowing this to happen and for the office of neighborhood involvement to give the okay to go ahead and start selling in advance of those issues being checked off for those particular retailers.

Salinas: Absolutely and when staff are conducting the final inspections for licensure if there is anything that is overtly obvious to them not a trained professional in that field, if there's anything overtly obvious they can always connect with applicant and bureau development services to address that.

Fritz: Yes, the onus is definitely on the development services and fire bureau. Trust their expertise.

Salinas: Absolutely. So in terms of the technical fixes that we're proposing, the modified hours of operations to match state hours of operation between 7 a.m. And 10:00 p.m. It strikes as the requirement that video data be stored off-site. It clarifies process requirements for air filtration, compliance with the zoning codes and minimum distance requirements for medical dispensaries marijuana retailers and retail couriers, and also allows for a 5-day grace period for medical dispensaries transitioning to the retail market, so that way when they go to olcc they have to turn over their medical dispensary license right away and other registration so that would offer a buffer, so they're not operating out of compliance of the city. For example, if they get their license Friday and Saturday, we're not open, but they would able to come in Monday and get their license and transition over.

Fritz: Did we say five business days or five days?

Marchetti: I believe the code says five business days.

Salinas: And standardized response times of 10 days for businesses to submit missing documentation to submit an appeal and basically this allows for less confusion on the part of the business as to when they're supposed to respond to a letter or submit documentation and there's other technical fixes for grammar and clarity. I also want to offer some information on percentage of total applications. We received a total of 534 applications and issued approximately 100 licenses for the various license types combined. The majority of the concentration tends to be in southeast uplift, the rural coalition area and east Portland coalition area.

Fritz: Do we have any sense of how many additional licenses will be approved by oni with the amendments that we're proposing once they're currently stuck in the permit center.

Salinas: There's 320 applications under review. Of those 80 of them are waiting to us. This could be they might have depending on a final inspection, initial review or. -- yeah, final inspection or initial review or final application review. With that there's also 240 applications that have missing information approximately. It can be based on requirements for deadline extensions, so there's 115 that have requested extensions to submit missing documentation and 125 that have not requested extensions.

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Hales: That group was missing information in their application in some cases, and they're aware it's missing or in all cases they're aware it's missing?

Salinas: In all cases they're aware it's missing and most of the time the 115 that are on deadline extensions aren't because of building code permits.

Fish: I appreciate that chart very much. It sounds to me like we have 100 that are approved, 80 in the pipeline close to being approved and 100 with ministerial things that would get us to 50% of the applications.

Marchetti: Can I provide just a little bit of clarity there? There are actually 107 that have been approved. There's an additional 62 that are in conditional approved status that aren't reflected on this chart, which means they are waiting for state licensure. They've done everything we need them to do. The 115 we know that are have already requested a deadline extension, the vast majority of them are waiting to building purchase permits, so we expect that to change very quickly with a change if approved by council today. In addition to that there have been 50 that we are pretty sure have been abandoned after us reaching out multiple times we haven't received any responses, but they are technically still in process and there's an additional 30 that have either been denied or were withdrawn. That paints a little bit more robust picture of the licensing. Initially for sure we were in a backlog type of situation. At this point we're in about a six to eight-week turnaround from the time we receive the application to the time it can be issued, pending that the state has licensed the location because they handle Product safety, the overarching umbrella requirements for the whole state.

Fish: That's enormously helpful. If you add the conditional approvals and the ones were there's a requests for extension and they're in the game, can you hazard a guess as to when those that sound to me like about over 250. Can you give us a sense of in a perfect world, when will those 250 clear so that we'll be left with the applications that are incomplete?

Marchetti: We anticipate that the medical dispensary, which we have 82 currently, but there will be a percentage of them that will be make the switch to recreational in January, so that will account for about 30 recreational licenses and we've considered that. It's a little bit more unclear when they're getting at producers and processors, both of which we have 75 licenses pending currently for each category, but we are -- it's kind of unclear as to where they are in meeting the permit requirements with bds.

Fish: I'm assuming we're going to pass these well-crafted amendments today or next week, whatever. Would it be burdensome for the next six months to ask for a monthly update, just an email that has a chart showing applications by category where we are? I would prefer to have gross data.

Marchetti: My team pulls them weekly their amazing they are their own biggest critics so their constantly looking at how we can improve process.

Fish: That is one way we can measure Whether these amendments we're going to be voting on.

Fritz: We'll continue to monitor it. There was some concern in the media about lots of business finding out and being shut down January 1. As long as they're in the process it's not going to happen. Even if we want to we don't have the staff to do that anyways we appreciate that most of the businesses are working their way through the process and as Theresa said I think with commissioner Saltzman's amendments that there is a clear path forward for most of them.

Salinas: I think another number that helps paint the picture too is we have approximately - - we have 208 unique locations total out of the 534 applications so many of these are going to be transition over to right away on January 1. So I wanted to share some of the information on the licensing requirements. All licenses must not allow on-site consumption

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on premises, they must have security system items in place. Previously they were not able to have delivery that is one of the things we're proposing today and they just display their licenses, they must have someone posted at the entry to check i.d.s, hours of operation must be no earlier than 7 a.m. Now, and no later than 10:00 p.m. And must provide secure environment -- or security plan. So all marijuana producers and wholesalers may not be open to the public until there's air filtration systems in the building and all marijuana processors must not be open to the general public, must adhere to state and local Regulations regarding the equipment and commercial equipment must be in line with the regulations with the department of agriculture. That's what we have for you. Any questions?

Hales: Thank you. Questions? We've seen the consent of this. Thank you so much. Thank you both. Any focus signed up to speak on this, Karla?

Moore-Love: Yes, we have seven people. The thirteenth, come on up, are:

Hales: Come on, there's.

Perry Salzhauer: Thank you. I'm Perry Salzhauer, I'm a partner at greenlight law group we are a law firm although we do focus on the cannabis industry. We don't exclusively work in the cannabis industry. We have approximately 100 clients I guess nationwide that are planning to do or intending to do business in the Portland area. To the extent that the theme of the amendments in the packet today is inclusiveness and lowering barriers to entry, my firm has a proposed amendment that I believe you've been -- that you have received. That did not make it to the previous work session. We would like to propose it for a formal reading and potentially action into the meeting. Do I need to read that into the record?

Hales: We have that.

Salzhauer: As you can see the general theme here again is lowering barriers to entry to the industry and inclusiveness and a few notes the olcc regulations oar 845025-1115 and 1230 they only prohibit extraction in exclusively residential zones which represents a carefully reasoned decision that the olcc had made during their yearlong rule making process. In essence they've already determined they don't believe that there is a danger in processing non extracts in residential zones. More of a merit of these kinds of processors they make truly medicinal products lotions, capsules, edibles that utilize very safe sometimes stove top manufacturing processes that are substantially similar to plenty of other activities that the city already allows to proceed as cottage industries simply heating things up, blending its very similar to making jam. This would significantly lower the barriers to entry in the marijuana industry for a significant portion of the historically disadvantaged communities who lack the ability to enter into commercial leases due to lack of access to capital or financial markets. It would also free up what is becoming a very tight market for commercial space, for other non-cannabis related uses given that these businesses don't necessarily need commercial space if not for the oni regulation. Again anything that lowers barriers to entry will necessarily increase competition by allowing additional participants and that will have a corresponding tax increase for both the city and the state. That's all.

Hales: I want to make sure -- I'm not completely unsympathetic to the amendment. I just want to make sure I understand. I'm struggling with context. We've got a lot of jurisdictions around us that aren't allowing anything so we're allowing marijuana businesses to locate in our commercial zone your suggesting under these conditions they should be allowed to locate in residential zone.

Salzhauer: Effectively to work out of their own home given they would have to comply with all of their olcc regulations including security and all bds regulations as well as any doa.

Hales: That's my next thought stick with us we have had a long day so we are doing a little

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thinking out loud. We have a home occupation provision in our zoning code already, so I'm wondering how that would allow regardless of your amendment or maybe with your amendment.

Fritz: Commissioner Saltzman's staff and mine had conversations about that. We don't have the information to make a change at this time. We can certainly add this to the proposal for the next time around. I was ready to take it out of the cannabis regulations because there are building code regulations, but in discussion with commissioner Saltzman and his staff we're not ready to do that at this time.

Fish: Can I follow-up on the mayor's question? So, I think I understand the gist of this. We have had a really long day, so bear with us. With your amendment -- what's the impact of your amendment on our current anti-concentration rules about disbursing these businesses?

Salzhauer: It would be determined on how many folks want to operate in this fashion.

Fish: If we were persuaded at this is a good idea, are we still assuming it's one every couple blocks? Or are you envisioning you could have a multi-family property on every floor somebody running a home based business?

Salzhauer: I tried to limit it to the single dwelling zones.

Fish: Is it your intent that the anti-concentration rules would otherwise apply?

Salzhauer: No, the purpose of introducing this now is entered into the conversation.

Fish: Really appropriate. I'm surprised more people don't pitch amendments on that table. A conversation involving commissioner Saltzman that this may not be ready for prime time. If you have additional thoughts you want to share by email to each of us, including any examples where this might be working in current jurisdictions and what you think this is like and why you think it doesn't raise life safety concerns, I'd like to know more.

Salzhauer: I would be happy to work with council and staff.

Hales: It would be worth staff talking with bps and bds I mean; I'm just thinking about another example. I stumbled on a properly-permitted legally operating business where they had converted their garage into a winery and when Sunday parkways went by their house, they had a wine tasting. But from everything I could tell, there hadn't been significant friction with their neighbors. So, upon -- on its face, the idea of this amendment, at least scrolling in with that and saying not ok with a distillery, because they can blow up, but a winery of this kind of marijuana business. Your question about, what about the 1,000-foot separation is also legitimate because I wouldn't want a whole block full.

Fish: I seem to recall we had the widmer brothers and they talked about starting their business in a bathtub.

Fish: I would be worried about creating this exception and someone who doesn't have your ethics, using it as a loophole to do another kind of business. We want to know how it works and make sure it's limited.

Fritz: We'd be happy to seek advice from the marijuana policy oversight team.

Salzhauer: I appreciate your time.

Sally Alworth: I'm sally Alworth, I'm the co-founder of luminous botanicals. We make cannabis concentrates for the medical market. I want to speak in support that would remove the requirement for all cannabis businesses to file for a change of use permit and we'd like to use our business as an example. In august of this year, we purchased a 1,200-square-foot commercial building with an F-1 existing occupancy of the building. Before buying it, we spent 12 hours at bds visited every department to see whether there were any issues that might keep us from being licensed or would require the kind of renovation we couldn't afford. We are a two-person operation, a micro business. We purchased the building and then we applied for our change of use. Our first check sheet came back from the water department and they are requesting we install -- I have to look at this -- a

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premise isolation backflow prevention device. This has to be installed above grade in a heated enclosure. In case you're not familiar with these, they are required where hazardous chemicals are being used. In our process, we take cannabis leaves and steep them in a blend of almond and coconut oil in low heat. It is natural oil soluble, so we don't need to use any harsh chemicals. Nothing is plumbed into the water system --

Fish: Can I just comment on that. I know the commissioner in charge of the water bureau. [laughter]

Alworth: Very well.

Fish: I'm just guessing -- I'll take a look at your circumstances. I'm guessing this is into the category of people struggling in good faith to fit into a new use. This is what we get a lot of feedback from the public. It doesn't quite fit and someone is asked to reconcile. It means that maybe our code needs to be updated. So, I think as part of the continuing recap work, with respect to all of our bureaus, if there are regulatory issues that come up and you think the city code doesn't quite get it, I would not be shy about going directly to the commissioners in charge with your list so those can be reviewed.

Alworth: We have been told, so far, that there is no review process or appeals process.

Hales: Not necessarily, but there is a commissioner in charge that has oversight.

Fish: We have an informal review process, where we text or call Matt Grumm. [laughter] it may also require a change in the code.

Alworth: I'll just give you the second example that we've run into so far and that was department of transportation, the building we purchased was vacant for a year and they said we'll be increasing the foot traffic at the building -- again, two-person operation -- to the extent that they are requiring that we tear out all the existing sidewalk, expand the parking strips and expand the sidewalk, so we'd have to tear out the existing ada ramp on the building. We need to remove a curb cut and reconfigure the parking lot in the back of the building. There is at least an appeals process there and we're slowly and expensively working our way through that. But, if we were operating any other type of small manufacturing business, none of this would have come into play, it's exclusively because of the requirement in the current policy -- marijuana ordinance. We strongly support removing that requirement.

Hales: And is that in the amendments before us, to change that change of use?

Fritz: Yes, that's commissioner Saltzman's amendment. It does point out the challenges it also points out the businesses before didn't necessarily change because it was just a commercial business they didn't file for a change of occupancy. You inherited previous problems and when we had the last work session somebody told me something that went back to 1976, which is the main points of where it should have been fixed. We have had similar things for different businesses, the pizza place on Belmont is one that comes to mind, where they were charged \$45,000 for moving across the street. Cannabis businesses have said treat us like any other business, but in fact, other businesses may not have done the right thing in the first place and so we therefore need to in finding out about the kind of exceptions or appeals process. Thank you.

Hales: Very helpful. I'm glad we can do the change of use. You're in the industrial zone?

Alworth: We're in general commercial which allows for a smaller manufacturing foot print.

Megan Walstatter: I'm Megan Walstatter I'm the owner of pure green dispensary on 37th and Sandy boulevard. Also, part of the Oregon cannabis association. I'm a member of the city's impot and I have a couple of different things I'd like to talk about. I value all of the staff time they have invested. At the city level and at the industrial level and there's a catch-up we have to play. Challenges with the impot, there is a divide between industry people and non-industry people and there's a lot of education that needs to go into those meetings. Members are trying to reinstate things that the city council has voted against. It's

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hard with the lack of education between the non-industry and industry people. The application process has a lot of duplications. When I submitted my medical application for my retail license, I was handed back my medical application and told me, here is your recreational license, at the tune of a \$950 application review process and the only difference between medical and recreational retail license is being able to obtain the locks so it's literally the same application, they've made some improvements since I applied it's definitely worth noting. I do believe there is a huge disconnect with bds and oni I have a masters in urban regional planning I understand bds I have navigated bds myself for my own business. What I'm observing happening is that there is a disconnect between bds who's very proficient at being able to make sure code works for buildings and people, we are growing plants and we are also processing and manufacturing and there's a disconnect as far as how those fields come together I would encourage the city to look at osha regulations. There are two issues. One is the co2 mitigation within producer's licenses. Depending on the inspector or the day, you're getting different information. In the middle of November, the provisions changed. So if you got your license before did not have to comply with these very strict co2 rules. So, there's measurements about ppm that are about worker safety but do not coincide with plant productivity and health. I would encourage you to look at those issues. There is a loop system people use and without co2, you can't do closed loop, roundup in parking lots will get into these rooms and crops are taken out of the system all together. The solution I have -- I know I'm going over -- there's a cannabis code or there's some way we can put this out. If you're an electrician, you can look up the city's electrical code. We need the cannabis and oni task force meeting so we can educate people on things rather than having the inspectors change things day to day.

Fritz: I know that mieka keene in the bureau of development is looking to have some kind of step by step and I appreciate your input in that. Thank you for your service. The co2 rules, are they within oni's or development services code?

Walstatter: Bds. I have some specifics that have come up design and build assistance to purge the co2 if level is greater than 5,000ppms according to osha a worker is safe in co2 levels at 5,000ppms for eight hours. What the city is asking is a very much lower rate at about 1,100ppm, which is not productive for the plant and some of the things that I've actually been hearing is emergency buttons on the floor. But if you're used to a co2 toxification level, the worst thing you can do is go on the floor. To put emergency buttons on the floor, you're assuming they are army crawling out. It is safer for them to stay higher up. Having someone having to put emergency buttons on the floor, where there's water going down. That is a huge issue. On top of the fact they're requiring it to be hard-wired into your alarm system so your alarms go off. If the co2 levels, go over a certain amount your alarms go off then you have to go down to the facility and turn off the false alarm.

Fritz: You've already lost me. It gets very complicated. [laughter]

Walstatter: I would love to be able to provide you more information.

Fritz: I'm going to suggest is what with commissioner Saltzman, at least for the next few weeks and maybe after he's got the bureau of development services under his purview -- it could be well I don't know about it, but obviously, we have to comply with state law and I really appreciate -- there needs to be attention to the things the office of neighborhood involvement can do and also the other as we all figure out how this industry can flourish.

Hales: Thank you.

Walstatter: So, thank you.

Hales: Thanks very much. I think our bureaus have learned a little bit from dealing with the explosion of breweries and distilleries. They've been through a lot on those fronts.

Fritz: We've all seen the videos of the blowing up and it's concerning in any zone.

Hales: Others that want to speak?

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Moore-Love: I have the next three.

Hales: Come on up, please. Welcome. Good afternoon. Whoever would like to go first.

Abe Holderman: So, I'm Abe Holderman so I'm speaking on behalf of many craft growers, micro growers. Mostly based on myself because I'm really the only one being affected that I know of. I'll read an email I sent to Claire on behalf of Amanda, here. So, yeah, I'm going to read it off to you. The hurdles that I'm faced with recreational medical marijuana changes. I've been producing medical cannabis for 10-plus years and complying with oha rules from the beginning. I produce a product in a residential home. I was able to take my business to the next level by supplying it to the dispensaries. Recently, the olcc has made a lot of changes. Some of these changes were, like, lower plant limits within city limits. Causing oha to start a grandfathering program for medical growers to go down to plant limits, to keep it so people can continue to do what they were doing. Oha offered a grandfather petition for residential growers before January 1, 2015, that would let them have certain plant limits and so on. They also put into play, monthly reporting requirements to track sales and plant limits. The olcc with legislation, they have created a retail license to sell to the recreational market with a tax and sell to the medical market without a tax. So, now the medical patients can go into a recreational store and buy a product tax-free if have their medical marijuana card. It is causing medical marijuana to get their olcc license. It's pushing oha, even as a business, but the dispensary is pushing them to be, you know, recreational dispensaries. So, that for growers that are under the oha, it limited the amount of product that they can move to dispensaries. So we're faced with, you know, possibly a lot of local businesses going out of business because they can afford to get a huge building and jump through a lot of the hoops that it takes to be in compliance on that magnitude. So, you know, my idea is, you know -- maybe for the next work session -- is to let the grandfather growers who have been a huge part of this movement, under the January 1, 2015 license, that they're able to get that first micro tier one license of the 649 square-foot or less. Zoning section 33.203 states you're able to have an agricultural business as a home occupation and so, you know, this tier one and tier two license was created after you guys put in your first set of rules and so that's why I'm here to speak on behalf of the people that are affected by this. I think it would be a very easy process. Office of neighborhood involvement and city of Portland can request that and be part of the requirements and also, you know, have those residential businesses stay under that plant limit, as well, and have that lower -- small canopy --

Fritz: Thank you very much.

Hales: That's a very good suggestion.

Holderman: Okay.

Hales: You sent the rest of that to her office?

Holderman: This was sent to Claire Adamsick and she forwarded it to you.

Fritz: We can forward it.

Hales: We'll make copies of that. Thank you.

Fritz: We're all working things out together, thank you.

Adrian Wayman: My name is Adrian Wayman. I'd like to thank you for giving me the opportunity to speak today. I'm one of the cofounders of Green box is a cannabis service delivered to your home. We sell subscriptions to potential members and we -- I'm getting a little nervous here. We donate 10% that goes right back to our community with one of our first beneficiaries, a domestic violence agency in the Portland area. I am here to show my support for the amendments and the additional retail courier license and the exemption of businesses being 1,000 feet away from another retailer. I came up with the idea of green box about a year ago my original goal was to provide cannabis products to our senior community, working as a bud tender I realized there was a gap between senior

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accessibility and cannabis so I wanted to solve that problem. Being a young, gay, black male in Portland, I'm very excited to enter this industry and also be an example and role model to others of minorities that are younger. As you know, entering the cannabis industry is quite expensive. Traditional dispensary environment can cost you from \$500,000 to three quarters of a million dollars. My plan was to create a delivery-based business that would allow me to enter the market at a much lower cost. Getting financing and access to capital can be quite difficult. So, I have green box. I'm creating a small business and it should be easily attainable and done here in the Portland area. Particular green box appeals to those that enjoy cannabis and also those that may not have the courage to walk into the dispensary. It could be intimidating, risky. A lot of individuals may not want to see their cars parked outside. Local Celebrities, city officials, you name it. [laughter]

Fish: I didn't think about that the last time I went into a dispensary. [laughter]

Fish: Can I ask you a question about your business?

Wayman: Yeah.

Fish: A few years ago my wife signed up for something where every month we got a box of vegetables. Someone put them together -- is that the model?

Wayman: Similar business model. Simply pay a monthly fee and a box of cannabis is delivered to you discreetly.

Fritz: I was going to say give honor where honor is do, Mr. Wayman came to my office several months ago and had a whole bunch of questions thinking it was not feasible. He had thought of all the questions and had several more reason why this would be a really good thing. So, you personally have furthered the business and I really appreciate it.

Hales: So, you think these rules are definitely a step in the right direction?

Wayman: Absolutely. It gives me the opportunity to step in the right direction.

Fish: If the mayor offered you a grant would you agree to have an all-electric fleet.

Hales: We talked about delivery vehicles being electric.

Fritz: Remember we did say the process to marijuana tax could be used for supporting individuals and small businesses and there's also Portland development commission small business grant for all kinds of things and so, I certainly hope that that is in your future.

Wayman: I hope so.

Hales: Thank you.

Wayman: Thanks for your time.

Roberta Robles: Hello. Council, my name is Roberta Robles and I'm a resident in the Elliot neighborhood. I'm a small business worker and I have been a worker who has assisted my father with cannabis and PTSD and my grandmother who love cannabis infused candies to relieve heart and lung conditions. I have been an OMMp caregiver and patient in the past and I currently hold a marijuana worker permit. I support the proposed code amendment to provide clarity on marijuana delivery regulations. This will certainly make it easier for small business owners to enter the legal market. Minor clarification it is needed. It is suggested that the office of neighborhood involvement develop a list of zones and school buffers where cannabis businesses are generally permitted. There is an existing map of school mapping buffers to describe allowable zones in which these businesses are allowed. The city of Gresham has developed this kind of data. Overall, I support the proposed changes in PCC 14b.130. I wish to thank the staff involved for listening to community input and creating new tiers of licenses to support locally-owned small businesses.

Fritz: Thank you so much. We'll certainly take a look at that.

Hales: Thank you. Thank you, all. Others?

Moore-Love: That's all I show who signed up.

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Hales: Anybody else who wants to speak this afternoon?

Fish: Mayor, I have a question. What we have learned is we don't control mother nature and we've had a very crowded agenda and things keep getting moved around. Is there any reason why we shouldn't slap an emergency clause on this today so we have this knocked out ahead of further uncertainty?

Fritz: It is kind of scary how many times you read my mind. I did actually have Claire adamsick my senior staff person working with Matt Grumm we thought that if we added another emergency clause next week, that would allow commissioner Saltzman and development services and other bureaus he's in charge of to be ready for it.

Fish: Do we have council next Wednesday and we kept Thursday free, in case?

Moore-Love: That's correct.

Fish: We have a fighting day of having council next week.

Hales: And we're not having it the 28th and 29th.

Fritz: We could get it done this year and I think the businesses would appreciate that and office of neighborhood involvement in certainly happy to see these changes.

Fish: A second reading tomorrow?

Fritz: Next week and probably next week, we'll add an emergency clause so the businesses currently being held up in the permit process in other bureaus will be moving forward more quickly with the January 1 deadline.

Hales: So, then, we should take a vote on the motion to accept the substitute amendments?

Fritz: So moved.

Hales: I'll second that. Let's vote on that, please.

Novick: Aye. **Fritz:** Aye.

Fish: Commissioner Fritz and oni team, thank you for your good work in bringing these forward. Thanks to commissioner Saltzman for his amendment. This is a quick turnaround from our work session and think these amendments are well considered thoughtful and I think this is a good first-step. I have some bigger questions I hope we can address next year. This is a very appropriate action and I appreciate the fact there was a quick turnaround and such a clear presentation. Aye.

Hales: I appreciate the substance of this and the spirit of cooperation that the oni staff have worked in with the industry. It's great to see small businesses starting in the community and working with us to figure out the regulatory issues as we go along. When it comes to building codes, there are details that matter a lot and can cost a lot if we do it the wrong way. Even if we do it the right way, it can cost a lot. Thank you, commissioner Fritz, for that as well. Aye. Do we have a second amendment here? The courier piece that's a separate amendment, correct?

Fritz: Yes.

Hales: I'll second that. That's the 14b.130. 140 E further discussion? Roll call on that amendment, please.

Novick: Aye.

Fritz: Well again thanks to Mr. Wayman. You may be a new entrepreneur; you certainly pay attention to details and you figured how city code works as well. So that is remarkable. We very much appreciate your partnership. This is our last vote on this until next week right so since your all here I do want to say thank you to everybody who's been working on this in that spirit of let's see if we can make it work as well as possible for everybody. Other the snow coming in, I was expecting there to be some neighbors coming in today with some concerns. I appreciate the council's willingness to set aside that issue of what can happen in residential zones and what cannot and looking at the whole buffer thing thanks for bringing that up. I know that consideration is if we are encouraging more commercial

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enterprises in residential zones, does that further put pressure on affordable housing that some units might be able to pay more than other? So, a lot more things to think about and we certainly will look at them and I'm hoping I'm still in charge of the program in the new year. Aye.

Fish: Aye.

Hales: Just a footnote on that point. I sort of remember how the home occupation part of the code works, but you do have to live there. That might be a good thing, in both cases. That's something where more good work can be done. Aye. This passes a second reading next week. We're recessed until tomorrow, weather-permitting.

At 4:05 p.m. council recessed.

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Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

DECEMBER 15, 2016 2PM

Hales: Welcome. Would you please call the roll? [roll call taken]

Hales: Welcome, everyone. I believe we're only acting on a single item this afternoon. That is item 1417.

Item 1417.

Hales: Commissioner Novick.

Novick: Colleagues, we first created the area permit parking program to give neighborhoods the ability to deal with the commuter parking problem. Commuters were parking in neighborhoods close to the central city, parking was free, and travel by other means to work, taking up a lot of parking in those neighborhoods, creating livability issues. Now we're seeing areas where there's -- there's a real crunch in terms of parking even where there may not be a commuter problem. In northwest you're seeing although they have a parking permit district to address the commuter problem there's additional tools they would like to address their continuing parking issues. So what we're talking about today is giving neighborhoods new tools. Allowing them to form parking permit districts even if there isn't a big commuter problem. Allowing them also perhaps to limit the total number of permits. Right now there are about 9,000 permits issued in NW but only 4500 on-street parking spaces so a permit is just a license to drive around forever looking for a place to park. So we think that we start giving neighborhoods the ability to limit the total number of permits issued. We would also like to give permit areas the ability to decide whether they want to apply an additional charge on top of the base permit charge. A group might reasonably conclude that people who have a garage but choose not to use it should pay a higher price. That people should pay a higher price for their second or third permits than the first one. And the additional money to be reinvested into the permit area for transportation related projects to help the neighborhood like subsidizing transit passes or helping new residents take alternative transportation. I wanted to get this tool kit in place before I left because for one thing the problems are getting greater in various parts of the city. We would like to be sure the neighborhoods have these tools. Also, given that we're scaling back our minimum parking requirements for new developments, that I'm against minimum parking requirements, they acknowledge that might further exacerbate parking problems some places so we want to give neighborhoods the ability to regulate on their own. The affect allowing neighborhoods to limit the total number will probably be some people will move into a neighborhood and not be able to get a permit. I think that that is preferable to having a system where everybody has a permit and nobody can find a place to park. I also think that it's when people first move they are more likely to change their transportation patterns than when they are in the same place. So if somebody moves into a neighborhood and recognizes they may not have a permit they might in some cases decide, hey, maybe I should ditch my car. I think predictability is important and if people move in knowing they may not get a permit; they will probably be able to live with it. I would like to turn it over to the team Grant Morehead and Malisa McCreedy.

Grant Morehead, Portland Bureau of Transportation: Thank you. Mayor Hales, commissioners, I'm Grant Morehead with the bureau of transportation with Malisa

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mccree, our parking operations division manager. We're going to present the recommended revisions to the program. I'm going to start with summary of how the program works today before moving into an overview of the process that led us to these recommendations. I will then detail the recommendations are before giving you a summary of the specific actions that we're requesting of council today. So as commissioner novick noted the parking permit program has been in place about 35 years. It was designed to address commuters that the situation where somebody comes into a neighborhood, parks their car and continues their journey to a job elsewhere. It's not about people that live within a neighborhood district. People who do live and work within the permit district are the only ones eligible to purchase permits. People who don't are not eligible. It's a cost recovery program, current fee is \$60 per year per permit covering the cost of program administration and parking enforcement. You look at this map; you can see the commuting pattern. People typically drive as far as they can without encountering a parking meter or until they encounter a light-rail station then they will continue on another mode. We have had several of these permit areas open just this year along the Portland Milwaukie light-rail line. We have 18 of them now and they are established through a vote of all the affected properties within the district. Every address within a permit area receives a ballot to each address. It goes to the address, not necessarily to the property owner. We require a 50% response rate and 60% affirmation yes we would like a permit area before it's created. It's a high bar to create one.

Novick: When you say the ballots goes to the resident, not the property owner, that means renters can vote.

Morehead: That's correct. The permits are issued directly to the residents and directly to businesses who then distribute them to their employees. Our city code allows limits to be placed on the number of permits issued to businesses, it does not allow for limits to be placed on the number of permits issued to any individual resident or the total number issued within a permit area. So there are some limitations some of which I just highlighted. We don't have an explicit link between land use and parking. They span different types of areas. There's employment, industrial, residential. Because it focuses on people coming in from outside. Again we don't allow limits on permits issued to residents. If I was a resident and I had ten cars I would be entitled to receive ten permits. We don't limit the total number issued so northwest is one and central east side is another we issue about twice as many permits as parking spaces. The cost recovery model limits our ability to use pricing to influence demand. Those are the key limitations to the existing program. Putting all those together the problem we're trying to addressing is well known. Development is happening at a very rapid pace in many of our commercial areas, mixed use areas, and that's creating parking problems in the surrounding neighborhood that we have not addressed as a city before. It's not an issue we have had to deal with, so we need new times and strategies to manage parking supply. The area parking permit program is one tool but it needs an update to be effective to address this new issue. This process really began back in 2013. Council adopted an ordinance that introduced minimum parking requirements for multi-family developments along transit lines. In that ordinance there was a directive that pbot come back to you with revisions to the parking permit program. In 2014 we applied for funding from the state and received a grant from odot under their transportation and growth management programs for what we call the centers and corridors parking project. We convened a stakeholder advisory committee meeting that led us to these recommendations. The committee when we first put it together we reached out to all the neighborhoods and coalitions and got a great response. We had about 30 people on the initial list of participants. By the ends we were down to about 20 active members. That in my experience is pretty typical. We reached a recommendation in 2015. Just about

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a year ago now. In addition, this has been a major part of our city-wide parking strategy. We have had dozens of meetings throughout the city with various neighborhoods and groups. I was at a meeting a couple of weeks ago discussing this program. We have had a parking symposium attended by over 160 people. We had a work session with the council and a briefing with the planning and sustainability commission. So this process, these recommendations, this is not taking place in a vacuum. We have worked very closely with the comprehensive plan team, projects than the council has largely seen through the legislative process. There are a number of other projects happening now that I also want to highlight that are relevant. Inclusionary housing project proposes to eliminate off street parking requirements added in 2013. The residential infill project will result in greater density within residential zones. We have the northwest parking management plan part of pbot's ongoing efforts to better manage on street parking in the north west plan district and the transportation demands management requirements for multi-family developments that were part of the comprehensive plan implementation package. I was a part of that effort as well. Just to highlight specifically some of the policy directives, the comprehensive plan has five policies that are relevant. The full text are availability in the impact statement. I have a list of what they are. The climate action plan also provides guidance on parking management and the transportation system plan, these are not officially adopted yet. They were before you earlier this week but there are a number of objectives that are relevant to this effort particularly around mode share goals. We have targets for the year 2035 and for the first time we have a car ownership rates goal in the tsp. That targets specifically households in mixed use zones. We want to double the number of car-free households that live in mixed use zones by 2035. What we are proposing to do is create a second path to create parking permit areas in residential areas. We achieve that by looking at the zoning so residential zoning includes all residential zones from low density single dwellings to high density multi-dwelling zones. The permits would be drawn to conform with the zoning boundaries in those zones. The proposal is neutral on housing type. It's all apartments and houses and duplexes and everything in between. It's also neutral on ownership status. Renters and homeowners would be treated equally under this proposal.

Fritz: So it doesn't include the mixed use zones?

Morehead: That's correct. I have a map in a moment that illustrates this. We are also proposing to allow new limits on how we issue permits. Particularly allowing limits on the number of permits issued for a particular resident & allowing limits to be placed on the total number of permits issued within each area. The specific parameters within each permit area is developed by the area parking committee. I'll get back to that in just a moment. This is the map I referenced this shows the general zoning pattern along a typical commercial street. An actual zoning pattern would not be this clean of a line. In orange you have the commercial zoning. Typically, the main street would have high frequency transit service surrounded by largely residential zones. So the permit areas would be drawn and that is in blue on this map. The area parking committee that develops the implementation plan, this is consistent with our existing practice, within each of our 18 permit areas there's a committee of local representatives that develop the implementation plan. That would continue under that proposal. The one thing that we're changing is currently the area parking committee consists of a minimum of two members, one appointed by the neighborhood association, one by the business association. We are expanding that to also include a residential representative from nearby commercial areas. We would also be bringing somebody in from adjacent commercial areas that has residential development. There's a provision for up to two additional members. We don't specify who those members must be. The plan that the committee develops is called the supplemental plan. The area parking committee works with pbot staff to develop this and it can include any

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number of things. Hours of enforcement, exceptions, whether it's two hour or three hour parks except by permit. Employee and resident permit allocations, total number of permits, whether there's a price difference, and a catch-all other category depending on unique situations we may have unique provisions for neighborhoods based on their needs. I want to highlight another point here that's very important. When we create a new permit area we don't want to change the rules on people who have come to rely on on-street parking even if they live outside the boundary. Commissioner Novick mentioned this in his opening remarks. We propose to guarantee access to permits to anyone who lives within the nearby commercial area. Future residents as the area develops and densified they may not be guaranteed access but would be able to make their housing and transportation choices with full set of knowledge about level of public service they can expect when they move into their new neighborhoods. So summary, we want to expand the program purpose to address issues other than commuter parking. We want to retain but modify the process. What we're proposing here is going from a 50% response, 60% yes, to 50% response, simple majority yes. So it's a slightly lower bar to create a permit area. We want to draw connection between parking management land use and zoning allowing additional caps on the number of permits issued and we want to authorize permit fees to set above cost recovery with the idea that would be reinvested into the neighborhood in transportation projects. Finally, we would exempt in a neighborhood that had a cap on the number of permits they issued, if they reached that cap somebody who when an ADA permit would never be denied a permit. That permit would not be counted against the cap. We also would provide an exemption from any surcharges adopted for people with low incomes.

Saltzman: What's a surcharge?

Morehead: A surcharge would be -- it could be any dollar amount that a committee -- I'll get into that.

Hales: That's their ability to set --

Morehead: Right. Above the \$60 if it was, say \$100 or \$120. This program exists on the central east side. We have a special authorization for you to have a permit surcharge. They are currently in year two and they have an \$80 per permit surcharge so each permit is \$140 per year. People who have demonstrated hardship there are exemptions from paying surcharges. We would continue that under this program. The specific actions we're requesting to amend city code to adopt those changes as detailed in the ordinance. To grant administrative rulemaking authority to the transportation director so we can continue to refine this program as it rolls out, and authorize neighborhoods to voluntarily adopt permits fee or charges with the idea those funds are then reinvested into the neighborhoods.

Hales: Restrictions on what that surcharge can be spent on?

Morehead: Yes. Typically, only on things that would affect mode split. It would encourage non-auto use. We wouldn't want to build a parking garage with those dollars, for example.

Fritz: When would the lack of parking be disclosed in a home sale? You're selling your home. You're already maxed out in that area would the seller be required on the listing that there's no parking?

Morehead: No access to on-street parking.

Fritz: Yes.

Morehead: I don't know for sure. That might happen during the title insurance review. I would have to look into that.

Fritz: I think that's a detail that needs to be worked out. If the goal is to get people to give up their cars or only live there if they don't have one, it would be a very big expense to put your deposit down for you to find later that there's nowhere to park your car. That's

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something I would like to be discussed further. Would the residents of a multi-family development get the same votes as a single family home?

Morehead: Yes. As long as it was within a residential zone, r-zone.

Fritz: So an apartment or condominium project that had 50 people or 50 units would get 50 votes.

Morehead: Correct.

Novick: A lot of those would be in the mixed use zone which would not be in the permit area itself.

Morehead: Depending on the zoning. If it's in a cm zone it would not.

Fritz: I noticed that you said residents in an existing commercial development would have access to a parking permit. What about residents of new mixed use developments?

Morehead: They may not be guaranteed access to a permit. We took a look at the demand in several mixed use areas, couple study areas. We believe if we would adopt this today, everybody who lives on Mississippi or division for example would get a permit because there's enough parking to go around. If you look at a slightly larger area, but five more apartment buildings that may not be the case. There may be too much demand, not enough parking supply to accommodate the demand.

Fritz: I would like to see the study you did on division in particular. That's not what we found when we looked at division four years ago. Yesterday we had a discussion of electric vehicles. What about electric charging stations if there isn't any off-street parking? Has there been any consideration that if you had an electric vehicle you could install a charger on the street and then have that space?

Malisa McCreedy, Portland Bureau of Transportation: So we're developing a separate electric vehicle charging policy that will -- that's not part of this study. That's going to be more global in context of the whole city. That's under development.

Fritz: If there are lots of applications for ada spaces, which often have a specific number on them, would that change the number of permits that you would cap the district at.

Novick: That would be up to the individual neighborhood committee. If they are deciding how many permits to have, but they have to allow for permits for ada permits, they may decide to adjust the number based on that.

Fritz: Pbot would give them an update on an annual basis of how many spots they lost?

Morehead: A committee could say we will increase our cap by however many ada spaces we have or just not cap them. It would have the same result.

Fritz: That's even more restrictive of on-street parking because only that vehicle with that registration number can park there.

Morehead: Any vehicle with a dmv placard can park there. It tends to be in a space.

Fritz: I have seen actually signs that say just this license plate. There are some reserve spots where people have now I'm getting head shakes? All right. Fair enough. Did you have some questions commissioner?

Saltzman: I thought in northwest in particular that some portion of surcharge goes back to the transportation bureau as -- I thought there was a split between parking committee and -

Morehead: That's for meters. The policy is 51% of that meter revenue is reinvested, the rest comes back to pbot.

Saltzman: I thought also for permit surcharges.

Morehead: That's something we can consider certainly.

Saltzman: I feel there's a bias against newcomers in this system. We're trying to create all sorts of affordable housing opportunities and what we call high opportunity areas, good neighborhoods, good schools, good parks, and you're in essence telling me if you live there now you're forever somehow vested and if you're new you're out of luck. That's not

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acceptable. There has to be a fair way of reallocating permits. I would suggest we look at a lottery system every couple of years, everyone's permit gets thrown in the lottery, everyone has a chance to compete, or something else. But there has to be something fair for low income it's not just low income I'm thinking primarily of low income people having a chance to park their car just like everybody else has a chance to park their car but for the fact they are new to the neighborhood.

Novick: If you're looking for absolute fairness you're absolutely right. I was going to suggest the lottery system. I think that in terms of acceptability within a community, having people be told that every two years they might lose their parking permits might really freak people out. So I think that it might be logical to live with a certain level of unfairness rather than that level of instability. However, one thing we could do is give the neighborhood the ability to allocate by lottery or we could mandate it. That will be an interesting political discussion to have.

Saltzman: There are a lot of neighborhoods as we have talked about before where you mentioned something in your remarks, people have their garages. They are full with everything but their car. Then they have two, maybe three neighborhood parking permits. So I think we have to get at that issue. So I think there has to be some fair way of allocating permits and I just don't see this as being fair and nobody who moves into a neighborhood is ever going to ask before they buy or rent is there an area parking permit. That's just not a question that will ever come up until it's too late.

Novick: But commissioner, if we allow there to be a limit on the number of permits, then some people are going to wind up without permits. If we decide we're never going to limit the number of permits, then in certain places you're going to have people with permits driving around forever looking for a place to park because they got a permit but no place to park.

Saltzman: I heard of that issue on a land use case we had not long ago in northwest. I just think there has to be some fairer way than if you're new to the neighborhood you're out of luck. That's not fair.

Hales: So did the group that worked on this weigh all their alternatives to that, lottery -- you're managing scarcity.

Morehead: We talked about retaining a certain number of permits under the cap and having that available through some sort of lottery system to people outside the permit area. One thing I want to address is information sharing. Early implementation package there was a transportation demand management requirement that would apply to new multifamily developments. In that requirement are both financial incentives for people to use modes of transportation other than the automobile but also information sharing. That would be included as part of that package whether or not you live in a permit area and if you do not to necessarily rely on-street parking. So that is something that we could moving forward for new develops make sure that information gets out.

Saltzman: What happens to the option you looked at that would reallocate permits?

Morehead: We have opted for as much flexibility as possible rather than mandating how that gets implemented across permit districts. Leaving up to each individual permit area. That's been our approach up to now.

Novick: Theoretically a local parking permit committee could decide to go the lottery route. Although the way it's phrased now it would able only people within the residential zone would be eligible for the lottery.

Morehead: Not necessarily.

Novick: Explain -- elaborate on that.

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Morehead: You have an x number of permits that are available. You cap it at 80%. 80% are available to people within the permit area. The remaining 20% would be available to a lottery for people outside.

Hales: The issue is not outside and inside, the issue here, we'll hear this in testimony from people that have wrestled with these issues where we have 8,000 permits for 4,000 spaces, the people that don't have one now or who might move into the neighborhood and expect a chance of getting one, those are the equity issues we're trying to grapple with here. That if it's just sort of the parking equivalent rent control that I got mine a long time ago I'm great, not sure how that works out for everybody else. The lottery idea has some appeal to me as well for that reason.

Fritz: You're there for a year and then you suddenly don't have a place to park and you have to park a very long way away outside the permit district. At that point you may have had one or two more children. [laughter]

Hales: Exactly.

Fritz: I speak from experience.

Novick: It seems like we have three votes for a mandatory lottery system.

Fritz: I think that's really disruptive to people's lives obviously I'm looking to hear some more testimony. I'm concerned about only 50% of residents can initiate and only 51% can vote. So 26% of area residents including multi-family building has a lot of people in it then it could be really lopsided as to who really wants the parking permit system and who doesn't.

Novick: I'm actually rather disturbed to hear you suggest people who live in single family homes should have more rights than people in apartment buildings.

Fritz: I thought the deal was apartment dwellers don't necessarily have cars. Propose some parking within developments or we have to look at where are they parking now and the fact that if you have people stacked up high there's only a finite amount of street space, which is what you have been dealing with. I do think we have to look at those things. It's not about apartment dwellers not being the same it's just that the street they take up is not the same.

Novick: The street each one takes up is actually the same. The typical housing apartment they are taking up less space on the street in general than a single family home. I mean the proposal we're talking about here actually could theoretically in some circumstances be harder on people who live in apartment buildings in nonresidential zone. To say within the residential zone, we should discriminate against people in apartments I think would be unacceptable.

Hales: Well, we obviously have got some issues to work through. Any else?

Morehead: I wanted to add that the reason why we have opted for retaining flexibility in the current proposal is there are all sorts of creative ideas out there. About how they would like to see the pricing structure work and allocation so maybe you'll hear some of that during testimony.

Fritz: I just have an informational question. I didn't hear you talk about households with driveways having a different price for on street parking could you explain how that works?

Morehead: We in our initial work with the committee had come up with a proposal that would have charged more for more than the base fee if you had access to off-street parking. We had to back away from that. We would leave that up to the individual committees to determine. If they decide to have a differential price structure they can take that route but if they choose not to, just retain the base fee, everyone would pay the same amount.

Fritz: Thank you. I just remembered another question I had even though I said that was the last one. That is about the business districts. Thinking of division, that the businesses

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need places for people to park as well as people who live there. So how does that factor in? You only have one business representative with maybe four nearby residents.

Morehead: The way it works now, the business associations are on the committee, they don't have any guaranteed allocation of permits. They come to the table with part of the supplemental plan process and that's negotiated. In some of our permit areas it's 100% of employees get permits, in others as low as 50%. That basic dynamic would remain. From the customer perspective I want to point out all these permit areas would remain two-hour, three-hour except by permits. Short term parkers would be able to park everywhere. That would largely remain unchanged except hopefully there would be more parking available.

Fritz: Who would decide whether it's two or three hours?

Morehead: That happens during the supplemental plan process.

Novick: Actually the fact that we're talking about having the permit districts only in residential zones is so the parking and mixed use zones would be largely available for businesses.

Fritz: Mostly they have the frontage on the main street then just side streets. There's not nearly enough parking just in front of the business.

Morehead: For customers I believe that's correct. They need access to the neighborhood for their short term parking needs. Employee parking typically business owners wouldn't want their employees parking directly in front. We would manage that on the commercial street for short term use for turnover. Employees with permits would be able to park in adjacent residential areas.

Hales: Okay. Other questions at this point? We might have some more at the conclusion of the hearing. Thanks very much.

Novick: I want to say because of the weather it's particularly important to say for those who plan to testify and weren't able to make it the record will remain open until the vote next week.

Hales: Good point. Thank you. Who would like to speak on this item?

Moore-Love: Six people signed up.

Hales: Come on up, please. Good afternoon.

Chris Smith: Mayor, members of council, Chris Smith, vice chair of the planning and sustainability committee appearing on behalf of the commission. I was a member of the stakeholder committee and liaison between the psc and this project. I'm here in the interesting position of expressing enthusiasm and caution. We asked pb0t to review this program with psc shortly after the stakeholder committee process was completed. That happened early this year. We followed up with a letter to commissioner Novick and director Treat at that time. On the one hand, this set of policies is very much in alignment with the comprehensive plan. Just to give you some examples it supports the development patterns we're seeking in centers and corridors. Parking management plays into our congestion management policies, into our tdm policies. We have six policies specifically about parking management that this very much supports. So right direction. The caution is around equity issues. We are concerned, and some of the things you've already talked about, but one we're very concerned that using the line between residential zoning and mixed use zoning is an inappropriate tool to guide the formation and setup of these that a more holistic approach is more appropriate of course the governance of the initiation and ongoing operation of these should be representative of all the stakeholders involved in the process and that we be careful with the demographics of people inside the districts and outside the districts don't look radically different and it would be very easy to see if we use that line between r-zoning and c-zoning that you would have very different demographics in the corridors than in the neighborhoods next to them. The commission and the bureau has again expressed these concerns to pb0t. I understand there's an agreement from director

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treat that there will be some delay in implementation so that can be worked out although I understand there's a desire to pilot some of these in northwest. We would be very supportive of that because the boundary and governance issues are already in place and we don't have the same concerns for that specific district but before this got implemented in additional centers or corridors we would like a hard look at the equity issues. I would go back to the interaction with parking minimums. Say that I think I'm in line with commission thinking on this that there's a much better chance of new development building the right amount of off-street parking when the rules on the street are clear and the false expectation that, sure, I can find parking on the street somewhere, goes away. Everybody recognizes their scarcity and development process response as opposed to government trying to know what the right answer is. We have a lot more confidence in the market responding to sensible regulation of the street.

Hales: Thank you very much. Thanks. Good afternoon.

Tony Jordan: Hey. Thanks for the opportunity to speak. Thanks to the staff and committee that worked on this policy. Spent a lot of time on it. I'm Tony Jordan, I'm the founder of Portlanders parking reform and was a member on the centers and corridors parking committee. I think this policy is long overdue. If we had a permit policy and flexibility 15 years ago I don't think we would have had the blow-back, backlash in 2012 with the apartment parking and we would be farther along in our mode share goals and towards our climate action goals as a city. But this is better late than never and I'm hopeful this will help keep some oil in the ground and provide eventually for more affordable housing and a foundation for more sustainable policies and developments at least until social and technological developments make this less of an issue for our city in maybe ten years when we maybe have less demands for on-street parking. I think right now this program sends a message to developers they can't avoid managing all their tenants' transportation needs and it's a message to residents that on-street parking is not a free or personal resource anymore. Never was really. On-street parking management is a component of a suite of policies. In the last month you voted I think wisely to waive most minimum parking requirements in the mixed use zones. Residential zones really complement that decision. Little more than a decade ago my friend professor Donald Shupe published a book, three-step process to parking policy which included eliminating minimum parking requirements, charging for on street parking, and using parking benefit districts to apply parking revenues back towards the areas where the revenues are collected. I think a plan for parking in the pipeline we're on our way to having some of the most progressive parking policy in the country probably. I think the strength of this program lies in flexibility which grant mentioned. In the next few years we'll acquire technology that allow more options for permitting including virtual permits by plate recognition. Some neighborhoods may want to experiment to find a fair price and raise much needed revenue for street safety and transportation demand management. By managing our on-street parking supply properly we can make our transportation system more equitable, more convenient for people who must drive and safer and more affordable for people who can't drive or choose not to drive. I think we really need -- the inclusion of the transportation demand management portion which I had not seen mentioned so much in the proposal but discounted bus passes and things like that I think very smart. Residents are never going to be happy to pay a parking permit fee for something they have been getting for free but if those revenues are being put to good use to encourage people who are able to make different transportation choices and go without owning their own car then those who have to park on the street will have a much easier time. I think Portlanders want an effective permit program and that probably includes prices that are above \$5 a month. That will encourage people to use off street parking when they have it available and encourage

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people parking seldom used vehicles to get rid of them and use car share or other options for their travel. This is really an important first step. I encourage you to pass it. I wanted to also mention in hearing your comments and concerns, I think that there are -- I shared Chris's concerns on the committee about excluding people in the mixed use zones in these apartments. Ideally you have a system where everyone who wants a permit has an opportunity to try to get one. But in our society -- usually when we have a situation like that where there's more of something than -- less of something than the people who want them we use price to manage that. There is a mechanism called a uniform price option that is often used for this on college campuses to allocate permits to faculty where -- I think it's really -- I don't know if we could get there but I think it's the right way to figure out the right price. If you for example had 20 parking spaces in a zone, everyone bids what they are willing to pay for a parking permit zone. You rank those bids from highest to lowest and the highest 20 bids because there's 20 permits available get the permits at the price of the lowest bid. So no one pays any more -- almost everyone pays less than what they were willing to pay. The only people that -- only the lowest bid they're gets a permit pays the price they were willing to pay.

Fritz: Everybody who can't afford to bid they get locked out, how is that fair.

Jordan: We're creative people. We can be like you can give a bidding credit to a low income family so they would have \$60 which if they bid that on the permit that would be applied but wouldn't be charged towards them. You would take any of the costs above recovery would go back into parking benefit district which if you're using that money to do things like subsidized transit passes for people then you are creating more affordable transportation options. I think when we talk about equity and -- there's a large group of people in the city who don't -- can't afford cars. When I ride the bus that's a lot of people on the bus with me. When we talk about who is really the vulnerable members of our society and affected by this policy, we're not collecting money and expending -- trying to extend bus hours or provide -- or make it possible to build more affordable housing near where their jobs are, we're focusing on a car-dependent system that as we saw yesterday really doesn't serve people in a lot of circumstances. That's my opinion on this.

Hales: Thank you very much. Appreciate it. Good afternoon.

Rick Michaelson: Good afternoon. I'm Rick Michaelson speaking today for your guinea pig on the northwest parking stack. These issues are very, very complicated. Equity cuts in a lot of ways, we're exploring a lot of options. We need this as the enabling legislation to pursue some of those. We're looking for example of maybe allocating permits to apartment building owners instead of to individual residents so there's more control, they can allocate within their building. We're looking at limiting, capping the overall system. We're looking at flexible pricing and a variety of things. We want to make our system as voluntary as possible. Our real goal is to make it as easy to live without a car as with a car. We want to do this with incentives, not disincentives. Helping give people the opportunity to use transit instead of automobiles. But in order to make the system work at some point we have to limit the number of permits. That means at some point somebody who would like to live in northwest and own a car can't. The trick is how to do that as fairly and rarely as possible. We're going to be developing these policies. I know it's experimental. I would be happy to come back to council and brief you on what we're discovering in terms of methods, what works and doesn't work and get your individual concerns about it as we develop the program. Step one is passing this ordinance so we have the tools to enable us to explore these options.

Fritz: Potentially we could pass it just for northwest where we have a system that's got some money going to the tma and we've got and sac and you could figure out how to

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address the issues that commissioner Saltzman and I are concerned about not just the last comers who don't get parking.

Michaelson: You could do that. But I think it takes so much work to get an ordinance through here that you're better off setting the system even if you want a moratorium on other pieces until later. We have been trying to get this ordinance to you for over a year now. It's here. I think this guarantee that it won't be implemented in other districts until these pieces are worked out. My recommendation would be to pass the ordinance but that's up to you.

Novick: Thank you, rick, thank you, commissioner. I should note director treat has had some conversations with Susan Anderson about these equity issues and that practically speaking we're unlikely to see anything from anybody but northwest by July anyway. They continue to have those conversations. I think it's really important to give northwest new tools to work with as soon as possible and I think we tried to do that when we decided against parking minimums in northwest. If it's the will of council, I think we might be okay to say we're passing this ordinance where postponing implementation anywhere but northwest until July.

Fritz: I think given the short notice people have had and in fact it's a snow day for most school districts there may be people planning to come but can't because they are home with children. I wouldn't be comfortable passing the whole thing, I'd be more willing to do it just in northwest where we have had literally decades of decisions about this.

Michaelson: It's actually four decades now. [laughter] I do need to mention one other equity issue. When we were here last year asking for parking minimums the reaction was we're looking to reexamine it elsewhere in the cities. We don't want to adopt something and then undo it. Now that you've made your decision about the rest of the city, which is what we want, parking minimums exempting affordable housing units and projects we would like you to put us on the same wavelength as the rest of the city.

Hales: Thank you.

Saltzman: How do you feel about splitting the surcharge revenue at 50/50?

Michaelson: I personally don't see a problem with it. One of our goals is to run the whole system as a system so it's odd to have one set of price permits and another for meters.

Fritz: That's how it is for the tma. You get half the metered and we get the other half.

Michaelson: Metered revenue. But it's not the same in the ordinance for permit surcharges. [speaking simultaneously]

Saltzman: That's what we're talking about right now.

Michaelson: If you want 51% of permit surcharge, 51-49 split so it's the same I have no objection to that.

Jordan: I think that's a mistake, respectfully. I think the idea of the price; the price should be set to manage the demand ideally. We're not in an ideal situation. The price would be shockingly high in some areas. That wouldn't fly. If you're going to raise the price say you get it to 20 or \$30 a month, it's not raising it as a revenue generating mechanism for the city. It's raising it to manage the parking demands. One of the reasons you want to give most if not all that money back -- the city is still going to manage the -- direct the spending. I picture a menu of sorts where a neighborhood could say, these are -- pbob says here are some projects that we could build that make it easier for people to get around without driving and the neighborhood gets to pick some but they know that money is coming back in, makes it seem much less like a tax than an actual mechanism to manage parking. That's why the price should be higher than the surcharge, not to raise revenue.

Novick: This anticipates all the surcharge, not 50%, 100% would go back to the district. It's just the initial cost recovery of \$60 that would go to pbob. All of the surcharge money would go to the district.

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Saltzman: I'm saying split the surcharge 51-49.

Jordan: It's a tax. Neighbors will perceive you're trying to -- there's already negative feelings about paying for parking so I feel like the more you're giving the money back to the neighborhood where it's collected, the less resistance you're going to have.

Fritz: is the intent to make the parking committee like the transportation management association in northwest. Is there going to be ongoing transportation committee? I'm sorry, couldn't hear. Maybe we'll get that later.

Hales: Let's hear the rest of the testimony. This has been a good discussion. Thank you very much. Let's take the next group, please. Good afternoon. Mr. Parker?

Terry Parker: Good afternoon. Terry parker, northeast Portland. If the private sector were to purposely create a shortage for a central product or service, then add a new fee or surcharge it would be considered fraud or scam. Yet that's just what this parking management proposal is about. Not require off street parking minimums for new multi-unit residential development in turn creates a parking shortage. When that is followed up with a fee for on-street parking it becomes a socially engineered scam. Motorists already pay for the streets curb to curb with fees. Gas tax has paid for bicycle structure in that one two axel bus does as much damage as 1200 cars motorists also subsidize transit. If curb space is to be considered a commodity equity requires for every 18 feet whether there's a curb side bike lane the bicycle community is to pay the annual \$60 through user fees developed by the entire community. Not just developed by bicyclists that could also vote for a gas tax. Likewise, for every bus and curb extension that includes a bus stop. Trimet should be contributing the same. Concern has been expressed that low income households are being pushed out from the inner city with increased transportation costs. 59% of low income people drive to their workplace and many more own cars. Adding a fee for on-street parking is also an increase for transportation costs hitting low and modest income households the hardest. It's contrary to supporting local small business brick and mortar stores, local restaurants and utilizing libraries. This is especially true in areas like the Hollywood district. The entire district must not be subject to the same mayhem as northwest Portland. Yet another divisive fee they already pay more than their share of transportation infrastructure costs. Requiring adequate parking minimums for new multi-unit residential development needs to be reestablished. Portland is not Chicago. It's unjustifiable to allow the camel's nose under the tent which could end up as a full-blown Chicago style policy fee and parking. Thank you.

Hales: Thank you.

Allen Field: Good afternoon. I'm Allen field. I'm on the Richmond neighborhood association but I'm not speaking on behalf of them. I did serve on the parking stakeholder advisory committee. In my many years in the neighborhood association parking is one of the biggest problems neighbors complain about so the proposed amendments to the area parking program are very needed. I'm generally supportive. I just want to offer my thoughts on ways to improve it. Big concern I have is on the issue of cost. The base fee will be \$60. As it was described to us, behind san Francisco this will be the second most expensive permit program in the country. Seattle is \$30 and other cities are half that. If I understand it it's a \$60 to cover administrative costs, but other cities are able to do this kind of program for even half that cost so I would ask pbot to look into that. That really is the cost and if there's other ways to reduce it. In 2007 the cost was \$35. I could just see knowing Portland in five years the fee will be double. 100 to 120 plus you talk about the add-on surcharges, 20 or more. I heard tony talk about 30 a month to parking permit fees. We have an affordability crisis in Portland. It's not just housing. It's groceries, it's utilities, it's health care costs. It's transportation costs. People are getting nickel and dimed all over the place. I just

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think the city shouldn't add to that problem. Look for ways to make this a little cheaper and for people willing to vote in this.

Novick: Are you saying that the neighborhood parking permit programs should be prohibited from imposing a surcharge, for example for charging more for the second or third car than the first? That's what we're talking about, giving neighborhoods to add surcharges on their own, for example paying more for a third car than the first.

Field: I do think so. If the administrative cost is \$60 anything above that is a punitive measure to punish people with more than one car. I'm opposed to that. I like that the surcharge element was made part of the second vote. It's a 60% yes buy-in which I like. If council does include that with the first vote, keep it a 60% buy-in requirement from the surcharges. I also encourage the city to look at the exemptions. For instance, in my street alone there are six houses with shared driveways but the driveways are 6.5 feet wide so no one can use the driveway. With my neighbor I can't use it, they can't because it blocks both of us in. I have to pull in both my side mirrors to park. No one uses it. I hope the administrative rules have an exemption for shared housing or look at the old style houses where you can't even use off-street parking. Also look at greater grounds for an exemption. There should be a senior discount, a discount for anyone receiving any public assistance. If you're on the affordable care act, we don't want to make Portland more unaffordable for growing swath of people. This is equity issues. Other areas I want to point out is I think it's open issue I think when you draw the permit area it should be allowed to span a street like division. Administration rules should specify in the commercial zone since people are grandfathered in include the block spaces in the 20-block minimum count and lastly I just want to say I just want to commend grant for doing an excellent job. He was always responsive for questions by email or meetings.

Hales: Thanks. Good afternoon. Welcome.

Murray Koodish: Hello. I'm Murray Koodish transportation and land use chair for the northwest Broadway business association since 2009. The city's area parking permit changes represent a major shift in city policy and eliminate the existing equal parking rights for ref dense, businesses and customers in our neighborhood. The system will be replaced with an ordinance that prioritizes residents and lacks critical protection for businesses and our customers. Strongly feel major modifications must be made before city council passes the amended parking ordinance. It's December and the busiest month of the year for businesses and enacting a complicated revision of the area parking plan during the holidays is irresponsible as businesses simply don't have time to be here or respond to the plan. The proposed ordinance and related plans contain major flaws that require time and attention. We're asking consideration and approval of the area parking ordinance be delayed until early next year when businesses can provide feedback and changes made in an unhurried manner. The ordinance states in the early '80s and '90s proposed changes are also intended to last for decades. Yet the Portland bureau of transportation has made no effort in the last two years to provide the business community with specifics of the new parking plan or to gather business feedback. For example, only two spots of 28 folks on the centers and corridors parking sac represented business groups. In 2015 I attended Multiple sac meetings, had multiple discussions with pbot managers, submit written versions of the minutes. Pbot managers promised to contact us about our concerns but have not responded in the year since the final meeting in December of 2015. Pbot has also not reached out to Portland's business district via venture Portland, which could have facilitated a presentation to its board which represents districts throughout the city. Nor do they convene town hall meeting with neighborhood business owners as they did in partnership with the city commissioners and other major policy issues including sick leave, mixed use zones and street fee. Access to

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neighborhood business districts by a variety of modes are critical for businesses and our local economy and as most customers and many employees arrive via car a parking deficit negatively impacts businesses throughout the city. Making things worse is the boom in apartments with minimal or no parking that forces residence to park on neighborhood streets. Future development and neighborhood infill will only make it worse making it even more important to find business friendly solutions. Businesses in northeast Broadway are reporting customers are complaining loudly and more frequently about difficulty parking as well as city-wide congestion. Some businesses have already reported a drop in foot traffic and revenue. We're concerned that proposed parking permit system will only make the situation worse. Which is why it's so important that any new parking plans put as much of an emphasis on protecting businesses and their customers as on neighborhood livability. One way to accomplish this is to have a basic set of policy directly into the parking ordinance that would protect businesses yet work well for each the parking permits district it would also save the district time and money. Details and other ideas are in the letter that you've been handed. In conclusion, the major changes being proposed will have long-lasting substantial economic and personal impacts on our city's businesses, customers and employees. We're simply asking that the city commissioners work to ensure that the needs of our local economy and businesses are met under the new area parking plans and policies. Thank you.

Hales: Thank you. Thank you all very much.

Doug Klotz: Hello. Back again. I'm Doug Klotz. I live in the Richmond neighborhood. I support the modifications here to broaden the scope of available parking permit program to include overnight parking in centers and corridors. This will be a good start toward a program useful in addressing the growth and help manage auto storage and allow more needed housing along transit corridors. To Mr. Saltzman's point, I think everyone the thinking was that buildings on the corners were built with no knowledge that parking would be restricted so the idea of having those buildings have access to the permits at first makes sense from that point of view because they were aware. You could argue that those buildings themselves should in perpetuity have access and all new buildings be restricted. There's certainly a point to be made there. I think it's important, though, as Rick Michaelson noted to get a base ordinance passed. There's a lot of flexibility for city staff to tweak a lot of things. I think the important thing is to get an ordinance in place and then make those changes on a smaller scale with a smaller process. I personally recommend simplifying the voting proposal so we don't have to go -- the committee doesn't have to go through two votes, just one vote on whether there will be a permit and then whether there will be a surcharge. I know you have two thresholds, 50 and 60%. I'm living myself on a block face that's 1147 feet long. I wonder if blocks can be split up and still have the permit. 35th from Hawthorne to Harrison is 1100 feet and yet they didn't have a parking parliament in 600 feet but not in a 1000 feet where I am so the fact that one commercial building has side frontage has commercial on that block face? I'm thinking that the block faces might be able to split. I hope this program will pass so we can work on those tweaks, see how it works in northwest but still have the ordinance already passed with all these options in it and we can work on it from there.

Hales: Thank you. Thanks very much. Good afternoon.

Tamara Deridder: Hi. I'm Tamara Deridder. I'm representing myself chairwoman for city park neighborhood association and I'm also a member of the former centers and corridors advisory committee. I am also the author of the minority report that was issued on December 11th, 2015, to the committee and representatives for pbob in asking for clarification and concerns in regards to a number of things including the lack of representation we had in the committee by businesses. We only had two named members

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of the business community and only one of them regularly attended. So the recommendations that came out of that committee were totally slanted against the small business community by as you can see in documentation there's only one representative out of five of the business community. There has been a number of concerns. What I would like for you to do is for city council to continue or set over this public hearing until at least February 2017 to adequately notify the public which it has not done. Neighborhood associations, business districts and venture Portland as required by the code 3.96.050. Without proper public notification this ordinance fails to satisfy ordinance ors195.305. By restricting the possible access and use of properties to be impacted compromising their value. So number one, let's get notification. Let's make sure everybody is attentive. Also, clearly one of the first concerns is lack of business representation. There's a concern also about balkanization of our business areas by having as little as 20 linear street of block space in one unit, one area. The reason that is a problem is because it breaks up the business districts into smaller cubes and each business will then have to fend for themselves for each individual area. It becomes untenable for small businesses to spend that much time in committee meetings just to defend their needs. Also, there's evidence of overflow parking as identified in the city's own report which is the -- gosh. Centers and corridors parking analysis model of 2035 conditions. The one person that did respond to the minority report was Eric engstrom from bps and he did identify that the language in here shows overflow parking needs of over 552 parking spaces on street in the evening hours for Hollywood district. That would go into the residential area. So where in this ordinance are we talking about the overflow needs in your own analysis? You need to be looking at that. This is my testimony. I sent it to you. This is my original copy.

Hales: Thank you very much.

Fritz: Excuse me. You sent us the minority report in December of last year?

Deridder: Absolutely.

Fritz: I'm a bit behind I will look for it.

Deridder: I sent it by email. I have a copy here.

Hales: If you can send it to us electronically again that would be helpful.

Deridder: I will. Thank you.

Hales: Thank you both. Anyone else who wants to speak on this item? Perhaps you would like to bring staff back up?

Fritz: I was just looking at the details in the ordinance. In 16.28.30 subsection c, page 4 of 8. It says an area that feels adversely affected by parking in its required permit parking must work through the neighborhood association or business district association if the area is not formerly organized it should directly contact the neighborhood involvement for assistance. The office of neighborhood involvement will review the request and discuss the eligibility of the area to form a neighborhood association or business district association in conformance with the criteria. I don't know that we have been asked to do that. Oni does not keep a list that's venture Portland. I don't believe it's a formal way of saying, bless you, my child, you're a business district so was there any discussion with oni about this and if so who.

Morehead: This is old code it's from 1992. The only thing that changes is the name of oni from the office of neighborhood associations to office of neighborhood involvement. That's the only proposed change here.

Fritz: In B you say received petitions the traffic engineer shall initiate the preliminary investigation to verify that the area meets the criteria.

Hales: Talking about --

Hales: Which subsection?

Fritz: On page 5.

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Hales: Okay.

Fritz: It seems -- maybe it's a carry-over but that's not how things work anymore. That's of concern.

Morehead: If there are clarifying points on oni's procedures we would like to get those in there.

Novick: It seems like these are carryovers. The only changing in relation to neighborhood associations business district associations is the names.

Fritz: We changed how we manage business district associations I believe in 2009 when the association of Portland neighborhood business associations changed into venture Portland and is now the liaison to commissioner Fish and Portland development commission. That's definitely an area of concern.

Morehead: I would be happy to work with your staff on cleaning this language up.

Fritz: Then the question of where the parking districts can span the arterial or the corridor rather than being on one side or the other?

Morehead: Currently we prefer to have them contiguous areas but there's no such requirement. That's just sort of a management practice at this point. I don't think there's any reason why we couldn't do that.

Novick: Although if the permit district is residential zone then in many cases those arterials would be mixed use zones.

Morehead: Correct so they would not be contiguous areas.

Fritz: Right but if I'm going to park at a business I can park on the right side or the left side if one side has a parking district and the other one doesn't and they are really -- we're trying to work really hard because the arterial often is the dividing line between neighborhood associations where the business district association tends to span the arterial.

Morehead: If you were visiting a business bifurcated by a commercial district and on one side there was a permit area and on the other side not then as a visitor to that business the only difference would be there may be a two or three-hour time limit on one side whereas on the other side there's no time limit.

Hales: That's the issue. If you're on opposite sides of the arterial or in some cases Alberta runs through rather than being the boundary, that's a problem in terms of just the practical reality that if there's a parking shortage and oftentimes caused by the success of business district, yay, then it's going to flow into the neighborhood and of course those same arterials are the streets that now are mostly zoned mixed use.

Novick: What we're trying to do is define a community of interest that would make sense as a voting district so we said 20 contiguous block faces. How would we redefine that? Say 20 block faces that are either contiguous or divided by an arterial.

Fritz: The point is, commissioner, I know this is really important to try to get this done before you leave. I have been getting lots of emails from folks not able to be here today. So I'm not sure that on the fly we can manage all the issues.

Morehead: I wanted to mention this, before the vote occurs to create the perimeter the boundaries are delineated and determined by pbot staff working with the neighborhood and business associations. Once those boundaries have been established the vote occurs. Once a permit area is established they can expand through that same voting process so they may tend to grow over time.

Fritz: What's to prevent the neighbors, for example, I won't say whether they are business or neighborhood association, to prevent them gerrymandering the boundaries to get a particular result that they want?

Morehead: Everything in here is subject to pbot's input and approval so we would not allow that sort of shenanigans.

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Fritz: Well, that's another concern I have that we're asked to pass this whole cord and anything further will be authorized the director of pbob can make any changes. I don't have a level of comfort that we've got to the right place.

Novick: The idea is to give these self-created parking permit areas a fair amount of flexibility as to how to manage themselves. So that's sort of a philosophical question. Do we want to be very restrictive saying a parking permit district can only look like or do we want something that's flexible where the size of the district, for example, can be determined by people coming together to form one?

Fritz: Well, when we had the discussion on the northwest parking districts which I think we have twice in commissioner -- mayor Adams' reign, administration, then another one right away that is a lot of the discussion, who is in, who is out, coming to council so everyone has their say. I am really concerned about this because terry parker pointed out 59 percent of renters own cars and more likely to be the low income folks who need their cars to get to their jobs in another place that are not going to be able to attend the meetings or necessarily even have time to look into the issues.

Novick: By that criterion we should dismiss everything neighborhoods associations ever say because they only are people who have time to come to the meetings.

Fritz: That's not the case anymore, commissioner --

Hales: We have a couple of choices. One, to continue this, the other to bring it forward next week. I think we got a lot of questions.

Novick: One question is could we quickly come up with an amendment that says for example this is authorized now. But pbob will have to come back to council before authorizing a district anywhere but northwest.

Fritz: Can I just ask another question have you received any formal position from any neighborhood associations or business districts?

Morehead: We received some testimony related to this item in the past couple days.

Fritz: Do we have northwest district association saying they want it? I know that rick is very connected with it but do we know from nwda?

Morehead: Northwest is a unique district. Rick as the chair I believe is accurately representing their position.

Fritz: Would you mind if rick comes back up?

Hales: Come on, please, rick.

Fritz: There's a lot. [speaking simultaneously]

Michaelson: The question is whether nwda has a position on the ordinance. They clearly have a position on getting the implementation going in northwest. They have not spoken about what should happen in other neighborhoods specifically. So but it's within the framework of what we're trying to do to move this forward.

Fritz: So the neighborhood association does approve this framework for their area.

Michaelson: I'm not on the board so I can't speak to them, but the nwda representative is on the sac, three board members, including the president, all in favor of this ordinance.

Fritz: I would feel more comfortable if there's a time for neighborhood associations in the business district to weigh in on this. It's an exciting proposal with pros and cons and maybe some tweaks needed and I'm not sure there has been that since the committee did its work --

Michaelson: I think one of the problems is the tweaks have to be individual for each area. It's not one set of tweaks that we can do this ordinance that's going to fit gateway and northwest. They are trying to set up a process to establish each of the districts so the tweaks can take place within the confines of that process. If there's something wrong with the way the process works, maybe that needs to be tweaked. But the whole point is all the

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districts have different needs. Trying to save the work of coming to council with every one of them.

Fritz: I think there's a likelihood that neighbors and business owners would want things to come to council just like the northwest district. There was a lot of interest and people took a lot time to get it right.

Novick: The idea is to allow for the creation of small parking permit districts. We heard a lot of concerns from people living in division in the '30s about parking issues. My dad lived four blocks from division between division and Hawthorne and I never had a problem parking in front of his house so it may have made perfect sense to have a parking district that consisted of people in the two streets immediately adjacent to division for five or ten blocks each way. It's not always going to make sense to have a parking district that is extensive as the whole northwest district.

Fritz: Again I'm looking back to 2012, December, when we had I think the second or third hearing on the northwest district and we basically passed something that we didn't think was right to make sure that the neighborhood and business industry got together and proposed something better. Can you see any way to do something like that with this?

Michaelson: I guess it depends on how big and complicated the district is. I think that one other thing, maybe staff isn't going to be happy me saying this, one thing that's interesting about this is if you want to include the commercial district into your parking system, then you would have to do a broader study like northwest and bring it to council because this doesn't cover that mixed use area. That's one clue. This would allow the simple ones where it's just residential or small area to move forward without having to come to council. I think you have some very good people in pboc that you can trust to implement many of these without them all having to come to council.

Fritz: I agree there's lots of good people in pboc. We have two of them sitting right here. The challenge is I don't know how much community's commissioners, are there any particular areas ready to go on this?

Novick: I know there are places where people have expressed interest.

McCreedy: I just wanted to bring to you exactly what we're asking. I want to remind you exactly what we're proposing change to the existing program that's been in effect since 1992. We currently have 18 zones that we administer. Parking permit program and for commuter parking. All we're proposing is that we have the ability to address residential needs from a residential perspective instead of commuters coming into the zone that residents are still able to park on their street. Right now we don't have that tool and we get a lot of phone calls. The other key piece is that ability to cap permits for the entire district that a neighborhood comes together as they want as their boundaries and then the other key piece is for individual households, how many permits per household. We're just looking for these tools that we can then use in the districts to tailor them to suit the needs that the stakeholders have come together and said. Like I said this is not changing the program all that much, just allowing expansion of an existing program with additional tools for us to do parking management. I can bring somebody up to explain how it functions today if you'd like more detail.

Fritz: The time is going by and we're about to lose a quorum I think. At the very least I would need to bring back some amendments next week fixing what one is assigned to do. I can't do that on the fly today. Then we would be having another first reading next week and it would go over into the new administration.

Novick: Unless we decide to meet on December 28.

Fritz: I'm not here on December 28.

Novick: You could call in.

Fritz: My no vote if you would like. I can do that if you want me to.

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McCreedy: Just to go back to the code in 2016, i'm not sure where oni resides.

Morehead: I think we saw we had an old name for the bureau so I thought I would update it. We're capitalizing neighborhood associations. Very minor changes.

Fritz: Yes, there are things oni is assigned to do on page 4 h.c we're assigned to do something on page 5, k.b we're assigned to do something.

McCreedy: We can do those additional code changes specific to oni separate from this.

Fritz: No we can't we're passing code that's not correct.

McCreedy: This is what exists today.

Fritz: No it doesn't, it's all underlined. Unless you've done the underlining wrong.

Novick: In 16.28.30 c, it says contact the office of the neighborhood associations that changes to office of neighborhood involvement. This is the first one you pointed out. Page 4. Currently the law says under 16.20.830 subsection c, right now it says if the area is not formally organized it should directly contact the office of the neighborhood associations which no longer exists. The only point there was to say that that is the new name. It's not giving new responsibility. It's cleaning it up.

Fritz: Just like that has not been cleaned up saying that neighborhood involvement must review their request and discuss the eligibility of the area former business association in conformance with the criteria established. We don't have criteria established.

McCreedy: That's existing code. That's a whole code revision -- [speaking simultaneously]

Fritz: Page 5.

Morehead: I think we're suggesting there could be two approaches here. We could do the more substantial changes to the process to establish then do another code cleanup ordinance later that is perhaps less urgent.

Hales: Obviously we have a difference of opinion here on the council about what should proceed forward. Steve, this is going to come back for second reading.

Novick: I was wondering I thought there was some consensus for allowing northwest to do something. So commissioner Fritz, would you be amenable to amending this to allow this to go forward for only northwest?

Fritz: Possibly. I appreciate the compromise I would still want to hear for nwda before the vote, but just changing it to only applies here to the rest of the city.

Hales: I understand you want to get this done while you're here. My recommendation is we continue this, get those amendments ready, maybe a majority of the council wants to approve them. Frankly even if we approve this with only the northwest change next week and there are still flaws it will put the next council in the same position we have ourselves in where I had Josh Alpert working on northwest parking issues for much of the first year of my time here in city hall. So I don't think that success is going to elude us entirely here but I do think it would be good to do some more work on this. We can probably do that over the course of the next week. Combination of what we heard here with the cleanup that needs to be done in the ordinance, then this question of whether it should apply to northwest only out of the gate or more places those are issues I think we can work through. But it doesn't appear that we're going to work through them in the last few minutes of this council meeting.

Fritz: My liaison goes on parental leave at the end of the day. I don't know that I have the capacity to be able to work on all of the changes that would need to be figured out who does -- who is going to approve new business areas within this code. I think the only thing we could do is tailor it just in northwest. Take out the bits that talk about other areas maybe forming new business districts and such.

Hales: We can continue it until next week and do that work. That's what I believe we should do. If there's no objection, we'll continue this ordinance to next week for that purpose of considering amendments. Thank you. Then we have had a request, I'm sorry

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looks like some folks may have showed up for this item, we had a request to reschedule the next item, which is 1418, so I'm going to have you read that and we're rescheduling that to next week as well.

Item 1418.

Hales: That's going to be rescheduled to 2:30 on Wednesday, the 21st.

Moore-Love: Correct.

Hales: We are adjourned until then. Until Wednesday, the 21st.

At 3:27 p.m. council recessed.