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CITY OF  
**PORTLAND, OREGON**

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OFFICIAL  
MINUTES

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A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 28<sup>th</sup> DAY OF FEBRUARY, 2001 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Peter Hurley, Sergeant at Arms.

Item No. 240 was pulled for discussion and, on a Y-5 roll call, the balance of the Consent Agenda was adopted.

- \*230**     **TIME CERTAIN: 9:30 AM** – Waive Title 33, Planning and Zoning, and Title 20, Chapter 20.40, Street Trees and Other Public Tree Regulations, to authorize the temporary location of a booking facility for the Multnomah County Sheriff's Office (Ordinance introduced by Commissioner Hales)

**Disposition:** Ordinance No. 175371 as amended. (Y-5)

- 231**     **TIME CERTAIN: 10:00 AM** – Adopt a policy mandating preliminary review of ordinances involving major policy actions (Resolution introduced by Commissioner Francesconi)

**Motion to accept amendment:** Moved by Commissioner Francesconi and seconded by Commissioner Hales.

**Disposition:** Resolution No. 35967 as amended. (Y-4; N-Sten)

**CONSENT AGENDA - NO DISCUSSION**

**Mayor Vera Katz**

- \*232**     Amend Title 33, Planning and Zoning, Landscaping and Screening, to correct an error in language (Ordinance; amend Code Title 33.266)

**Disposition:** Ordinance No. 175358. (Y-5)

- \*233**     Pay claim of Charles Edward Copeland (Ordinance)

**Disposition:** Ordinance No. 175359. (Y-5)

- \*234**     Pay claim of Amy Fax (Ordinance)

**Disposition:** Ordinance No. 175360. (Y-5)

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**\*235** Pay claim of Peggy Lowe (Ordinance)

**Disposition:** Ordinance No. 175361. (Y-5)

**236** Authorize a lawsuit against individuals Brent Vasilieff and Tony Hooper (Second Reading Agenda 214)

**Disposition:** Ordinance No. 175362. (Y-5)

**Commissioner Charlie Hales**

**\*237** Revocable permit to Paddy's Bar & Grill to close SW Yamhill Street between SW Naito Parkway and 1st Avenue on March 16 through March 18, 2001 (Ordinance)

**Disposition:** Ordinance No. 175363. (Y-5)

**\*238** Authorize application to Oregon Department of Transportation for a grant in the amount of \$161,000 to develop bicycle facilities on SE Spokane and SE Umatilla Streets (Ordinance)

**Disposition:** Ordinance No. 175364. (Y-5)

**\*239** Authorize application to Oregon Department of Transportation for a grant of \$180,000 to develop improvements along Hawthorne Boulevard from SE 47th Avenue to SE 49th Avenue (Ordinance)

**Disposition:** Ordinance No. 175365. (Y-5)

**\*240** Contract with 16 firms for flexible services contracts to perform graphic design, copy and technical writing, multi-media, and organizational development, project research, and outreach assistance (Ordinance)

**Motion to accept the amendment:** Moved by Commissioner Hales and seconded by Commissioner Sten.

**Disposition:** Ordinance No. 175370 as amended. (Y-5)

**\*241** Contract with Clarks Energy Services Corporation for \$30,000 and Gardner Energy Management Group for \$30,000 to provide energy code plan review (Previous Agenda 224)

**Disposition:** Ordinance No. 175366. (Y-5)

**Commissioner Dan Saltzman**

**\*242** Authorize an intergovernmental agreement between the Bureau of Environmental Services Downspout Disconnection Program and the Northwest Service Academy Metro Center EnviroCorps and provide for payment, Project No. 6567 (Ordinance)

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**Disposition:** Ordinance No. 175367. (Y-5)

**Commissioner Erik Sten**

- \*243** Contract with Housing Development Center for \$120,245 for technical services to non-profit developers of affordable housing and provide for payment (Ordinance)

**Disposition:** Ordinance No. 175368. (Y-5)

- \*244** Contract with Central City Concern for \$35,000 for the start-up of Central City Property Maintenance and provide for payment (Ordinance)

**Disposition:** Ordinance No. 175369. (Y-5)

**REGULAR AGENDA**

**Mayor Vera Katz**

- \*245** Amend City Code relating to Bureau of General Services, exclusions from City Parking Garages (Ordinance; amend Code Chapter 3.15)

**Disposition:** Ordinance No. 175372. (Y-5)

**Commissioner Jim Francesconi**

- \*246** Grant a revocable permit to Williams Communications LLC to install, operate and maintain subsurface telecommunications devices and hardware within a portion of Kelley Point Park, under certain terms and conditions (Ordinance)

**Disposition:** Ordinance No. 175373. (Y-5)

**Commissioner Charlie Hales**

- 247** Adopt the February 2001 Revised Capital Finance Plan for the Portland Streetcar Project (Resolution)

**Disposition:** Resolution No. 35966. (Y-5)

- \*248** Amend contract with Inekon Group for the construction of one additional seventh streetcar vehicle for the Portland Streetcar Project (Ordinance; amend Contract No. 32210)

**Disposition:** Ordinance No. 175374. (Y-5)

**Commissioner Dan Saltzman**

- \*249** Repeal Hazardous Waste Remedial Action Surcharge (Ordinance; repeal Code Section 17.102.170)

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**Disposition:** Ordinance No. 175375. (Y-5)

**Commissioner Erik Sten**

**250** Accept the Housing and Community Development Commission Fourth Annual Housing Evaluation Report July 1, 1999 to June 30, 2000 (Resolution)

**Disposition:** Resolution No. 35968. (Y-5)

**251** Allocate FY 2000-01 Housing Investment Funds to specific program activities and assign fund planning and management responsibilities to the Bureau of Housing and Community Development (Resolution)

**Disposition:** Resolution No. 35969. (Y-5)

**252** Acknowledge the establishment of the Homeownership Advisory Committee of the Housing and Community Development Commission as a means to advise, monitor and evaluate the City role in assisting residents to obtain, maintain and retain homeownership opportunities, and to advise the City on related policies (Resolution)

**Disposition:** Resolution No. 35970. (Y-5)

**253** Accept the Community Asset Management Think Tank Report and Recommendations and direct implementation (Resolution)

**Disposition:** Resolution No. 35971. (Y-5)

**Communications**

**254** Request of Patrick Dinan to address Council regarding rights with Police issues (Communication)

**Disposition:** Placed On File.

**255** Request of Richard Koenig to address Council regarding a crime report and duty properly performed (Communication)

**Disposition:** Placed On File.

**FOUR –FIFTHS AGENDA**

**\*255-1** Extend sales agreement with Ruth Pruitt and Henry Moshberger to purchase property at NE 148<sup>th</sup> and Sandy for a public pollution reduction facility, Project No. 5562 (Ordinance; amend Ordinance 174570)

**Disposition:** Ordinance No. 175376. (Y-5)

At 12:22 p.m., Council recessed.

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS 28<sup>th</sup> DAY OF FEBRUARY, 2001 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales,  
Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Kathryn Beaumont,  
Senior Deputy City Attorney; and John Scruggs, Sergeant at Arms.

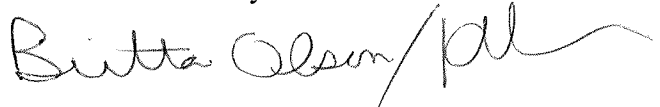
**256** **TIME CERTAIN: 2:00 PM** – Yards at Union Station, Lot 5 building height regulations  
(Hearing introduced by Mayor Katz)

**Motion to raise the height limit:** Moved by Commissioner Sten and seconded by  
Commissioner Saltzman.

**Disposition:** Placed On File.

At 3:09 p.m., Council adjourned.

**GARY BLACKMER**  
Auditor of the City of Portland

A handwritten signature in cursive script that reads "Britta Olson" followed by a stylized flourish or initials.

By Britta Olson  
Clerk of the Council

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

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**Closed Caption Transcript of Portland City Council Meeting**

This transcript was produced through the closed captioning process for the televised City Council broadcast.

Key: \*\*\*\*\* means unidentified speaker.

**FEBRUARY 28, 2001      9:30 AM**

**Katz:** To be removed off the consent agenda.

**Olson:** I have one, 240.

**Katz:** Let me explain to the students what we are doing with this. There are issues that are pretty easy for everybody to understand, and we put them on a consent agenda so that we don't discuss them and we vote on the consent agenda all at one time. But, we do give the opportunity for council members to pull off consent agenda items and we give the public an opportunity to pull off the consent agenda item, if they don't agree with us in putting some of these items on the consent agenda, and commissioner Hales just pulled one off. Anybody else in the audience want to pull a consent agenda item off the calendar for discussion? If not, let's have a vote on the consent agenda.

**Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. Now that commissioner Hales pulled one off, we are going to be reading that one and we will give him an opportunity to explain why he pulled it off and then give anybody who wants to testify. Commissioner Hales?

**Item 240.**

**Hales:** Thank you. Well, this is an ordinance that allows the office of transportation to do contracts with outside firms for graphic design and public outreach and other nontechnical work, and commissioner Saltzman requested an amendment that allows, or requests that p do the also provide the opportunity for the office of neighborhood involvement to bit on that work, so dan, I don't know if you want to read the amendment.

**Saltzman:** Sure. I think you all have copies of the amendment in front of you, so proposed amendment to ordinance 240. But, as commissioner Hales said, part of the administrative service review recommendations with respect to public outreach is for the office of neighborhood involvement, to have the opportunity, more of an opportunity to perform outreach services in house for bureaus throughout the city, and this is simply an amendment.

**Katz:** Does everybody have a copy of the amendment?

**Saltzman:** This amendment simply reflects that intent, I think, to, in essence, to my mind, this gives the office of neighborhood involvement the opportunity to be more entrepreneurial within the government and provide outreach services to our bureaus. But again, it is also consistent with the administrative service recommendations that we adopted just two weeks ago, I believe. That this is the direction that the office of neighborhood involvement and the bureaus should move together in a more collaborative manner to more effective, outreach services that will serve our public better and also, perhaps, save us some dollars that would otherwise be contracted out for outreach services. Is that's what this amendment simply does.

**Katz:** Okay. Do I hear a motion to accept the amendment?

**Hales:** So move.

**Katz:** Do I hear a second?

**Sten:** Second.

**Katz:** Any objections hearing none so, ordered. Anybody's want to testify on this? Roll call..

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**Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. All right. We are at time certain. Item 230.

**Item 230.**

**Katz:** Turn around. Have you talked to the group?

**Dan Noelle, Multnomah County Sheriff:** No, actually, I came in while you were talking to them.

**Katz:** All right. This is dan noley, who was a Portland police officer, up to lieutenant rank?

**Noelle:** Assistant chief.

**Katz:** I am sorry. [ laughter ]

**Hales:** Got demoted.

**Noelle:** I once was on the dark side. [ laughter ]

**Katz:** The dark side of the bureau. [ laughter ]

**Katz:** And made a decision to run for public office after being a public servant, providing public service in the police bureau decided to going into politics, was elected sheriff. Margaret o'mahoney served in, I am sorry, sheriff of Multnomah county. Margaret o'mahoney served and had a long history of serving the county, and we took her away from the county, or she decided to leave the county and come working for the city, and she is, including the sheriff, one of our finest public administrators.

**Margaret Mahoney, Director, Office of Planning and Development Review (OPDR):** Thank you, mayor, it is actually lane county.

**Katz:** Is it lane county?

**Mahoney:** A little further to the south.

**Katz:** Somebody told me Multnomah county. Well, I am glad we took you from eugene. Okay. So good morning.

**Mahoney:** For the record, I am margaret o'mahoney, director of the office of planning, development, and review, and as the mayor indicated with me is dan noley with Multnomah county. The ordinance provides for a waiver of title 42 and 20 requirements for a temporary booking facility needed by the Multnomah county sherrif's office. For a number of reasons, the existing booking facility in the justice center must be remodeled and sheriff noley is going to talk to you a little bit about that in a moment. The facility is such that all the activity must be removed from the justice center before the remodeling can start in the justice center, so temporary facility is needed for about nine to 12 months, and then upon completion of the remodeling of the justice center it will move back into the justice center. The sheriff's office has done extensive amount of work trying to find a suitable location for this temporary facility. The one that they have found most appropriate is property owned by the port of Portland at terminal 1. Upon identifying the site, the sheriff's office did an extensive public outreach program to let individuals and neighborhoods and businesses know about the proposal to site the booking facility and to get input about that. The reason we are here today, though, is that title 33 provides a number of limitations for temporary facilities, and this is an issue that you have dealt with at least once before. The, the site that's been chosen is zoned ihi, that primary zoning would allow a booking facility, conditional use but because terminal one is a riverside site, has an overlay, which limits uses to river dependent or river-related issues. In addition, title 33 doesn't -- has only -- is only a minimal recognition of actual temporary uses, and there really are only two. One is carnivals or fairs that last no more than two weeks or staging areas for utilities. Those are the only two temporary uses recognized. So, we have been working with the sheriff's office as they have done their site search, and we have worked also with the city attorney's office and the county counsel's office trying to figure out how to address this. Since this is clearly a temporary use but longer than the code recognizes and the activity will be removed, our proposal to you is to provide for a waiver of the

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requirements of 33 and 20, just for this use for a specific period of time that would expire as of April 1, 2002. With that as an introduction, I will let the sheriff talk to you about the booking facility.

**Noelle:** I didn't realize that I had that -- [ laughter ]

**Katz:** No, go ahead.

\*\*\*\*\*: The mike is yours, grab it.

**Noelle:** Dan noley, sheriff, the current booking facility was designed as a part of the justice center in 1983. At the time in 1983, it was designed, it was anticipated that the maximum number of bookings on an annual basis in Multnomah county would be about 17,000 bookings a year. Since that time, and in the last five years that I have been there, we booked about 42 to 45,000 people a year. We have known that the facility needs to be replaced, and obviously, I am sure, during the summer months, you remember some of the issues that we had there, we brought in an outside consultant from the national institute of corrections and said, look at what we are doing. Help us figure out what really needs to be done, and again, they came back saying, you just absolutely need to fix this facility. The fix that we are intending is a good fix. It is a well thought out fix. But it also is a fix that requires us, as Margaret said, to effectively gut the basement of the justice center in order to make that happen. When we started looking for property, we initially looked at warehouses. We looked at a number of other places, and in terms of the fix, we continually ran up against the issue of being close to schools, homes, and traffic issues, where people would have, have a great deal of concern about what we were doing. We ultimately through cooperating with some business groups, neighborhood groups, ended up looking at the property at terminal 1, the area that we are going to locate on would be a large parking lot. It does have some long-term development plans that the port has for it, and they have told us the maximum that we can stay there is, is about a year. So, effectively even if we did not want it to be temporary, we are mandated by their planning to move forward in a temporary basis. The county has absolutely no plan to stay there. Ours is to go to the temporary structure and then immediately tear it down when it is completed. The zoning requirements would require us currently to go through a full conditional use permit hearing, and attempt to get waivers from every possible future development issue and what this does is gives us a chance to move in an expedient manner, also gives us a chance to save time and money in the project, which is important to all of us.

**Katz:** Questions? This is not a permanent site for you?

**Noelle:** Absolutely not. Not a permanent site, and that's a guarantee from myself, the county board of commissioners and the board of Portland.

**Katz:** I will remember that and the council will remember that when we want to develop it.

**Mahoney:** Mayor Katz and members of the council, I need to ask your indulgence in making an amendment to the ordinance. We have been through several different schedules on this over the time of creating the ordinance, and the schedule was originally going to be from April 1st through April 1st of next year. It is now -- it has now changed to August 1st of 2001 --

**Katz:** So on page 2, section 7, repeat that for the city attorney?

**Mahoney:** It would be August-to-August instead of April-to-April.

**Katz:** Do I hear any objections? Hearing none, so ordered.

**Mahoney:** Ma'am? I suggest that then the council would also want to look at the directive section b, which provides the ordinance expires automatically on April 1st.

**Katz:** Right.

**Mahoney:** Be modified to August.



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**Katz:** A second? Any objections hearing none. Why don't we give you the opportunity, if we missed any other places, I don't think that we have to make that change, just so that we are consistent, but I think that we are okay.

**Mahoney:** We will double-check.

**Katz:** Further questions?

**Saltzman:** I think we should take this opportunity to clarify that even though you are moving the booking facility, you will still be doing all releases from the downtown location. That was my understanding.

**Noelle:** Yes, sir. What we will do is, is the people that are coming into this module building will be booked there. They will be held there for just generally hours, and moved right back out. All the releases will occur in the downtown area around the justice center in the same way that we always do because that's the center of transportation. So, that's --

**Katz:** Thank you. Anybody want to testify on this item? All right. Roll call.

**Francesconi:** Margaret, thanks for your help in coming up with the common sense solution. Aye.

**Hales:** Not very often that we waive the code, but this is one of those cases where that's the best solution, thank you. Aye. **Saltzman:** Aye. **Sten:** Good job, aye.

**Katz:** Thank you, Margaret, and let me just add on your sheets here, this doesn't have an asterisks, but it should because it is an emergency order, aye. 10:00, do you have anybody --

**Francesconi:** There might be one or two more --

**Katz:** Okay, then it's go ahead with the regular agenda. 245.

**Item 245.**

**Katz:** All right, who wants to testify on that? Is there anybody here? Okay. It is really plain and simple. We have not had any policies or allowing anybody to formally exclude people out of garages, and I have to tell you we have had rave parties in garages, we have had people who were damaging property, people who were sleeping in the garages, and the suggestion came to us that we allow for the following people to, to be charged, who disobey ordinances in our codes to be excluded. There is also an appeal for the exclusion. Anybody want to testify? Roll call.

**Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. All right. 246.

**Item 246.**

**Katz:** All right. Anybody want to testify on this item?

**Francesconi:** Susan is here, but let me just assure the council that great care has been made sure that the installation and construction measures buffer the columbian slough and the habitat areas, so this is a way to get something that's essential for the business and protect the environment. Susan is here if there is any questions.

**Katz:** Are there any questions by council members? Anybody want to testify on this? If not, roll call. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye.

**Items 247 and 248.**

**Hales:** Go ahead and read the next two.

**Katz:** 247 and 248. Thanks.

**Katz:** Commissioner Hales?

**Hales:** I think the council is familiar with what's in front of us, Vickie is here to answer questions, if we have any, but this adopts the plan that we discussed earlier for proceeding with the project, and adding the 7th vehicle. I appreciate your support, and Mayor, yours, in particular, for finding the ways to get this done. You know, that's the good news. The bad news is, we are getting it done and that puts more pressure on all of us, I think, to find a way to get the streetcar to the river. We haven't figured that out yet. We need to figure that out, and the sooner we figure it out, the sooner

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something will be possible in the north macadam district, it is my opinion that nothing is going to happen in the north macadam district until we can get a streetcar there, or if it happened, it would be served so predominantly by the automobile that we would be, in effect, building a cruiseway on the willamette, so, getting the streetcar to the general vicinity of the macadam district is a smart move and the sooner that we can make it, the better, but at this point, we need to find out if we can buy the vehicle to run on the tracks, and we can, and this will allow us to have the vehicle when we figure out the rest of the story. If you haven't seen the Oregonian yesterday, there was a nice photo of the first vehicle rolling out of the plant. It is going to arrive in the docks in vancouver, Washington, the weekend of april 7th, and should be rolling into Portland on a truck on the 8th or 9th of april, so they are doing a great job of producing these vehicles and this will buy one more.

**Katz:** Anybody want to testify? All right. Roll call. **Francesconi:** Aye. **Hales:** Aye.

**Saltzman:** Aye. **Sten:** Aye.

**Katz:** I haven't quite figured out how to pay for it yet, but we did make a commitment that we needed to identify this as an expenditure so we can secure the 7th car, and we will be working out the plan to pay for it during the budget, but one of the ways of doing it -- oh, no? Mark, did you want -- never mind. One of the ways of doing it would be to take some of our capital construction dollars that grows every year, and/or some general fund. Don't know yet but it will be done, and we will have that discussion during the budget. Aye.

**Olson:** Item 248, Francesconi.

**Francesconi:** And I have agreed to this, and because we need this additional car, but I also appreciate the mayor, and I believe commissioner Hales, that our capital fund is very precious because it repairs leaky roofs and parks it, repairs a variety of things, when we have a city of this magnitude with only a \$5 million capital fund, with the kind of capital that we have got, this is an appropriate expenditure, but using this capital fund to extend the streetcar to the river would not be appropriate in my view, and I think that we have had some discussions about that. So, I appreciate this compromise that's been worked out. Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. 249. Okay. Commissioner Saltzman?

**Item 249.**

**Saltzman:** Not really sure how this made it to the regular agenda but there is probably an explanation, but nevertheless, it is rather straightforward. We are simply removing the hazardous waste remedial action surcharge that has been built to residential and commercial garbage haulers since 1991, this \$1.50 per-ton surcharge was enacted to pay off environmental remediation revenue bonds, to pay off the lake property that was contaminated with hazardous material from the former city incinerator that was there. These revenue bonds have been retired, and the city's attorney's avenues has advised us that the surcharge should be discontinued immediately on invoices to both residential and commercial haulers. So with your vote, we can take this action.

**Katz:** Anybody want to testify? Roll call. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye.

**Sten:** Aye. **Katz:** Mayor votes aye. All right. Commissioner Francesconi thinks that we can proceed with our 10:00 time certain so, why don't we read that item.

**Item 231.**

**Katz:** Commissioner Francesconi. You have an amendment, too.

**Francesconi:** Let me introduce it this way. Let me say thanks to the council, who gave some good feedback in shaping this, as well as the bureau managers, which I appreciated. I guess let me say at the outset that I have been really struck recently how a great city cannot say static. We must change. We must change if we want to do that, to stay the kind of city that we want to be, and certainly, we must change if we want to expand opportunity to more people. In order to do that, it takes leadership, and nobody is going to do it if the council does not do it. And there is no doubt

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that there is room for different types of leadership in moving this change forward for our citizens. I guess this, the spirit and the, the wording of this ordinance before you believes that the kind of leadership that we need some of, and I think even a little more of, is, is some awareness that we have very important objectives as a city, and these six priority goals have, have come from us, the city council, and it is not that they are the top priorities, but they are the priorities that if we don't do them as a city, nobody else will. If nobody looks at the environment and the parks and the open space and the water quality, it won't happen, if nobody looks at how is that, for all of our citizens, creating wealth for all of our citizens, in a safe environment, if we don't do a multimobile transportation system, and if we don't do it all in a fiscally responsible way with good planning, it won't get done. So, I believe that the council does a very good job of trying to balance multiobjectives, which these are, but there comes occasions when we are forced to make difficult decisions, and difficult tradeoffs. It is my belief that in those circumstances, nobody can make those decisions but us. But we need to involve the public a little more, so this ordinance and an amendment would give a little more notice to the public to weigh in on some of these decisions. We need to involve our bureau managers, which happens most of the time but not all the time, and in helping us analyze the tradeoffs, I believe we need to do as best we can to understand the consequences of our decisions. Often all our objectives. I think this ordinance might make our job harder, not easier, because sometimes when we understand difficult tradeoffs, decisions can become more difficult. Not always. So, this is ultimately, I think, this kind of process will result in better decisions, which may, as importantly, be better implemented because it is actually not only the decisions but how we implement them, so that's the spirit behind it. I am going to have michael harrison outline the, the, how the thing would work. I was tempted to tell you that, don't take it out on him, but then I have decided, let's test how well earl blumenauer really trained him, so I might join in cross examining him on this. He actually put it together with the help of other people, but the reasons for it, the council really needs to focus on me because it was my idea. We also have pete castings here to answer questions. He assisted in the legal side, and we have mark murray here to answer questions. Now, the amendments, there is a couple of amendments that I want to address, and two I consider minor, well, there is only minor amendments. I want to alert the council to another issue that's arisen, that's not minor, and it takes more time to process it. The two minor ones are -- does everybody have it?

**Katz:** Yes.

**Francesconi:** It is all in section c. The first is that the city auditor will include notice of major policy actions on review on the website, it is just a way to try to get it out more so that the public knows what's going on. I think that we might consider even more effective ways, but that's the only, only amendment at this time. The other was an oversight on my part that I claim responsibility for. Commissioner Saltzman pointed it out, under insure a safe and peaceful community, it is inserted, bureau of emergency communications, and under build livable city, I had put sustainable development under park's green spaces, water, water and air sheds, which -- and commissioner Saltzman thought it was more appropriate to build it under livable city with good planning and managed growth. So those are the two proposed amendments. The other issue, which actually there hasn't been time to work through, is the issue of the role of long-range planning because clearly there should be a role. There hasn't been time in working with the mayor and gale to address that, so I want to proceed with this, because this wasn't, by the way, the reason that umpha was selected is because they do the financial -- they prepare the calendar to give us information on financial impact, so the idea is just to have a gathering place for giving the information back to us, and so because of that, I think that we can proceed, but I do think that there needs to be more discussions with gale kelly and the mayor about long-range planning. Maybe we

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won't come back with anything, but I wanted to alert the council that that's a legitimate issue that's out there. So, I --

**Katz:** Go ahead, they are going to pick on you.

**Michael Harrison, aide to Commissioner Francesconi:** Good morning, mayor Katz and commissioners. I appreciate being able to be here today, I am Michael Harrison and work for Commissioner Francesconi. My address is 1221 Southwest 4th, room 220. I think it is best to start with a discussion of the major policy review process, with a discussion of what is considered a major policy. A major policy, we decided in crafting the resolution is something that is likely to have a major impact on adopted city goals, on multiple adopted city goals, so it is not the ordinary ordinance that comes to council, but it is really those particularly -- those ordinances that have a particularly large impact. There was identified three categories of ordinances that have these kinds of impacts, frequently. The first is fee increases, which in this case, is fee increases that are greater than the consumer price index. The second was the creation of urban renewal areas, which often tied together or seek to improve upon a variety of city goals. And that one is also pretty objective, as is the fee increase is very objective. And the last category are requirements and restrictions on people's conduct. That one has a subjective element to it, which is it is not all ordinances that have requirements or restrictions on people's conduct, but it is only those ordinances that have restrictions that are likely to have major significant impact on adoptive city goals. When you take all three categories together, when the officer of management and finance and our office looked at the past 12 months worth of ordinances that came to council, it appeared to us that there was only about 15 ordinances that would have rose to the level of being considered a major policy, so it is not perceived that routine ordinances or even the majority of ordinances would come to council. It would be truly the minority of ordinances that would go through this process that, that Jim started to discuss. The next question is, how are these major policies to be reviewed. It is a fairly straightforward process. When a bureau has an ordinance that is a major policy that they want to bring to council, 20 working days before they file it with the auditor, they would bring the ordinance to the office of management and finance. The office of management and finance would take a look at the ordinance, and determine what city goals are likely to be impacted by the ordinance. Then the office of management and finance would distribute the ordinance for review to the bureaus that have primary responsibility for that city goal. For example, there is going to be a fee increase for fire inspections charges to the community, the office of management finance would take a look at that proposed fee increase and probably would say, this might impact the city's goal of having a city that economically is vital and has quality jobs. So they would likely take that ordinance, refer it to PDC. PDC would make comment and then it would go onto the next step, which is the relevant bureaus that have been asked to make comments, ten working days before the ordinance is filed with the auditor, may comment back to the office of management and finance. So the office the management and finance receives the information from the bureaus and compiles it into one report that is submitted and made part of the public record in the auditor's office, or for the, for the ordinance. This really are only three major issues that, that arose when we were looking at crafting this resolution. The first one was a concern that somehow, this ordinance -- this resolution might make it so other council priorities that aren't addressed in this city goals might somehow not -- might somehow be prevented from coming to council. So if the commissioner had an idea for something that they wanted to accomplish, and looked at the adoptive city goals, and it didn't reflect an adoptive city goal, that somehow this resolution could stand in the way of that ordinance being considered. It is important to point out that there is nothing in this resolution that expects any -- that prevents any city commissioner from bringing an ordinance forward to council, so I wanted to make that clear. Secondly, enforcement, there was some very good concerns raised

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about how the original draft of this resolution allowed the office of management and finance to pull an item off that council calendar if that item was a major policy and hadn't been review.

Recognizing that folks were very uncomfortable with that, the resolution before you retains the power to remove something from the council calendar with the council. So under this resolution, the only way a commissioner is going to have the major policy action taken off the calendar is by a majority vote of the council, a 3/5 vote of the council. The last issue is actually something that jim Francesconi was concerned with, which was making sure as part of good government that any new proposal or way of doing business should be evaluated so it is just making sure that after a year, we stopped, took a look at the resolution again, and asked ourselves, is this working the way it should. If it doesn't, it should be amended, if it doesn't be amended to be effective and doesn't prove, doesn't prove valuable, then it should be scrapped in its entirety. Jim mentioned that, that pete castings is here, so if you have any legal questions, he would probably be able to address those better than i, and mark murray is also here, and I am happy to answer any questions.

**Katz:** Thank you. Let's put up the lights. Questions, michael?

**Francesconi:** I guess I want to just make one comment. On the second issue, the charter and other things, the charter, primarily, it preserves rights to the, to the individual council member as opposed to any bureaucratic system. So, then the question is, well how does this get enforced? And there is also a provision in here that any council member can request from umph a designation as to whether it is a major policy or fee impact, so an issue could be raised through the process that yes, this was a major thing and didn't go through the normal process. And so to me, that was enough of a, of, of a lever to, to, that this would actually happen. I just wanted to get people clear about my thought process on this.

**Katz:** Further questions of either the city council, umph, or michael? If not, I just have a question, this, this does not apply to resolutions?

**Harrison:** It does not.

**Katz:** Okay. And was he may want to take a look at that later on, to see if we have missed an opportunity, if we have resolutions. Right now, I can't think of any, but there might be some. All right. Let's open it up for public testimony.

**Olson:** I didn't have a signup sheet.

**Katz:** Okay, great, first come, first serve. There are three chairs.

**Lili Mandel:** Lily mandel, 1511, southwest park avenue, and an equal opportunity person. I am going to try and liven up what promises to be a predetermined company. Okay, here come the fireworks. Since the Portland tribune has -- Since the Portland tribune has already reported how the council is going to vote, why then should anyone bother to testify. The message that we citizens have been sent is that we could not possibly come up with a different solution for the problem that this ordinance attempts to solve. Simply put, our views really don't matter, since your minds are snapped shut. If the newspapers are correct, then our praised Portland process, citizen testimony falls on deaf ears. At this point, you may be wondering why, then, am I up here at all. Well, I always remember the advice given to me by a very wise citizen of Portland, the late bill nato. He said, to always tilt edwin mills, some battles must be fought, even when you know you are going to lose. Well, just call me dumb or -- I hope that I have made you aware of how insulting it is so the citizens of Portland for you to announce how you will vote before listening to us. This prevote, voting turns these proceedings into a charade of the if this continues, no one will want to play this game. Thank you. I think don will present our alternative proposal, but before I do that, I did not -- by the way, this is necessary. This is, this is necessary. I don't think that this is frivolous. This was needed. I did not have a chance to see this before, and I quickly just, just came in. Look and maintain a financially stable city. This all is a little too simplistic. That is the goal of every

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one of these commissioners, and that is in all your portfolios, so to say that it is the office of the management and finance, that is absolutely ridiculous to me. That is wrong, and then the other one, the other things that are in different -- that one, particularly, is in all your camps, I think that's the purpose of this whole council, and there are few other -- it is just not that easy to, to, to have this kind of chart. I am sorry. Thank you.

**Irwin Mandel:** 1511, southwest park avenue. I want to reiterate what my wife has said and then go on to a suggestion. It isn't only with this ordinance that we have often read exactly how the council is going to vote, before any testimony is taken, before anything is presented, before citizens have a chance to comment. This is -- it isn't just now, but there is going to be a point of real irritation with the council among many people, that your minds are made up by the background information you have already received. And once they are made up, they don't close, they don't change. Once we are sitting up here, we try to express ourselves and have some influence, and most of the type, not always, I know a number of years, but most of the time the votes are decided and we go through maybe hours of, of informality and testing. The decision is determined ahead of time. I just would like to warn you that it gets to be a turnoff for many people in terms of their care and involvement in governmental processes when this occurs. I just hope that I can sound a note of warning about that. Now, in terms of this process, again, commissioner Francesconi is absolutely correct. There have been many times in the past, and you are probably more well aware of it than I have, I am, when, when, coming forward, coming from the best intention, from a commissioner, with a particular bureau is concerned, that have had wide-spread impact across the other bureaus and have not been, well, in the british terms, vetted properly, and something like this is needed. I would suggest one other additional issue. In the process of having the bureaus comment upon whatever ordinance is proposed, that there be a council informal session the week before you take a formal vote with the bureaus and other concerned parties coming up -- this is not a citizen input, not a formal meeting, but before you vote, so that the information and the issues are out for the citizens to be aware of. All the complexities, then, at least on the following week when you come back for your formal vote, and citizen testimony, we certainly can have more information available to us to present to you alternative views. Or, subsidiary views. As much as we respect the intelligence and work that all of the council and the bureau staff put in, sometimes, you know, a good idea can come from a strange place, amateurs, citizens, that's all. Thank you.

**Katz:** Thank you. The issue of the council informal, and I try, I am not always successful because sometimes the commissioners will push in terms of how -- give them instructions or directions, are you up or are you down, but in the council informal, we should not be making decisions. And so we need to be very cautious, and I am checking in on your point now, even during council informals that we don't make decisions. We give some direction and instructions or whatever other information we want, but sometimes, the council informal gets to some decision making, which it shouldn't because it doesn't have a public hearing. So, I appreciate you raising that issue. I flag that as a caution.

**Irwin Mandel:** That was not, you know, that's not --

**Katz:** That's not your problem, that's ours.

**Irwin Mandel:** No, but my issue was during the process of the informal, it is public, they have it on channel 30. The report is in the newspapers, and they do pick up the information provided to the council during these informals about any particular snags or pitfalls that may come up, and perhaps what may seem to be during an informal, a clear, easy path, it is quite possible that some of us, you know, ordinary folk out here may have some ideas that we would be stimulated by the information that we can then testify to during the formal session.

**Katz:** Fair enough. Thank you.

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**Bonnie McKnight:** I am bonnie mcknight, I live at 1617 northeast 140th in Portland. And I wish to testify on behalf of commissioner Francesconi's suggested resolution. I especially want to respond to the amendment which puts the, the beginning of this process on the website of the auditor, so that those of us from the neighborhood level who want to know what's coming up can get a little more early warning on this normal practice right now. The current structure of city government directs each member of the city council to be responsible for the management of certain bureaus and departments. The result of that focus is an advocacy role for those areas of interest involved with the bureaus you manage. In addition, you are required to become more familiar with what your particular bureaus are doing, than those of other commissioners. Whether or not that is a good structure is beside the point today. The result of this separate focus, however, to people working at the neighborhood level is often policy mandates and directions, which seem to be in conflict or seem to lack balance in assessing the overall community benefit. And that's I support commissioner Francesconi's resolution. I am currently involved in an issue in which balancing of impacts could take place. Current city code defines transit streets as, as areas for higher density, and the code also reduces on-site parking requirements on the premise. The transit use will be, and is on option. East Portland, due to our large lot size, in much of the area, has been absorbing more new density than most of the remainder of the city and probably will continue to do so. Transit service in east Portland is currently being radically changed to direct more transit away from the residential core of the area, and toward the new airport max station. Density will still be defined by transit street designation, regardless of whether or not transit service is actually available. The gateway urban renewal committee has not opposed the approval of 300 buses each day from the gateway transit center to allow better auto circulation. More auto oriented commercial development will obviously take place without transit being available. People moving to east Portland will need cars to get around. Transit will be less of an option for people and therefore, transit dependent people will be less likely to move through east Portland. Traffic and street maintenance problems will increase, and air quality and water pollution problems from pervious surface run-off that come from excess traffic and more streets will get worse. Whether or not the scenario could have been impacted with the review process described in this resolution is unclear, although I would, I would note to you that there appear to be three areas where it might be defined as part of the process, and that would deal with multitransportation systems, the code rewrite process, and certainly the gateway urban renewal designation. It is clear, however, that bringing together all the possible impacts on the city would have an open discussion of these issues and not allow the absence of convenient transit service to simply be classed as a transportation problem.

**Greg Cantor, Assn. for Portland Progress (APP):** My name is greg canter and I am here today as the board chair of the association for Portland progress, and we are here this morning because we don't believe anything we read in the Oregonian or the Portland tribune, so we --

**Katz:** Or the willamette weekly.

**Cantor:** Or the willamette weekly. You can't trust those vote counts in those papers. So, I want to express this morning our support for the resolution that addresses the process for assessing the impacts of major policy actions. One of the challenges created by our form of government is insuring that multiple and sometimes conflicting policies, city goals are considered when, when a bureau undertakes significant policy initiatives. In a perfect world every proposing bureau would seek the input of the other affected bureaus when crafting it and proposing policy initiatives. But from our experience, that isn't always the case. As we see it, the resolution before you today, which creates a, a policy mandate from you, the city council, will insure that you have the benefit of all of your in-house experts as you are asked to adopt major policy actions. Or initiatives. In

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our view, this can only be good for the city. We have heard two criticisms of the proposal. First, that it is unnecessary, that, that most bureaus are already betting their proposals through their affected colleagues. And if that's the case, a resolution merely imposes some time lines and some order on what is already being done. And we see little harm in that occurring. The other criticism is that you are creating a bureaucratic process that wastes resources and this is a more serious issue in an era of tight resources. But our view is that given the way the resolution limits those actions covered by it, it will not impose serious burdens on the reviewing bureaus, and frankly, if it is a major policy action, that will affect one or more critical city goals, that it is probably worth spending the resources to make sure that all of the information is on the table before a decision is made. The council in the city should benefit from the added rigor of the emphasis this proposal will engender, and we encourage you to act favorably on the resolution. Thank you. Questions? Thank you. All right. Who else. Come on up. There are three questions. Is michael the last one who wants to testify? Okay.

**Mike Houch, Audubon Society of Portland:** My name is mike houck and I am here representing the audubon society of Portland. I came for two reasons, one was to change the soft no to a soft yes, and there are few opportunities that I have to be on the same side as app on an issue and I wanted to make sure that I had took advantage of this opportunity. I am here to support the measure for two reasons. One is that it is consistent with what we have already done with the clean river plan. You will all remember that us citizens sitting on the task force urged the city to add point number ten to the clean river plan, which was to require all bureaus to work with bes, to implement the clean river plans. This is important to have pdot, pdc and other bureaus to be helping out in that process, and we had a lot of discussion about the silo, so-called silo mentality of bureaus within the city during the clean river planned discussions, and I think that this is very consistent with that. So that's one reason that I am here. The second is, I like the notion that we are going to be providing us, the citizens, with the kind of information from the analysis that comes out of this process, and putting it on the websites, all for the better, and frankly, I think that we may even be better informed when we come in to speak to you, so I guess that I am supporting one of the first testifiers, I do have one concern, though, and that is on, on "d", section "d", it says reviewing bureaus shall comment on both short and long-term city goal impacts that propose major policy action. I support that, I think that it is important to look both short and long-term. The concern that I have got, however, is that there is nothing in here that explicitly discusses any economic analysis that may be part of this process. The word "economic analysis" is not in here, but I assume that undoubtedly, that will be part of the process. It was interesting that last night, I think this is relevant to the discussion right now, last night, I had a planning commission meeting, it was not a hearing, regarding river renaissance, and one of the planning commissioners in voting no to adopt a resolution for the planning commission to support the river renaissance program cited her concerns over short-term economic impacts on the city of Portland and what I am concerned about is, is in addition to the long and short-term policy implications, if there are any economic policy issues done, that they be long-term. In other words, there are situations where in the short-term there may be negative impacts but in the long-term, we are going to be far better off as the city both in terms of avoided outlays in the future for doing a better job of planning the city today. And I guess my response to the planning commission would be, a healthier willamette equals a wealthier Portland, both economically and livabilty. So I guess I would just urge you that, that even if it isn't explicitly stated in this document, that any economic analyses be both short-term and long-term. And the last comment that I will make is a very minor one. I guess I would agree that under build livable city through good planning and well managed growth, I think the park bureau has a very major role to play, as a responsible bureau. We are trying, through parks 2020, to



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elevate the importance of parks in the city of Portland and if any other bureau is contributing to the livability of the city, it has to be the park bureau, and I would argue besides, but that's a minor point. Any questions?

**Katz:** Thank you. Further testimony? All right. Discussion? Did we adopt -- did we adopt the amendment? No. You want to move the amendment before us? All right.

**Francesconi:** So moved. **Hales:** Second.

**Katz:** Any objections? Hearing none, so ordered. I am assuming that without an economic analysis, you know, that's a critical piece of it, in that it would be understood that it would be long-term, short-term. Although I think that commissioner Francesconi might, at some point, come back and as we test this out, come back with some additional work that, I think, may need to be done, so I just want to allay your concerns on that one.

**Francesconi:** On that particular issue, I guess, you know, what we are all trying to do is make good, long-term decisions. So we are not trying to make just good short-term decisions. And so I guess I want good long-term impacts on economic development from the Portland development commission, but also long-term impacts on safety, parks issues, transportation issues, so I guess it does cover that, but it is broader in all of those categories. I didn't limit it to economic development because we want good long-term impacts on our transportation system, our park system, et cetera. So, I don't really share Mr. Houck's concern, and I think that now I have stated it clearly on the record, at least that one should be taken care of. It does mean that there has to be work with the economic development department at PDC, as to how we calculate things.

**Katz:** Discussion by the council? If not, roll call.

**Francesconi:** Well, you know, I had kind of one of the greatest experiences that I had is when I listened to the experts on the park blocks, and what I liked -- I mean, at the beginning, they said, our ability to be a world class city was really only limited by our ability to endure change. The whole system is set up for us by those that came before us. They have a land use planning system that encourages reinvestment. A legacy that protects the special place, and a history of trying to include all people in the city. The question is, could we change. And how do we change. And these are enormous decisions that take enormous responsibility on our part, and I just believe it is good common sense, and I really appreciated the testimony here, that we give our citizens a little more time to give us some input because I am constantly amazed at the wisdom of our own citizens who we represent and whose money we spend. Secondly, people have asked me, is this a pro business ordinance? And the answer is, yes. Our business community needs to be part of this deal if we are going to preserve this special place. Our large businesses and our small businesses. This idea originally came to me, walk-in neighborhood districts. I have walked 22 of them, and when you talk to small businesses about, sometimes they wonder what we are doing down here. And a lot of it is a lack of communication. And so yes, it is because we can't be the kind of place we want to be and accomplish those goals without business participation. But, I am equally concerned on some of the things we are doing on the effect on housing production, the kind of housing, and interrelation between housing and schools, for example. We have to be equally concerned about that. And finally, comes the issue of the environment. If we lose this place, it is all over with. Yes, I care about rents. Yes, there is low income folks that need quality jobs nearby, but we have Johnson Creek right there that is one of the best attributes, both economically and for the city, and so when we are creating the urban renewal districts, the balance and the effect on that is something we have to consider. And finally, I have said this many times, I have been truck struck by the wisdom and the integrity and the hearts of our own employees in our bureaus. It makes no sense to me that we pay these people to do a job and we don't have a system that guarantees they are going to have input on critical areas. That defies common sense. You would not operate any business

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like this. We are not a business. We have a more important mission. That means we should be doing better than a business in terms of how we make sure we get adequate information from our citizens and our bureaus to make the right decisions. This will allow us to be bolder, for more leadership from us, not less. And that's what this is about. In conclusion, two other things I want to say, this was not tim greu's idea, this was my idea. They had nothing to do with this, when they first saw it, with the timing of asr, they thought, oh, my god, what are you doing to us? It does need to include long-range planning more effectively, and I do want to work with gale and the mayor on that process, and finally, earl blumenauer trained you very well, mike. Not only am I lucky, but the city is lucky to have you, aye.

**Hales:** Let's give it a try, aye.

**Saltzman:** Well, I think this is a move on the right -- in the right direction. I am glad that we are sort of doing this on a performance evaluation basis because, you know, we do have this, I guess, odd duck form of government and it does, I think, inhibit sort of the ability to look at some decisions that we make from the broader perspective that often one would expect to be standard practice in the private sector, so I think that this gets us closer to that norm. However, I think that the key to its success is really going to be, you know, I hate to say it, tim, but tim knows this, as well, tim greu, is the ability of office of management and finance to really make this work within the 20-day period, but also, to do more than, to actually use their brains and to synthesize the information that comes from the bureaus, and not simply stamp a cover memo on it and say, here is the input from pdc, here is the input from bes, or worse yet, develop some cute little check-list where each bureau goes through and checks off, well, not a major policy action, yes, a major policy action, and then some subcategory of checkoffs under that. It turns into that sort of stuff, this will be meaningless and garbage. In a year from now, it will be gone. But, if they really make this work within the 20-day period and synthesizes it, in other words, somebody actually applies some brain power, take all these bureau comments on these policies and synthesize it into a well written, meaningful document that really helps us make decisions, then this will be a success, and it will really add value to how we make decisions and make this a better run city. I appreciate commissioner Francesconi's leadership on this, and I really hope that this will work as we all hope it will. Aye.

**Sten:** Well, I really much appreciate the spirit with which this is brought forward, and I think that there is some issues, but I am going to take a very politically incorrect position against the business and environment today, and not support this, and I will just take a second to give my reasoning. I think that we can always do better on more information, but I think that this is a mechanical process that takes something that basically already happens, that the bureaus do look at these issues, and generally, their analysis is in conflict. But, and I don't think that giving a 20-day notice is going to make much difference and I think it is going to have some cost. I think the fundamental issue that I completely agree with the spirit of commissioner Francesconi is we have to better engage the greater community in understanding and thinking through these tradeoffs, and as I looked at the list of policy actions on some, it happened better than others, but I know, for example, on water and sewer fees, we spent two years holding hearings east of 82nd and downtown. We had work groups looking at there. We had economic studies, and I really would be glad to share the economic studies with everyone, and defy you to show me how they are going to reconcile the fundamental conflicts that are there, so I do think that the council needs to do a better job of explicitly prioritizing and debating these issues. I think we need to do a better job of hauling or more people, and I think that the citizens really have to work to stay in touch. But, I don't think having, you know, in some ways, I very much fear that a 20-day process that implies that somehow circulating memos to all the bureaus is going to solve that, is a false promise. And in fact, it really

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isn't, you know, more bureau input isn't what's missing in this city, it is more vigorous debate and more clear engagement, and there is just a lot of things going on. That being said, I think that commissioner Francesconi should be commended for trying to take this on. I do think that it is improved dramatically, I think that the auditors' idea that's now in there to post these things on the web is an excellent one. I think the tone of the resolution has changed from the council doesn't have adequate information to everybody needs more information. And I did take some, some umbrage at the idea the council didn't have information on some of these issues. I did. And when I vote, I know what I am thinking, and I try and explain it and try to work very, very hard to be available to talk about it, in all corners of the city, and I don't think that a circulation process managed by, by essential bureaus is going to do much to improve that, and it will have some cost. That being said, I sincerely hope I am wrong. I hope this works out terrifically. I hope it rigorously improves the quality, and those who feel that they are not being heard are better heard, and I would just say quickly to you, I think you raise a very important point, and I want to think about it a little bit. I always found it important to share with the media how I think, because I do study these things and I want people to know so if they disagree, they can, you know, particularly it is the people who, who disagree that want to know, and weigh in, but I do agree you don't want to have a vote count beforehand so I think we do need to be a little more careful on saying, maybe I am leaning against this but I am still listening, which is really how I feel on these issues. So I am going to vote no but I hope it works out, and really, makes the quality decisions all that everyone hopes that they will be. Maybe this will do that. No.

**Katz:** Commissioner Francesconi, thank you for bringing this forward. I think this resolution will bring us many teachable moments. I made a promise, and I have mentioned it several times to commissioner Hales, that I will no longer call this government dysfunctional, so we, in fact, we labeled it a couple of days ago as an odd-duck government. And so commissioner Saltzman, thank you for adding on your description of this form of government, and we work very hard because it is odd for city our size, and sometimes it works well. Sometimes it doesn't work at all. Sometimes it works a little bit better than we even expected, and we work very hard to make sure that all the bureaus that will be impacted by the decisions we make are part of the decision-making process. But, I have to be very honest with you, it doesn't happen all the time. And I also have to be fair and honest with you to tell you that there are times when we don't hear from the other side. Or we don't hear from other bureaus or don't hear from other community groups, and at times, I have asked them, why aren't you here, and they say, well quite frankly, we feel sometimes somewhat intimidated and we don't want to come out against a resolution or an ordinance that either the mayor or the commissioner puts out. So this discussion in terms of the impact for everybody is more of a discussion for the public than it is for us because I would hope, as commissioner Sten mentioned, that before we make any decision, we clearly understand what the policy tradeoffs are, and make those decisions with all of that knowledge. But, the public also needs to hear those tradeoffs and needs to be engaged in some of the challenges that we feel in discussion of rate structures or economic development policies or public safety policies or environmental policies. So, I want to thank you for bringing this forward. It will make our corporate responsibility more public, and I greatly appreciate it. I also would enjoy teachable moments for the discussion of our form of government, and I think that also will occur as we think about how we need to connect with one another and how difficult that is within our individual silos. Appreciate the work and we will see how it goes, and if it needs improvement, I know commissioner Francesconi will come back and make some improvement on it. Aye. Okay. We are back to -- commissioner Sten, do you want me to read 250, 251, 252?

**Sten:** All four. We have four different quick presentations.

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**Katz:** Let's read 250 to 253.

**Items 250, 251, 252 and 253.**

**Katz:** Thank you. As all of you recall, the council approved a budget for, of \$4.85 million for the housing investment fund, and most of it is general funds, some are cbdg funds, but how that money is to be spent is a decision that was made by collective group of advocates and citizens and commissioner Sten, and so I want to thank you ahead of time for being sensitive to the needs of this community and also reflecting the consolidated plan. Commissioner Sten?

**Sten:** Thanks, mayor Katz, and I want to just give a couple of minutes introduction to this whole package of four items. Really, this is an update on what we are doing at the moment with housing policies, and I think that there is really two major challenges that we struggle with every year, and I want to just quickly address kind of the context of both of those. The first, of course, is funding. It is -- we have a huge problem, I think that many term it a crisis, and I think that that's accurate in this region, really, on affordable housing, and in many parts of the state, and there is a lot of efforts underway, which we won't work with today, but to try and address this on a regional basis, but meanwhile, we have got a lot of work to do in Portland. Over the last decade, this city council, and led by this mayor, have been very, very serious about affordable housing. I believe and I would have to double-check this, but I would, I would bet on it without hesitation, that we put more local dollars per capita into the issue of affordable housing than anywhere, any urban area in the country. We are attacking this vigorously, and I think many of us, and I would say this council is united in believing that the kind of city this is going to be has a lot to do with whether or not there are affordable places for people of all income ages -- income and ages to live, and if you look at something like the river district, our policy is that this, this booming new area should exactly reflect the demographics of the city as a whole, so I think that on a strategy and vision and policy basis, we are on the right track. Two things start to come up, one is funding, and we are not going to deal a lot with funding today. The reality of funding is we went down a path which I think was appropriate to use general funds for affordable housing, but given the property tax cap and the business license slippage, it is going to be very, very hard to continue down that path, so we are looking for a regional solution with a group of regional leaders that points towards a small tax on real estate transfers, which would really tie the problem to the solution, which would be arise -- the risings prices helping to fund affordable housing, those are the kind of efforts that will go on, but just as important as funding and often, I don't think we focus in on this enough, is really how you spend the money. And like anything, it can always be improved and unlike some areas, I mean, everything is dynamic, but the housing market is absolutely volatile, and things change on a regular basis, and so what happens is the programs that we did last year may not be effective in this year's market, and for us to try and move with the rate of which the housing market has moved to keep our programs up to date and really leverage, because, you know, for every dollar we spend on housing, there is generally 5 or 6 bucks spent by the private sector, and to try and get the most for that, and to put this in context, ten years ago, we had 3,000 vacant homes in the city and the basic problem was, they were not worth enough to fix up. Now, the basic problem is we can't even make a small downpayment program to leverage people into a homeownership because housing is so expensive, so obviously a program focused on the first is worth less when you focus on the latter, and what we tried to do is set up an annual evaluation process, and really, a pretty self-critical approach to look at the things that we are doing, and even though we need more money, say whatever dollar we have, given the depth of this crisis, it is absolutely critical that the dollar be leveraged and stretched, and spent in the most effective way possible. And so really, these presentations today are a series of quick updates to the council, and we are just going to do to about a five-minute update on each one and have as much time for questions, to really show where we

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are, and what you will see is two things. Some very, sometimes painful, but some very specific recommendations on how to change our investment to get better leverage and improve what we are doing, and also some funding recommendations that were being implementing in this year's program to say, here are the things that we are spending money on this year, here is how we will evaluate them and make a decision if those, if those make sense next year, so the idea of being that, we really need to make sure that a, we are focusing on the right types of priorities each year, and that does change from year-to-year, and b, we are getting as much as we can for the money, and I say quickly that two of the issues that we are focusing on are zero to 30% of median income, instead of 0 to 60%, and that comes from almost a decade of building housing, so for the time being, we actually believe that the working poor, which is kind of 50 and 60% of median income, are still okay today. We feel like we have made some real progress on that, so we are switching the money to lower income units. Another example would be in the realm of homeownership, we are really focused in on the very short-term on displacement issues around the interstate area to see if we can help people buy a home in interstate before, before prices go up. That's a one-time opportunity, and we are looking at the issue of displacement and trying some new models. Project downpayment doesn't work as well as it used to, so we are looking at a land trust model. These are the kinds of things that we want to be adaptive and smart about, I really want to, just as you did, mayor, thank the citizens who have worked on this. We have an incredible group of people who have now put in, close to decades, in some cases, but certainly years and months and hours on this issue, and I want to start by asking janice to come up from the housing and community development commission, and the first item is the fourth annual housing evaluation report, and in years past, some of this was combative but thanks to hadc, and all the folks at pdc and the mayor's office, we really have developed, I think, what you want, which is a dynamic tension and collaborative approach between our citizen commission and the Portland development commission, and the bureau of housing and community development to every year do what we call the hagg, which is the housing evaluation report, her, it is the housing and evaluation group who does the report is hagg, and see what could be improved each year, so janice, why don't you tell us what you found. Not at hagg, but heg.

**Janice Frater, Bureau of Housing and Community Development (BHCD):** I don't personally refer to it that way because it is very close. But I do want to thank you for the opportunity to present the work and housing evaluation group, this is the fourth annual report to council on the city's expenditures for housing development. I do want to take a moment to recognize the committee this year, the committee was comprised of helen, paul, rosaria, kathy, dave, dee, and bill. And I continued to serve as the committee chair through the development of this report. The report and its recommendations have also been presented to the Portland development commission at their february meeting, so that's been done through the process. The city provided funding assistance for \$789 units this year for a total expenditure of \$10.3 million. This 10.3 million represents all federal dollars allocated to housing, as well as the remaining pipeline from the housing investment fund. The allocation guidelines that council set out over the years continue to be met by pdc through the use of a good process designed to determine where and how the fund, to fund housing projects. For this reporting year, we came very close to hitting a goal in the majority of areas and the larger deviations were expected. Based on the information analyzed, the committee is making a few suggestions for minor reallocations to the guidelines that we think will help to fine tune the spending to match up with the city's goals and those are outlined in the resolution and the report. New this year was the committee's work on review of housing production and urban renewal districts. In resolution 35-851 last year, council asked the housing evaluation group to include information in this year's report on housing production and expenditure from all resources. The

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housing investment fund, our federal funds, and tax increment financing, as well as to look at the impact of fee waivers and tax abatements. In taking on this expanded work plan, the committee had a somewhat difficult time securing clear and detailed housing information for urban renewal districts. This was understandable given that this is the first time that this type of information was sought for each individual district. And we have the same sorts of difficulty when we started -- first started conducting the housing investment and federal fund review as data had just not been collected in a manner conducive to this type of analysis and reporting before. Pdc staff has worked hard to put a report system in place that works for everyone, and we have confidence that data will flow smoothly for reporting this year. Actually, from our perspective, this is one of the benefits of citizen involvement and review, in that it causes agencies to look at and organize their information in a way that citizens think about it, in addition to how staff thinks about it. Based on the information provided and reviewed by the committee, the following recommendations are put forth for council on consideration. There is over 54 million available for financial assistance and capital outlay for housing projects, within the urban renewal districts this biennium. However, the committee was really unable to determine how much of this in many districts was available for what types of housing as plans and budgets were not always clear. While all districts are unique and different with varying community goals and objectives, all plans accept -- except airport way have housing dollars allocated and all express some recognition for the need for affordable housing and a mix of housing to serve various income levels within the district. The housing evaluation group recommends that plans more clearly articulate housing goals and show their consistency with the city's overall housing goals and policies. The committee also had a difficult time understanding the process by which funding decisions for housing projects were made in each district. We recommend that there be project selection, processes communicated with an eye to maximizing open competition for the available dollars. This will become more important as the city looks to meet many of its community housing goals with tax increment resources. We found that some district plans include visionary types of housing goals and other specified measurable numeric or performance goals. The best outline plan with clear goals and objectives was for the river district. The committee recommends that some level of measurable housing goals be included in each plan, including the goals for affordable housing, if appropriate. Pdc has done some very good work in a couple of districts with the planning framework that includes the housing inventory, a related review of city housing policies and goals and development of a housing implementation strategy based on the gaps. These plans take into account the unique reasons each district exists and provide an evaluation platform for review purposes. The committee recommends that the studies continue for each district. A total this year of \$349,000 was awarded to nonprofits and fee waivers in support of 467 units. Of this total, 128 units received no other subsidy, but for the fee waiver. I want to again thank council for your support and dedication to the role the evaluation plays in good and responsible government. I would also like to acknowledge the work and assistance of pdc and the bureau of housing and community development staff. Berudia, tony, margaret, ave, michelle, todd, barbara, and andy, and martha and beth. This will be my final report to council, as I step down from the housing evaluation group, due to a change in my work commitments. I have been honored to participate in the work over the years, and I know that the committee's new co-chairs, katy and bill, will continue to support council and bring new, fresh, and innovative ideas. Thank you.

**Katz:** Thank you. Questions? Thank you. You have a question? Janice, come on back.

**Francesconi:** It was only because of your last comment. I am sure that commissioner Sten will thank you, but let me thank you, too. But, since this is your last moment, so could you kind of look forward the next five years? And what advice do you want to give us and how we should be

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spending these dollars and anything you want to tell us? What advice for the next five years? [ laughter ]

**Frater:** Well, I guess that -- I guess I would continue to urge you to continue to focus on performance evaluation. We tend to get a lot more done when we have some very specific goals set out there that everybody is trying hard to meet, and we tend to be a little more organized about how we approach it. Pdc has done some excellent work in the years that I have been involved in bringing about the rfp process to make sure all our goals come together in one place and folks can think about them as they put together funding requests, and that's, I believe, personally I believe that's been very, very effective. I think that erik's comments were right on the money. We are going to have to figure out ways to serve our neediest populations better, and it is more expensive, and we don't have as much money. I mean, we know all of these things. But it hasn't changed in importance, and in fact, it has probably become more important, so that's probably our biggest challenge, is finding ways to encourage the private market to pick up the things that they are better able to pick up now that we have shown that affordable housing can be an industry that, that, for-profits can be involved in so that we can really focus our work on the lowest income. I just don't see that changing.

**Francesconi:** And how do we do that? That's been my only question. How do we do that? How do we get the private sector more engaged on what they could do?

**Frater:** I think that it is better, I really do think that it is better. I think encouraging non-profits to partner with for-profits and encouraging for-profits to partner with non-profits has been pretty effective. I don't know that I have a different answer for you. Or another answer, then the same ones we keep talking about. But I guess my point is, that we should not stop talking about it. We should just keep working on it.

**Katz:** All right. Since you are the other partner in this, and steve, I don't know if you, any of you want to comment on this.

**Baruti Artharee, Interim Executive Director, Portland Development Commission (PDC):** I will. Since you asked. Thank you, mayor, council, for the record, I am biruta, I am the interim executive director at pdc. I concur with janet's comments to a large degree. I think that four years ago when we received the first report from heg, it was a very defensive reaction within pdc, and I think that we have moved from what was a combative relationship with the housing and evaluation group to a very collaborative working relationship, and I think that they can take a lot of credit for a lot of the improvements that we have made within the housing department, inside of pdc. The way we looked at the rfp system, the way we communicated with our constituency in terms of customer meetings, and it has been very open. I think that they have been right on in terms of looking at how we allocate our federal dollars and making sure that we are appropriately allocating the appropriate amount of money to the zero to 30, so we feel really good about the working relationship that we have had. I think that we are on the right track. We have struggled in the past with getting good, accurate, clean data to the group, and I think that we have improved that, and we are continuing to improve. We haven't solved all the problems, we are still working on that, so I feel very good as we go forward, and I think the challenges for us and in response to the question commissioner Francesconi asked, certainly the zero to 30, but also the other issue that I think is going to confront us, and that is confronting us right now is the issue of anti-displacement and the whole thing of how we allocation our money and the long-time residents and some of our old neighborhoods and make sure that they can benefit from the investment that the city is making.

**Francesconi:** I am sorry, I had two questions for you. One, steve, you can address if you wanted later on, but I guess I didn't know this, but family housing is to receive a priority, 50% of the total reduction unions with two or more.

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**Artharee:** The housing is defined as two units or more. That's a two-bedroom apartment, and up.

**Francesconi:** Okay. And then the last question.

\*\*\*\*\*: Is this an earthquake, in Portland?

\*\*\*\*\*: Well, we will find out how good this building is.

**Katz:** Did we pay for a seismic upgrade when we remodeled here? If we did, we should be okay. That was bigger than, than --

**Francesconi:** Oh, god.

\*\*\*\*\*: I am from southern california. If it is not a 0.5, it is nothing. [ laughter ]

**Sten:** Wait until you see the executive director, you are going to be called out this afternoon.

\*\*\*\*\*: Very high impact, public speaking before, but this has gone a bit too far.

\*\*\*\*\*: This is a bit much.

**Katz:** Look at the light. [ laughter ] I would recommend that everybody move away from the light.

**Katz:** Let's take a five-minute recess. Britta.

[At approximately 10:59, Council took a brief recess due to the earthquake.]

**Artharee:** Somebody watch this light for me, please.

**Katz:** I am watching it for you. Go ahead. Would you finish?

**Artharee:** Yes, in fact, I was just wrapping up my comments, and saying that as we go forward, one of the major issues we are wrestling with now is the issue of gentrification and anti-displacement, and I know that ties into the next resolution, too, but that's something that I think that is a reality of what we are going to have to deal with, and obviously, as we look around the country, there is no city that has adequately found the ways and means to address it, and in fact, I talked with counterparts in other cities, and we are watching Portland to see what you guys do. So we are trying to be very deliberate in how we look at, at the issue of anti-displacement, looking at the from the rental side, homeownership, policy side, and community outreach. And there has been a lot of effort going into that, and it was very appropriate, the money that was advocated last year, the portion of that that went to that effort.

**Katz:** Thank you. Let me just add, we were talking about our, our odd-duck form of government. And in this particular case, commissioner Sten and I share my bureau, and it has worked. It's worked because of commissioner Sten and it has worked because of the biruta, because he finds himself with several bosses, not only commissioner Sten, myself, but the pdc commission, as well, and you ought to be both of you, ought to be congratulated for making it work in our form of government where we share the, the responsibility of people's portfolios, so --

\*\*\*\*\*: Great, thank you.

**Katz:** All right. Steve.

**Sten:** Do we want to take a roll call on this one?

**Katz:** Does steve? -- okay, all right. Is there any other public testimony on this particular item? Somebody let jim know before we take a roll call. He's probably trying to reach steve.

**Sten:** We could start the next one.

**Katz:** Go ahead.

**Item 251.**

**Sten:** The next one is item 251, which Britta already read, is just an update that we wanted to give the council on how we are spending the \$4.8 and \$5 million that the council budgeted for housing programs, and I will ask steve to do that, but we have done two very specific projects and I am probably both more excited and more nervous about these two projects than anything I have worked on. Excited because they are exactly the right way to go and we are trying to take on exactly the two I think most important issues, and one is zero to 30% medium income housing,



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which is really the poor people, people who are on mostly monthly stipend type of situations, and then secondly, the issue of anti-displacement, and doing both through some ways that we haven't done in the past. It is very hard at 0 to 30% of medium income to develop the housing so we are much more focused on a strategy to preserve existing units, we are doing some new production. Pdc is doing that for the first time. And the commission really should be commended for this, but we are also focusing on preservation and really on trying to help citizens get into existing buildings, rather than just try and build new buildings.

**Katz:** One second.

**Francesconi:** Sorry to interrupt you, but there is more -- the -- it was 6.2, the epicenter was 30 miles outside of seattle. So apparently -- they don't know the extent of it, the fire bureau is actually pulling the fire rigs out of the stations.

**Katz:** In seattle or here?

**Francesconi:** Here, and they are also going to the command center just in case but everything looks like there could be a few after-shocks. So, that's all I know.

**Katz:** Okay. Well, go ahead.

**Sten:** That's important to know. On the anti-displacement piece, what we are doing, which is a new approach, as we have actually contracted with, I don't have the number, I think 11 community groups that are going door-to-door through a variety of outreach, we are also using internet connections, community bulletin boards, meetings, and what we are really trying to do is connect to the citizens who live, and we are define it go pretty broadly, but in the general area of the urban renewal, and the idea is to try, as we work through the, the urban renewal strategy for interstate, there was a general consensus from really the citizens on up to the city council, at every level that we wanted to do the urban renewal in a way that didn't displace people. The problem is, is that's really never quite been done, and there's been a lot of pieces so there was no blueprint for how do you not displace people, and the thesis we came to talking with activists and experts in this field, is that, and I want to say, I think that mayor Katz has done more citizen involvement on this interstate urban renewal than, than all the predecessors combined on all the urban renewal districts that we have really been there. But the, you know, the reality is, unfortunately, the people who are most in danger of displacement are not the same people as the activists who are engaged. There is some overlap so, how do you get from, I think, a huge community desire to turn this interstate into something good for people who have been there a long time and not displace people, kind of use if as a counter because it is important, also, to say that displacement is happening anyway.

Displacement is happening whether or not the urban renewal goes forward, so the issue is how can you channel this into something positive and if you take the premise, which is a little bit simplistic, but true, that urban renewal is essentially a physical strategy to give the neighborhood things that it has been lacking and deserves, displacement is very much a human phenomenon, and the way you deal with human problems and turn them around is to organize. And what we are trying to do is work with community groups to actually get out there and make contact with the citizens, and as much as possible, and there is close to a million dollars set aside, help people buy a house before, before they are priced out because that's one way, that's clearly the best way to benefit. Help people get into a land trust situation, but also help people connect up who can't or don't want to buy a house, with existing affordable rentals because part of what's happening is, on any given day, we have vacancies in affordable recommendations and people being displaced, and those two things need to be connected together. We don't have a huge number of vacancies but on any given day, somebody is moving out and somebody is being displaced, somebody is moving out of affordable rental, trying to make that link with an aggressive strategy is exactly what we are going to try and do, so it is risky. We are going to challenge ourselves but I think that it is a gamble, obviously,

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well worth taking and I just wanted to make sure that we got everybody, you know, up to speed on this approach and also I will turn it over now to Steve Redman.

**Steve Rudman, Director, BHCD:** Steve Redman, Bureau of Housing and Community Development, as Commissioner Sten just mentioned, we are talking about the 4.8 million from this fiscal year, the previous report essentially evaluated the last fiscal year, and I think that it is just going to be, needs to be underscored as much as possible for the changing dynamics of the marketplace and the challenges today are so much different than they were in the past ten years. So over the past eight months, it has been pretty busy. Commissioner Sten has been spearheading two basic initiatives, and working closely with Mayor Katz's office and the Portland Development Commission, putting the majority of the money to help those who are very poor, 0 to 30%, and then again, some of this, of the initiative in terms of trying to look at some first-time homeownership dollars, particularly in light of the changing context and speculation and the interstate urban renewal to the ten neighborhoods in northeast Portland. There is a report that goes into in, some detail here, but I think that it is important to, to know when you have some, some, it is a difficult decision for you to make, and we appreciate the precious general fund dollars went here, so what we wanted to do is in addition to our ongoing federal and local tax increment resources look at some new approaches in the zero to 30 or 0 to 20 piece, the biggest problem, Jim, if I could mention, in get the private sector involved is there is no economy or market for this, and what our experience has been that, that you cannot experience any depth at this housing folks at that income level, and indeed, operating costs are difficult to cover, so we have to be as creative as possible. The recommendation with that is, put almost \$2 million in some capital approaches, PDC went through their RFP and looks like we will probably look at, being able to buy down some units and about 45 to 50 new construction units with that, with those funds. Some of the ongoing funds we will dedicate to enhancing our homeless programs here in the city, and we are going to make betters to help people get out of that and into the housing situation, and as Erik mentioned, we are exploring our ten groups, various ways to look at some transitional rent assistance, to really help those who are, who are just a few months away or six months away from, perhaps, getting a job, perhaps linking up to some kind of income stream, but need that little extra help to, to, for short-term grant assistance, and we have ten different agencies working with families and communities of color and singles and people with, with disabilities throughout the area, working in that regard. The other 1.5 million, is a separate task force was going to deal with the issue of displacement, and I think it is an interesting mood and has Biruta mentioned, we are being looked at around the country about the issue of rising costs and what his -- what is gentrification and what is voluntary displacement, is there anything that the public sector can do to stem the tide, and frankly, we are going to be working at the edges of the marketplace. But, I think that it is important that we do everything that we can to reach out, and what this would enable us to do is identify to a million dollars to help 35 to 40 folks inside the interstate 10 area neighborhoods who might be close to, to being ready to buy a house, using the Portland Housing Center and the Portland Community Land Trust as models to try and help people get into housing before, before the potential increase occurs with, with the real investment again. We are also really focusing on this outreach effort. There are about 13 groups, actually, that are working throughout the various geographies in the ten neighborhoods, these are community-based organizations focusing on various constituencies and various languages. And their goals really are, are three-fold. One is to actually get real stories. Go door-to-door, to go to community sisters, to senior centers and talk to people who are really in danger or basically are concerned about their situation with the changing marketplace, and neighborhoods. And by doing extensive outreach, we think that we can also get better information and be able to feed that information into the long-term strategies on the urban renewal district and interstate corridor. The second is to try to link folks

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who might be in need of some services or an opportunity for, for instance, for a rehab loan or a home-buying opportunity to make those linkages happen at the door. And third, is to inform folks and better connect people, residents in the interstate district of what is happening in the interstate district and the opportunities to participate in the urban renewal processes now. So, I think it is a bit of an innovative model. We haven't done this before. Both efforts have an evaluation component to try to see if there are lessons we can learn from these two initiatives. How can we, perhaps, augment our existing ongoing resources, the federal funds, the tax increment funds, and any potential housing funds in the future. And just along the lines, I think you are aware that the, the housing community development commission is sponsoring a forum tonight on anti-displacement at the midland library, 805 southeast 22nd at 6:00 p.m. The other issue is that we do understand that the issues of changing neighborhoods affect more than just the interstate corridor, and there are folks throughout the city that are concerned about housing stability, so we just think that it is important for us to have some forums for people to raise ideas and see if there is any tools that we are not currently using that we need to put into our tool chest. Thanks.

**Saltzman:** I guess I wanted to ask on the anti-displacement outreach effort, it is interesting that we are blazing the trail on this issue, and you know, door-to-door, sounds good, I guess, but when I look at a lot of these organizations, I say, are they really going door-to-door? I mean, are these -- is emo, dollars in action, I mean, are we using door-to-door as a figure of speech? And I hope not because I really do think that we are talking door-to-door, and that's the type of effort that it really takes to get to real people, as you said, we want to go to real people, we don't want to be convening meetings and senior center and is publishing flyers here and there and whoever happens to show up, shows up, because like you said, or commissioner Sten said, you usually get the activist and is they are not the same usually as the real people. So talk to me about that.

**Rudman:** Good point, commissioner. Within these range of approaches, some groups are emo, ecumenical ministries is going to help the people who do go door-to-door make connection with the communities of faith, so there would be an approach at the faith level and then, essentially, the other groups would be going door-to-door, so they are kind of providing kind of a technical assistance role, if you will, trying to reach out to the community of faith to kind of say, what can churches do to help the situation. Some of the groups literally are going door-to-door.

**Saltzman:** Which groups of those?

**Rudman:** The foot soldiers would be community alliance of tenants, the o's in action will focus on seniors, the humboldt neighborhood, the mississippi historic district, northeast workforce center, peninsula, cdc, they are all going door-to-door.

**Saltzman:** And each one of these, do they have, just like running a political campaign, these are the number of doors, the number of households? You are going to cover in whatever the period of time is?

**Rudman:** Well, it is difficult, I mean, because it --

**Saltzman:** Well, let's say in theory, you know, they are not the way we like them to be --

**Katz:** But performance measurements.

**Saltzman:** Or contact, or whatever.

**Rudman:** I think the issue is really focusing by working with community-based groups, we are going to know by reaching out to various blocks, you talk to someone on the block, and they can point out who might be vulnerable, I mean, we are going to be really interested in people who are long-term renters. One of the issues that, that the pdc interstate process is covering is that the percentage of single family housing stock that's currently used as rental housing is much higher than the rest of the city. So that is, of course, very vulnerable to turn into a homeownership opportunity. It would be nice if we could figure out ways to help tenants become those

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homeowners, but there is an issue here about that type of housing stock and that it is a good place for families, it is a good place, and it is probably housing families in many cases, but if it is a rental opportunity, it is in jeopardy of being sold. So, I think that the idea is targeted outreach but we are really talking about going door-to-door. It is very difficult, these are grass-roots groups but they are willing to come together and coordinate their efforts, one of our outcomes in terms of, we do not want to bother people more than once, so we want to coordinate it so we know who is going to be doing which area and link it so that if elders in action or the Portland housing center can provide the support role, based upon what is discovered at the door-stop and we would link that family into get the service.

**Katz:** Yeah, and it would be important to find out some, some substantive information so you can make that link in terms of where are you if, if, if the rents were going up, or if the rental turn into a homeownership, what is it that you could afford, so that --

**Rudman:** Right, as we speak, there is actually some standardized instruments that are developed so that everybody will be asked certain questions that we need to help us make better decisions but then there will also be some tailored approach, depending on the audience.

**Katz:** I think, though, that the issue commissioner Saltzman raises are valid ones in terms of measuring. There is a lot of money going out into the community and we want to make sure that we have the information that then can be used to figure out some strategies and the sooner we -- I am nervous that we don't necessarily have the ability to add additional housing in the area in case displacement occurs sooner, rather than later, and I have asked Baruti to look at opportunities for pdc to purchase some properties, and to begin that construction. So --

**Sten:** Mayor, I think this was explicitly part of why we would spend general funds now is that we really think that this will inform the housing strategy. There is 50 something million budgeted in interstate but you correctly say, it is not going to be built for quite some time so there is two things that really become valuable. One is hopefully we can store this information and we know who is there today so we actually can judge in the future, did we succeed, and two, I also hope that there is going to be quite a few people who, as of today, can't get where they would like to be, but maybe in three years, four years, when that new housing is built, we are still in contact with them, and now they have got an opportunity, and so I think that this is really almost a precursor to the real -- it is an organizing effort to be ready for the interstate urban renewal to happen.

**Katz:** Questions?

**Francesconi:** Just a couple, but before I do, so that that was the fire chief, there is no damage in the city. At all. So that's good.

**Sten:** And the bull run is fine, it has been reported.

**Francesconi:** There might be a little bit of broken windows and things in seattle, they don't know the extent of it. Okay. First, I do have a couple of questions, but a quick comment, so the new york times this week, the sunday editorial, they were -- they quoted a 1914 reformer, jacob rias, who said, and kept repeating wherever he went, I think, the first, the all-important task is to find your neighbor. He was the poverty person advocating for, for poor folks in new york city. The first all-important task is to find your neighbor, and so I thought, so your efforts on the anti-displacement and organizing is good. I mean, it is an experimental, but it is good. We should do a lot more organizing one question that kind of jumped out a little bit, and there might be a reason for this, is I didn't see a hispanic group there. I may have missed it, but with what's happening in northeast, one of the neighbors we need to find are the latino brothers and sisters.

**Rudman:** And there have been arranged made with the agencies so that erko, the international refugee organization and hacienda are going to provide assistance with nonenglish-speaking folks.

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**Francesconi:** If we could find a little extra money somewhere, the latino network is developing, and it is a very organized group, that has great access in the latino community, and it might be something you could look for. Maybe we can help you.

**Katz:** Don't you have a strategic reserve fund?

**Rudman:** We used to.

**Katz:** I want one. [ laughter ]

**Rudman:** We used to before this fiscal year.

**Katz:** Yeah, I know you did. You gave it up. [ laughter ] Or I took it.

**Sten:** It is in the housing fund.

**Francesconi:** This is just for my information, is there any efforts, you know, this would not be your responsibility, at all, but, you know, there is businesses that are on risk of being displaced, so that's one question. How is this being integrated on the business side?

**Rudman:** That's one of the reasons that we are having the discussion this evening, is that we do know that it is more than just us. Just homeowners and renters, businesses and existing residents and businesses is really what we are focusing on in changing neighborhoods and it is pretty difficult but I think that there are some opportunities, and clearly on interstate corridor, there is a lot of effort with pdc involved to try to help the existing businesses as changing occurs, but I know that tonight, several of the speakers are going to be businesses, as well, and I think that there are some opportunities that we feed to take a look at.

**Katz:** And I mentioned the land trust could be used for commercial purposes. I don't know how -- what, what, you know, what the capacity of that is to really make a difference, but we have been talking about the land trust for housing, but if you have people, residents who own businesses in the area and may be displaced, that may be, also, one of the strategies you might want to consider.

**Rudman:** It is fair to say, though, that a lot of the citizens are involved in this process, we are concerned about the same issue, commissioner, but this is housing money, and so what we did was make sure that those issues get talked about at the interstate committees.

\*\*\*\*\*: But there is somebody sitting next to you that I would like to hear his response.

**Artharee:** Well, that's what I was going to comment on. Both steve and I sit on the interstate advisory committee, and there are subcommittees that are meeting on a regular basis now, and we are both on the housing subcommittee, but there is an economic subcommittee wrestling with the division of displacement at the same time that we are wrestling with the housing side of it, it is a real concern, it is a real issue.

**Francesconi:** Well, one of the rumors that I have heard, I haven't seen the legal opinion, but there is a rumor that pdc may have a pretty narrow definition of technical assistance, as to what can be offered through tax increment. I would like to see that decision at some point because it is my understanding that the technical assistance could be a little broader than is currently being identified. Do you know anything about that?

**Artharee:** Well, I know that legally, they are targeted for bricks and mortars and any other allocation or resources have to be related to the construction of this brick and mortar that's being put in place, and we get a lot of requests for finance, for capital and operating costs, which are totally illegal allocation of funds. Our attorneys have been working with the city attorneys looking at exactly how we could allocate taxes in a more broad form. Format. I don't know the outcome of that as of yet, but we are also looking at the whole issue of, is it possible to either designate tax finance for long-term residents in some of these areas that we are targeting? There's been a major push from the african-american community, can we target resources for african-americans that have been traditionally displaced in the past because urban renewal. And there is a lot of legal concerns about doing that, so the attorneys are, have been wrestling with there for 2 to 3 months right now.

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**Saltzman:** I don't understand that last part. Target urban renewal funds to do what for the long-time african-american residents?

**Artharee:** The issue of business displacements, homeownership displacement as we start to tailor the programs that are targeted for residence in the area, can we put stipulations in there that a person has to have been a resident in the community for ten years in order to take advantage of this program. That, for one, and members of the african-american community have asked the same thing, can we target programs for african-americans the same way.

**Francesconi:** That was beyond my -- I appreciate you asking all of that. I would like some more information on that technical assistance question, if you could get it to me, and I can ask for the city attorney to --

**Rudman:** For technical assistance?

**Francesconi:** I want to look at that issue, myself. I guess the last question is, the county side of this, by the way, steve, your staff gave me an excellent briefing yesterday. The staff the county does some things on the social service side. One of the effort is, you know, they do other things, but as part of it, they try to find housing through the social service side. Is there a way that we, or maybe, are we coordinating this with kind of the county because I am assuming that we are going to find people that, you know, knowing of a drug and alcohol program, knowing of an employment program, there is going to be other things besides housing that we are going to discover. So what's the -- is that being coordinated? Are we sharing other kinds of information?

**Rudman:** Yes. Particularly with the, the short-term rent assistance programs, a lot of the folks who are contracting to do that work also are county contractors, and what we learn from these new experiments, commissioner, we are hoping to kind of tie into our own going in short-term rent assistance programs, but the county does administer, we help fund that program, as well as the housing authority. So, we have some ongoing short-term rent assistance programs that we are going to evaluate at the same time we do these pilot projects. The county, as a government, is involved. But many of your contractors are actually doing this work in conjunction with our effort.

**Francesconi:** Okay. My last, I don't know, I guess this is a question. But with this program and then a program we might hear a bit about later, this issue of capital investment, versus rent subsidy are using the dollars for other things, that's a pretty difficult thing, and because of the changing market, the way that commissioner Sten introduced it, does make sense, and because you have a balance of people who have a lot more experience than this, than I do. That are very sensitive to this issue. Who have come up with this balance through a good process. But is there anything that you want to say about kind of that danger point, about when you go too far, especially since we are one of the only folks that are actually building housing on the capital investment side.

**Rudman:** It is a really difficult -- resources is, as commissioner Sten started, is an issue. We know that resources are tight, is we are trying to do the about its job that we can with the resources that we have. The truth is, is that though we try to save -- we say people should only spend 30% of their income on housing, but the poorer you are, the more you pay. And we have the 2-1 income ratios, where we are letting people put all of their money into disposable income, assuming that they get federal assistance with food and et cetera, into the shelter. So, the truth is that there is -- you have, you have to be more creative to figure out a way to get into our house. Capital ways are clearly the long-term benefit. We have made very -- we have a very cooperative partner in the housing authority of Portland. They have generated over 3,000 unions of local housing, that over the long-term, has potential to internally subsidize those rents, as debt is paid off, but in the short-term, it is really difficult, and that's why we wanted to allocate some to capital, bill 45, 50 units, have the stay affordable forever, and some that help the \$800,000 people right now who are but-

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for, six months of stability, might get into a housing situation today, and then be able to sustain that effort.

**Francesconi:** That's my last question, and I am not -- I am not nervous about the organizing because it is a one-shot effort and it is a good thing to test am I am more nervous about the rent subsidy side because it is a deep problem. So, my question is --

**Rudman:** I want to make sure, commissioner, we are not talking about section 8, this is not like a local, ongoing renaissance, this is a short-term, up to two years, and as a cap for each individual or family so, you really have to fit a criteria when you are in transition.

**Francesconi:** Yeah, and that's my question because there could be a lot of those people so, how you distinguish people the people who need an ongoing subsidy, up to two years, and those people that are in transition, in other words, how do we really define -- what are the measurements that, how do you define this person is in transition, and this person is not going to transition?

**Rudman:** That's why we are working with so many community partners.

**Francesconi:** That also worries me because you can have a lot of different -- where will, just tell me that I am wrong, you could have a lot of different definitions of that.

**Rudman:** I don't think that it is wrong but it is a pretty complex issue, so where the concern is, is how can we do the best with limited dollars. Indeed some of the folks we are helping with transitional assistance may actually transition to long-term assistance because there is waiting lists and things like that, can't do it today. We can find a stable housing situation, that kind of bridges the gap and then all of a sudden there is that --

**Sten:** Steve, let me, just quickly, touch on this. I think that it is \$800,000 that's in this? The situation we are faced with, is a task force of really, susan and people who are really on the front lines of working with the poorest people in the city, and said, essentially, I am going to use some round numbers, we have a million dollars one time to try and help the very poorest people, that builds, honestly, at 0 to 30, somewhere between 10 and 15 units and takes four or five years to get built, and so it didn't seem like it really would make an impact and so then the, the recommendation came back that there is -- right now, because of the housing shortage, there is a chunk of people in shelters and other places that really are on their way back, and if that money was deploy, sort of as a transitional help to leverage them into this stock that exists, which is really 50 to 60% of medium income housing, there is reason to believe that they will make it up. My first response, literally, was no, because we can't get into the slippery slope of, of we really need to develop physical assets, and the more we looked at it, the conclusion was, well, let's give it a shot, and I think that the answer to your question is, we have to look really closely at this and see how it works, but I am reasonably comfortable that in the next 12 or 24 months we may be able to leverage this 800,000 into getting a couple of hundred people off the street as opposed to building the 10 or 15 units over the long-run, I believe that yeah, you have to be in the physical development strategy, but it takes the funding source that isn't there at this moment in time.

**Francesconi:** That's a great answer. One last, last, last question. Once I help get money to a whole lot of gang-involved youth programs, and I spread it out among quite a few folks, and the standard ended up not being good enough, frankly, as opposed to concentrating on a few folks, like susan, who really knows what she is doing, I am not saying that these people don't, although it is going to be interpreted that way, but my question is, if you are going to do something a little different on both the outreach for that matter, and this, why spread it out among so many as opposed to, to a few?

**Rudman:** That's a good question. I guess the reason why, we want to learn from these experiences, with the various approaches and constituencies that people reach out to, there might be something that works well for this population but not that population. Really, in terms of the

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transition to housing fund, it is our typical housing providers, be it for singles or families, except in two cases, we had a northeast center and southeast works, two workforce organizations who have seen that one of the primary guardians to help people get into a job is housing, so they want to see if they could maybe see if there was a better connection, if you will, between housing and workforce and there is a good source of funds to try that. So this will be evaluated, particularly this program, we have allocated considerable amount of moneys to evaluate the transition of moneys to housing fund, vis-a-vis that we have ongoing programs of about a million dollars, with the county and the housing authority, and learn which approaches make most sense in today's market.

**Francesconi:** Thank you.

**Katz:** Let me ask, am I correct to assume that hud is looking at the use of section 8 for the purchase of housing?

\*\*\*\*\*: Yes.

**Katz:** Are we aggressively pushing this with them?

**Artharee:** Mayor, we have been in contact with tom kusak, who is the district director for hud, talking about that particular program, and what it is, the section 8 voucher will be counted as income and the underwriting formula used by the banks that are making the mortgage loan, and so what it does for a low-income person in addition to their income, they can add this voucher as a source of income to meet the underwriting criteria on the part of the banks, there is still mechanics being worked out with the banks and underwriters. I don't think that hud has completely developed this program to its maximum extent that we can run out and utilize it. There is some discussion on utilizing a program like this, within the hope 6 project that is being proposed for north Portland.

**Sten:** We have been aggressive. I personally sat with denny and tom kusak from hud to talk about this, sometimes the case with the federal programs, the press release might be a little ahead of its ability to do things, but as soon as it is there, we want to be --

**Katz:** The secretary was leaving town.

**Sten:** But we have made it clear to hud that as this gets moving, we want this to be the place to do it.

**Katz:** Absolutely, that's another tool that we didn't have before. All right.

**Sten:** I think that's it.

**Katz:** Anybody -- let's move on then to the other issue.

**Sten:** Do you want to go back and roll call 250?

**Katz:** No, lest clear up --

**Item 252.**

**Sten:** Let me ask rosaria and craig to come on up. This is all meant to be a package, and I am glad that we -- that there has been so much interest. We have had a homeownership advisory committee in the past, at pdc. As is the course of some of the these things that ran out a little bit of steam and was we are trying to do is reinstitute that group, and focus back in, you know. In my estimation, one of the groups that's the least well positioned in this market are young families, particularly, and not just young but usually that should be buying a home, if you allow me to make a judgment, but can't, and I really think that we need to hone in and focus in on this, and what is so difficult for mow right now is we have absolutely excellent strategies and partnerships with the banks to get people into homeownership. But they are very cash intensive in this market, so if you stretch and say that what can a working family pay, maybe it is \$100,000, it is \$130 to buy a medium home is \$170, so we have done things like over on 7th and knot had second mortgage, and kind of get the program going, it accrues interest, the public is paid back, wealth is create when had they sell the home, and it all works very well. But, you have to have \$30,000 that you can set aside for a few years, so it is very difficult, and what's happened is we are just short on cash, and so what we are



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going to try and do is reevaluate, see what we can do better I think one of the areas that commissioner Francesconi has been the council's leader on, which is employer assisted housing, is very important. Of course a new source of funds is important, and in trying to push with the banks to find new things, is very important. But, we are going to reinstitute this committee, and the committee won't solve the problem but I think that it will help us get as far as we can with the existing resources. So, whoever is going to --

**Katz:** Before you go ahead, there is ongoing funds that, in the budget.

**Sten:** For homeownership?

**Katz:** No, I am just saying for anything that we want to do. There is a million ongoing, and I am trying to think, in light of what the commissioner -- what commissioner Sten -- are you looking at me puzzled? I did the budget, Baruti

\*\*\*\*\*: Okay, I am with you, go ahead.

**Sten:** At this point, and Steve will -- Steve will jump up, half million we have budgeted into the 0 to 30 work and we have made ongoing commitments if you looked at the last presentation, and I think the other half million is available to be programmed this year, it is going into, you can count it against any of these, we have only budgeted half of that to --

**Katz:** No, no, I understand that. But, why not you go ahead. We have a million, assuming that we can continue using half a million of the cbdg funds, but we try to identify a pot of ongoing money at the last budget, and I was wondering if, if, would, with the knowledge that this is ongoing money, whether we can be a little bit more aggressive to, to help, that's all the point was, that we ought not to be looking at it just for this particular year.

\*\*\*\*\*: Yes. Okay. Correct.

**Sten:** And that's probably the right segue into this committee because what this committee is trying to do is come up with a vibrant, ongoing strategy.

**Katz:** Sorry.

**Artharee:** I just wanted to take a minute to talk a little bit about the background of this particular committee. It was started within pdc to be an advisory on programs related to homeownership. And over the last 2 1/2 years, this cross-section of both private and nonprofit folks have been meeting and really done an excellent job in terms of giving us advice on the programmatic side. What has become very evident is that there is the need for the higher level policy discussion is already adhered to by commissioner Sten, and Barbara, our manager of this particular section within pdc, came up with the recommendation that this should be part of hcde, which is the policy advisory group to council. And so we are very supportive of that, and I just wanted to, on behalf of pdc, one, to thank Sue, who has been the past chair of the committee, while it has been on the housing side of pdc, and thank all the folks who have worked so hard on this homeownership agenda and let you know that we are very much onboard with this transition, and I know that Rosaria, seated to my right, the new chair of the committee will continue some of the good work.

**Sue Craig:** I am Sue and past chair of the homeownership advisory committee and I wanted to thank Biruta for sponsoring this committee that gave us an excellent opportunity to discuss and very constructive conversation about housing with the strategies are and an opportunity to synthesize it and articulate what are the different strategies that the city has proposed and the community groups have proposed, how does that look in terms of driving what we do. In your packets, you should have received a report, which was an update to a previous report that we did, which really summarizes the homeownership activities around the city, both combining prior and public -- private and public activities, so you should have that with you and certainly, that will be an ongoing piece of this committee. So, with that --

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**Rosaria Roberts, Housing and Community Development Commission:** First of all, I would like to thank mayor Katz and the city council --

**Katz:** Identify yourself for the record.

**Roberts:** Oh, I am sorry, I am Rosaria Roberts, the housing community development commission member. I would like to thank mayor Katz and the commissioners for giving us this time on the agenda to talk about this particular resolution. I also would like to thank Biruta and Steve and Sue because they have all been helpful in trying to get me up to speed. One of the original things that the housing community development commission felt would be a good fit for this particular committee was that we would have the capability to look at policy and how the issues affect the whole city, also to engage citizens throughout the community in the process and how it affects their particular area or their particular neighborhood. The composition of the committee would be structured primarily after the homeless issues, advisory committee, we would also be looking at, at an evaluation process to leave the data, with what was actually introduced or specified in the mayor's state of the union address, are we really using those goals, meeting those goals, are we reaching on the subjects that we should be, and I think it would be an excellent fit and it gives me an opportunity to hear people throughout the city, what their views are on the housing issue.

**Francesconi:** There are two issues. I missed the first presentation, the part of your presentation, so I am sorry. Mike is not going to testify, is that right? I just want -- he doesn't need to testify. I just want to make sure that I am on the right issue. Okay. There are two issues. One is, it is mentioned in the resolution, we really haven't talked about it yet today, but it is the question, in the resolution, it says, target neighborhood residents, neighborhood stability, strengthen the public school system and reduce displacement. It is the question of a letter that I sent, and commissioner Sten is well aware of this issue, we all are now, but you know, apparently we are losing 23 young children, are moving out of the city for every six that move in. According to Portland state population study. So it is not a question of fertility rates, it is a question of where these young families, as commissioner Sten introduced this a minute ago, early, young families and housing, where are they going? The auditor is doing a more formal survey because we need more information about this. But there is an issue there that needs to be looked at by more than the auditor, I mean, we need to do more formal work, so I sent a letter to, to the commission and you are going to look at it, and it is in the resolution that I just referred to, I am referring to this a little bit just to, to remind people a little bit about this, it is not in the charge from Mike and I pointed this out yesterday, it is not in the memo to us, from the housing community development commission. It was just omitted, accidentally, I think. But, I just want to make sure that that issue is looked at. As was explained to me by the staff, it is deeper than homeownership because there are mobility factors and so there are rental issues, as well. But I just need your help on this issue. I think our city needs your help on this issue, and you may conclude that you can't do anything about it. Which is fine. Not fine, but, I mean, we want your honest look at it. So, I just wanted to raise that.

**Roberts:** There are four areas that we would be looking at, as we go forward in this next upcoming year. The four areas that we have on the agenda are monitoring of the city's agenda, green building, home repair and homeownership issues, and I think that would directly fall under the homeownership issues, but we have not met as a committee as of yet, and we will be meeting very shortly.

**Francesconi:** Well, I just wanted this explicit, is all.

**Sten:** I think that you are right on the money and I think that the other thing that has become clear to me is that this is an issue that's -- the strategy is not developing housing, it is something else, because we have, we very dramatically try to develop larger unions, and you look at, example, like the recent homeownership development near the Fremont bridge there, it is right behind Boise

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school, it has gotten two or three bedrooms, it had subsidy employees so, it is an affordable homeownership opportunity, and it almost exclusively sold to families without kids, now they may have some kids, and we can't set them aside for kids so, it is not just an availability unit's issue, and at the same time, david douglas, where housing is more affordable, is seeing skyrocketing enrollment and david douglas is 100% in the city so this has something to do with affordability and also there is something going on in terms of, of proactive outreach and marketing and trying to get the families into the opportunities because it hasn't proven true if we build family-sized housing, that they will necessarily end up in there. So it is a complex issue but you are right on the money.

**Francesconi:** Right, well, I appreciate you coming from you, I really appreciate that, and I wasn't meaning to suggest that, that it is only one solution to this. But, I want you to look at the whole spectrum of this, and give us some advice, you can't do much until you get the survey black from gary blackmer but then we want to give it to you and have you act as our eyes and ears and heart on this. The other issue, which I am just going to mention, but I am not going to say anything more about, but the issue, I think it has come up today, maybe it hasn't but it is in your resolution, there are minority issues that the homeownership rate is not where it should be. City-wide. So I know again, it is the same issue but all you can do to target your efforts as our citizens of color, because homeownership and business ownership are the best means of gentrification, so that's our expectation. The third -- go ahead.

**Roberts:** Your comments are well taken. On the committee, we do have a representation from the african-american home-buying fair, the asian and the latino home-buying pair, so we are aware of that.

**Francesconi:** Okay. My third point, and I have not done what I should have done. Let me be the first one to say, on the employer-assisted housing. I feel good about what I did in terms of giving our own citizens, city employees access to this, and I feel good about with sue identifying with the city of Portland, has a terrific motto that doesn't need any subsidy, that they are using to try to employ their employees, but -- their employees, because they understand having good employees, stable employees is valuable in the business. But, I have not done a good job at spreading this message to other employers. So any see that that was explicitly mentioned, either, but if you have any advice about how to approach the employer-assisted housing question, now sue feels, as if the city, or somebody may need to offer some additional incentive on this question. And maybe that is necessary. I guess I would like you to look at it. But if we could package employer assisted housing with, you know, schools, so the employer has a role, too, in this. The city has a role, and maybe just a little bit, but maybe you think it is not a good use of taxpayer money. I guess my question is, I would like you to look at it because I have asked ova to look at it early on through a bonding mechanism and they have so much on their plate, having you look at it, I would like you to explicitly do that and see if it makes sense or not. That's my third request.

**Craig:** I would agree with you, commissioner, and one of the things that has been really exciting about this particular forum for discussion has been the private and public group around the table, and being able to share what activities are in motion, and like the city of Portland, employee program, much of the sharing that goes on helps bring people onboard and spread those ideas and we have more them people having more conversation around the way. So, I think that it is something that certainly can be added to this agenda, and falls within the format or the formation of this committee. The structure because one of the things we are looking at is how do we leverage private sources of capital to make the city's money go further, so clearly, part of that.

**Katz:** Further questions? All right. Anybody else? Did you want to add anything? Anybody else want to testify? Come on up.

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**? Lloyd:** Peg, Portland housing center, I would just like to add as working at homeownership in the last ten years, the importance of tying some of these pieces together that I have heard since I have been sitting here. One is that there is work in interstate, it is an area that was red-line sod that there wasn't homeownership happening so the use of funds as we go forward, in the interstate targeting them to register or to homeownership is significant when you are try and look at communities where they were specifically left out of homeownership. The other part is when you talk about new construction that we found with the families that we are working with, is that we need really the city council to step up as a bully pulpit that when you look at a row house next to the fremont bridge that's all connected with the tiny yard and you ask a family to live there, their experience is what they see on television, and it is more of, homeownership is a single family house on 5,000 square foot lot, it has a dining room. It has two upstairs bedrooms. So, I think that we need also in, turn, is to get council to help us market what's really available out there because expectations on what \$100,000 isn't what it used to be ten years ago, even. And I would also like to say that this group is really to help us all identify who and where for homeownership because there is lots of tools. We can throw tools at you all the time in terms of those of us that are professionals, but to find out in the community where we want to have homeowners to increase that sort of livability and things like property tax abatements that can help home buyers afford housing is another tool that you can look to this committee to guide you on. Thank you.

**Katz:** Thank you. All right. Further testimony? All right. Let's take the last item.

**Item 253.**

**Sten:** It is nearing the lunch hour but, I am glad that people are interested in this. This is the community asset management think tank, which is kind of a long sounding piece. This is what some of the it was being self-critical, there is just an issue out there that, that it is no surprise to anybody, that there is a lot of rental units and we have gotten to a point where a lot of the buildings don't really have the kind of money that they need to maintain the way that they need to be maintained, and really, there is two things. One is we do have to push very hard to make sure that both for-profit and non-profit landlords are accountable and that they do the things they can do, but the self-critical part is, as we have dug in and studied this, we think that we are probably overly, well, actually we are overly optimistic in underwriting some of these buildings and really wrote deals that, that did not allow enough room for maintenance on, on the standards that we should require as a community regardless of income. The second piece is, that if you -- over the last decade, we structured an approach to funding housing, which I think was very smart, but also had some unintended consequences, and that approach was that, that we really gave a lot of the group's support when they developed new housing, and so we saw that as an incentive system to say, if you go out and do more, you will have more money in your operating budget, well, as prices went way up and subsidy available went down, that left a lot of these groups in an untenable position, which is in order to keep afloat, they had to develop more units but sometimes that comes at the cost of the existing units, so this is a fairly technical report, but it is very serious and it is a series of recommendations to consider, restructuring some of the financial packages, most of this will be more looking at payment schedules and other pieces, not investing new money but to really say, if the movement to have adequate affordable housing is going to have staying power, these properties must be maintained and kept to the highest degree of standards and in order to do that, the city has to rethink some of its financial positions and that's really what martha has done, even though it has been relatively tough and that's what this report is.

**Martha Lennan, BHCD:** I am martha, bureau of housing and community development, I think a couple of things have evolved in our affordable housing finance over the last decade and one is that we are trying to serve lower income people and asking for longer term periods of affordability and

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long-term commitments, and that's bringing about this recognition that we have now and the evolution of the best practices that you see in this report. A lot of affordable housing finance was based on private market models and those models were discovering, don't translate very well, the lower you get into the income spectrum and the longer you want the housing to stay affordable at a certain level. What the report basically does, is have us look forward to, say, what shall we do in terms of how we are going to finance the deals in the future, and how we are going to hold partners accountable, how we are going to train and make sure that partners can perform to the expectations that we set. We are also going to look back to the deals that we have assisted over the last decade, to see if we need to take any corrective actions to insure that those properties can continue to serve as an affordable housing resource for the long-term and meet the quality standards and the needs of the tenants and the neighborhoods. So that's basically what's contained in the report. There are a variety of recommendations that call for implementation in terms of the programs at the Portland development commission. They call for implementation in, in terms of the programs that the bureau participates in. That provide operating support and technical assistance and training to nonprofits. And we are looking forward to implementation. And I would be glad to answer any questions.

**Katz:** Questions? Anybody else want to testify? I didn't mean to rush you, but -- Okay. Good, I think that we are at the point now of taking a roll call on each one of the items. Is bes prepared to come up on the 4/5?

**Saltzman:** I told them that they can go, I will handle it.

**Katz:** Okay. 250.

**Francesconi:** Let me just make some brief comments that covers all of these. First of all, I am glad that commissioner Sten is leading this effort. This is a very complicated effort that takes a head but also takes a heart, from the most vulnerable citizens so I appreciate his leadership on this because he has both. I think that just a few things to address, one is this dynamic tension and the healing that's happened, let's not lose sight of that, and the mayor deserves a lot of credit. Pdc reports to the mayor, and the participation has been terrific, we have learned using commissioner Sten's words, using a self-critical approach to our own bureau but have we delivered? There is a person at pdc that has helped turn this around, and it is biruta, you deserve a lot of credit with your partnership with steve to make sure that we are taking a one-city approach to the most vulnerable citizens. I loved what commissioner Sten said about a regional approach to funding. The other jurisdictions have to step up. I personally wish that I had nod backed off mandatory inclusionary zoning, but that's another subject. We need a regional approach, for regional funding for this. And we have to be realistic, given property caps and business income tax, commissioner Sten talked about in his approach, that we can't continue just with this, so the approach -- looking at how we spend the money, and trying to leverage the private market, even though the current market is not going to do anything at 0 to 30, is the right approach, so trying to do new things, as opposed to just helping 13 people, makes some sense. It is concentrating on interstate in the area where there has been red-lining, I thought that peg's testimony was good to remind us of the history of this area so it makes very good sense to do this. I am particularly excited about the land trust notion on the idea of housing, and I think that that's something that we really have to pursue. So, we have to be that creative on the business side. The last thing I want to say, though, is that displacement, you know, we, and commissioner Sten said, one of his concerns, he's worried about raising expectations, we are really talking about the market, if we are going to invest capital into an area, the market is going to go up and it is not all bad. There is a lot of these seniors and a lot of citizens living in northeast along this area that wanted to gentrify, they feel safer, the studies are showing that they are feeling safer. The studies are showing they now have some capital in their building, so it is not all bad.

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We have to concentrate on getting people into the market through education and training and business and homeownership, I mean, we can't lose sight of this. That has to be the primary thrust, I object, not to put these efforts down. Last thing that I want to say, this is a new idea, it is Charles Jordan deserves the credit for this, I think that we need to embrace some of the, even more so, some of the new folks moving in to northeast, and other parts. There is an opportunity to really create an even more diverse community where we capitalize on each other's strengths and ask more architects and bankers move in, if we can form the relationships with people that traditionally reside there, there could be more power to address some of these issues and we can create some relationships across lines where we have not been able to do this. So, I think that we also need some outreach, go finding your neighbors, for some of the people moving in. And create some relationships where we are in this thing together. And we need to be, as intentional about doing that, as these wonderful efforts that we are doing here. And we need to think about how to do that. Aye.

**Hales:** Well, thanks for the update. I think this, this whole effort really a combination of, of council's support and funding and extremely effective staff work, both bureaus, and some really dedicated volunteers, is a success story, new issues, new challenges, first started working with Steve when, when reach was trying to, you know, get people to entice people to try to mix up housing and enter southeast. No longer a problem. [laughter]

**Hales:** New problems now, and you are doing a good job of trying to anticipate them and develop strategies to deal with them, so thanks for good work on all fronts. Aye.

**Saltzman:** I appreciate it, the opportunity to really focus in on a number of different aspects of affordable housing issues that we are involved in, as the city, and bringing these, these all at one time, I think are really, you know, but for the earthquake, I think it really helped for us to really focus and concentrate on this issue and spend some quality time and I learned some things and I think that we raised, I think we all have raised some very thought provoking issues that lay lady for us in the days ahead, but good work, aye.

**Sten:** I think that I have said enough, but I want to just quickly thank everyone, thank the staff, it has really been terrific work and thank the citizens and particularly I want to thank Janice, if she is stepping out, from some of these efforts, although I don't think that we are going to let her off the hook, completely, and I think for the citizens that are here, I think that sometimes there is a serious question, and I think that it is a good question, in people's minds as to whether, as you log all those nights and lunch hours and breakfasts, putting together recommendations, does it really have an impact, and I want to, you know, use that as a lead-in to thank my colleagues for the amount of thought and energy and passion that they have put into this issue, and I think anybody who was watching this today would say that, you know, this went a lot longer than people were expecting, and the council is very, very engaged, and I think the kind of, the kind of thoughtful work that you have done as citizens really has paid off, and it does very, very much influence what gets done in, in pdc and city hall, and we all really appreciate it, and let me end by giving a personal thanks to Mayor Katz for her efforts on this. There has been a lot of tension, in years past, and Mayor Katz has just been absolutely terrific in taking the lead on these issues, and making sure that I have the support that I can then give to all of you to get these issues moving and we are getting more done with these kind of resources than I think that we have a, we have a right to, and I think it is thanks to your hard work and Mayor Katz that is making that happen, aye.

**Katz:** Thank you, Commissioner Sten. Let me say that I voted on impact to commit to making sure that we reach our goal of 1,709, or 1,719, doesn't make any difference. It is a little bit over 1700 units of affordable housing for zero to 30% of median income. There was a lot of nervousness around that table by other mayors of other jurisdictions in terms of what, does it mean

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for them, but I felt that this community can make that kind of commitment and will need to do everything that we can over the next five years to reach that goal. Second, I am very concerned, as everybody around here is, on gentrification, we also made a commitment when we created the urban renewal district and interstate, to try to allay the fears of african, especially african-americans who had experienced such negative, negative activity during the urban renewal -- early urban renewal of their community, and so we have to make that commitment to see what, what we can do and use every possible tool and maybe be the first community in the country to at least make some kind of a measurable attempt of dealing with gentrification. I don't know if it is doable. But if we don't try, we don't deserve to be here. All of us. And I know that we are trying, and trying to find the tools. Personal comment, I lived in northwest during the condo conversion. Does everybody remember talk about gentrification of a community where we lost a lot of low-income and a lot of elderly and let an attempt at the legislature to deal with condominium conversion, and because the value of rentals were going up, our family was truly displaced. And we looked at that time at homeownership figuring this was our ability to buy a home. But the gap was still there. And if it wasn't for family to close that gap, we would not be in a homeownership opportunity. So whatever you can do to close that gap, I want to make that gap now ten times over, but at that time, it was, it was horrendous, we couldn't have gotten into the home that then later on took a lot of money to repair, so that's why I am focusing in on homeownership. What you can do to make that reality. I also want to thank, as I did previously, commissioner Sten and biruta and all of the citizens for working together and I think we finally all are on the same page. Commissioner Francesconi's comment with regard to how do we integrate and bring the communities together and our concern about mobility and how do we keep children in this same -- in the same schools and how do we provide information to new residents who come into the community about what's available and how do we educate them. Let me -- led me to rethink the notion of a welcome wagon. So, not a commercial welcome wagon, but are we, in the community, should we, in the community, especially in an urban renewal district, where changes are going to occur, dramatically, welcome new citizens who are coming in and seeing if we can make those kinds of connections and educate them about the community and especially, get those architects and lawyers who are moving in to the community to get involved. So, I just throw that out. It keeps coming up over and over again, how, how do we -- do we engage people moving into a new community. I wish you much luck. You have my support, as long as biruta is here and his replacement as supportive as he has been, and as we look for a new director, I guarantee you we will have his or her support, as well, I want to thank the council. This is a very important issue. This will be an issue that will be with us for a very, very long time. Aye. All right. Before we get to our communications, let's take item 255-1. It is a 4/5 agenda item.

**Sten:** We have got to get the other three -- **Katz:** Oh, I am sorry. Right. **251. Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. **252. Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. **253. Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. Thank you. I need a suspension of the rules to bring 255 -- do I hear a second? Any objections? Hearing none, so ordered. 2--- 255-1, commissioner?

**Item 255-1.**

**Saltzman:** This is simply to extend a sales agreement for a piece of property, bes intends to buy for pollution reduction facility in northeast 148th and sandy. Due to my absence last week I was unable to, and the negotiations are still going on, I was unable to get this before us on the regular agenda so I ask for your support to extend this agreement.

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**Katz:** Does anybody want to testify? Anybody have questions? If not, roll call. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. communications. \*\*\*\*\*: I have had a request to have 255 come before 254.

**Katz:** I don't care.

**Item 255.**

**Richard Koenig:** Good morning, richard koenig from buckman. In spite of intimidating circumstances, I am inspired by the call of the mayor. To the people of Portland, to be bolder and aim higher. Before we get any further off the track, as we were headed last week, I would like to take this time to remind council, and particularly, mayor Katz, of the basic operating rules. You have each sworn to uphold the state and federal constitutions under article 1, section 1 of the Oregon constitution, we find that all power is inherent in the people. And free governments, are founded on their authority, and instituted for the people's peace, safety, and happiness. I expect you to honor your public servant's oath, recognize my power, and refrain from subverting my peace, safety, and happiness. I have been exercising my inherent power by appearing before this council to seek remedies for wrongs done by rebellious public servants. The course that I have signed up to follow says that I am before you for communication. The american heritage dictionary defines communication as the exchange of thoughts, messages, or information. I am not here to merely flap my lips, but to revolve problems. The chain of command is climbed and I am now to where the buck stops. When you called on me -- when I call on you, to exchange information pursuant to the definition above, you will be expected to respond appropriately. As an alternative to responding substantively, you may acquiesce by remaining silent or may assert your right not to incriminate yourselves. We left off last week with an unanswered question about official duty being properly performed. In the normal course there is a legal presumption that, of course, official duty will be properly performed. However, past performance on the part of the police bureau has deprived the city of the claim that it has to this presumption. I am looking for, and to assure the people, I am looking for the city attorney here to answer the question, have you forwarded the crime report rendered a few weeks ago, from city council to the district attorney's office.

**Katz:** We are not going to have a conversation. This is a communication between you and to the council.

**Koenig:** Okay. Could you direct your attorney to respond to the question?

**Katz:** You and I are not going to have a conversation on this, either.

**Koenig:** Well, I could take it from the top since I apparently didn't have my audio turned on. But the american heritage dictionary describes communication, which I am signed up here today, as an exchange of thoughts, information, or messages, now, I also gave you a chance, I said mayor, if you, if we can't do the communication that I am signed up to do here, we could schedule an appointment to do it sometime, and I also gave you a chance to consult your schedule, when do you want to do that. We will communicate.

**Katz:** Your time is up.

**Koenig:** And when will we communicate.

**Katz:** Your time is up. Let's go to the next --

**Koenig:** The next time I will come, I will give me three minutes to your response, which will we communicate.

**Item 254.**

**Patrick Dinan:** Good morning. Before we start, my name is pat dinan, I have been before you a number of times concerning our police bureau and the investigation abilities that they have. And before we start, it was brought to my attention only last wednesday, night right after your piii



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meeting that our mayor told me that I was not excluded from northeast precinct but trespassed on may 10th. However, as of today, I have not received anything in writing, either from the mayor or the police, until this happens, I will share with you facts I have from the investigation made on this case. Unless the mayor would like to communication or comment on why the position of the police now has changed to 180 degrees, she must be aware that i've been trying to get the written, and lawful order for over 30 months with close to 20 requests of which her office received at least ten cc copies. Today I provided you with a copy of a letter dated january 24th. You can see it in the front. It is on page 2. And it is, it was directed to mayor Katz, not me -- or to her, she, in turn responded and sent a request, I believe, to captain smith. If you will note, it states in the resection production of lawful trespass or exclusion orders, claimed issue to mr. Dinan, pat dinan Oregon health science university may 2nd, 1998. On the second paragraph, it says, "if you cannot provide the written, lawful order of documents in five days, I will consider, as I have been told, there is no lawful order documents available for its existence." You can read three on yourself, according to no written law, there is issues there, but it says on the fourth paragraph, your silence will show your compliance in violence of the above city codes or laws. If you will note on the front page, that mr. Smith's reply is of the nature that boggles my mind for an individual that has been an investigator for the length of time that he has, with the position that he possesses. Now, he will note, it says, may 2nd. You will note in mr. Smith's letter, captain smith, that we are paying a lot of dollars for, not one mention is made of may 2nd. But, he says, and acknowledges he received the letter dated january 18th. He also says it says to provide a written, lawful order for that document that he has been excluded from the northeast precinct. Notice the next one, it is mr. Dinan's belief that he should have been served with such an exclusion order because of the incident occurring on may 10th, 1998, when sergeant stevenson, the arresting officer of the individual that I was going to get the information, denied him access to the precinct. And it also states on the second paragraph, january 18th, that assistant berk, and I will respond to you later, but you can read that, it goes into the third paragraph, commander foxworth, he does not consider mr. Dinan excluded a trespass from the from the precinct at this time. The fourth paragraph, mr. Dinan has been put on notice that the Portland police bureau has concluded its investigation and dispute with commander foxworth, captain smith, sergeant stevenson all in matters related to the exclusion from the northeast precinct. The last one, although mr. Dinan is not excluded from the northeast precinct at this time -- does that -- could you tell from that that I was or I wasn't excluded? And if I was, where is the written order.

**Katz:** Thank you. Everybody, we stand adjourned until 2:00. Let me just correct the calendar, 256 says it is a report, and it is not, it is a hearing.

At 12.22 p.m., Council recessed.

**Item 256.**

**Katz:** If you will recall, I am going to editorialize on this one. Well, just a little bit. That the design commission, the landmark commission, the planning commission recommended, on lot 5, to leave it at 75 feet, and not to extend it to 100 feet. You also recall that there were two issues that were involved. One was the view from 8-point or several points from the bridge. The other was the -- and whether the union station tower would be visible and at what points on the bridge would it be visible at 75 or at 100 -- 150 feet. Also, heard some concerns about the bulk of it, the size of it. You then heard a request that we map this out, and gill suggesting that, perhaps, we ask the architects, the designers, to maybe break up the building so that you have a tower and a lower building, and minimize the loss of the view, if you can, and then you also heard that one of the reasons to do it was for housing for low income, 0 to 30, and the numbers that I have before me would indicate that that's probably six additional units at 0 to 30, and if I recall correctly, with my arithmetic, it will be an additional 13 under 60%. So, we are, we are not talking about a lot of units but we are talking about some units. You also recall the issue of the design and the significance of the design, and if I recall correct, commissioner Sten gave me the ability to veto this, if the council decides to approve it. Thank you very much. I don't want that power to do so, but I will, if the council approves it, and the veto is basically to designate the design, the design standards, very high design standards, if, in fact, the council decided to do this, and it blocked the view of the union station.

**Sten:** I didn't remember the blanket veto, myself, I was struggling --

**Katz:** I remembered it. It was a design veto. And I have a lot of people to help me make that decision, so I would never make it by myself. In addition to that, you have got several letters of folks requesting that we not block the view of union station. So, we did everything you asked us to do. I am sorry to bring this back. If I had my way, it would be sitting on gale's table and you wouldn't be seeing it again, but we promised, so commissioner Saltzman, I just want you to know when we promise something, we do it, even though i, even though I didn't want to do it. So, this conversation shouldn't last for more than an hour. I don't want to cut off any testimony is, but I want to hear from everybody. So, gill.

**Gil Kelley, Director, Planning Bureau:** You covered much of what I was going to say, but I will be very brief. [ inaudible ] For the project there, and I think it has some valuable information to impart, as well.

\*\*\*\*\*: Mayor Katz, should we, perhaps --

**Katz:** Did we not read it? I got so wrapped up in explaining what this is still in front of us. All right. Go ahead. Okay. I would say that this is really, perhaps, as commissioner Sten alluded to last time around, this is a case where you have two competing values, and one urban design and the other for affordable housing units. On the urban design side, there are two opinions. One is that, and certainly the thing to do is to acknowledge that this is a low bowl in the skyline that's backed up by increased height west of 9th, and increased heights north and south, but this area between the bridges is a bowl that has one historic part, which is the union station tower, and another tall object, there will be competing point of visual demarcation, and I think that graham will describe those graphically for you in just a moment. The other design point of view is that while this could be another point of interest on the skyline here at the bridge head, and rather than opine about that, I think I will let you come to your own conclusions as graham takes you through the visual analysis. On the other side of the coin, as you alluded to, there is the affordable housing goal, and the, the proposal that the architects came back with, is kind of a, of a slightly slender tower that occupies about 25% of the foot-print of the whole lot and goes up to 150 feet, and that reduced the number of units from the original proposal of about 200 units to somewhere in the 160 range, so the differential in terms of the number of affordable housing units between a conforming proposal under the present zoning and the taller proposal would be, as you said, the order of five to six of the very affordable units and about 13 or 14 --

**Katz:** 12 to 13 on the 60 and under.

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**Kelley:** Of the 30 to 60 range. So, there is an appreciable difference there, which you need to sort of balance out. Certainly it is the goal of all of us to see more affordable housing in the central city. The question is, really, is this the right place to put it, and so part of this thing gets back to the graphic exercise. The commission -- the general debates, they don't know the latest numbers, they came down strongly from the point of view that we ought not to increase height in this particular location.

Balancing those two goals. Why don't I hold it there and then ask graham to walk you through and then ask bruce to add anything that he would like to, to the presentation.

**Sten:** I want to just check something, gill, did they weigh it on the hybrid proposal or on the height limit?

**Kelley:** They weighed it on the height limit, the original proposal, they actually saw a model of the original proposal at 200 feet. 200, sorry. 200 units.

**Sten:** 150 feet.

**Kelley:** They did not see the revised 160-unit proposal, although the planning commission did get a briefing on it last night. They were not asked to take another position on this, but we just wanted to sort of keep them in the information loop.

**Sten:** Because we will see the proposal. I think it is real material, in what the new proposal is, I think very different than, than either choice that was available.

**Kelley:** I will warn you what, graham will probably make this disclosure or disclaimer himself, but what you want is mass diagrams. We didn't get the architectural drawings in time to push them into the computerized images. We do have an elevation of the architect's furnished us. But what you will see simulated in this presentation is a massing diagram, so don't read it as architecture, read it as volume.

**Saltzman:** The design is --

**Kelley:** You will see it in the presentation here, and I should stop talking so that you can actually show the pictures, is, yes, commissioner Saltzman, the revised proposal of the more slender tower at 160 units.

**Katz:** Yes. That's what you asked us to do. That's what he did. Go ahead.

**Graham Clark, Planning Bureau:** I am graham clark with the bureau of planning. A lot of my thunder has been stolen here but I did just want to clarify. [ laughter ] On what the commissions were considering back in november. They are considering the union station product, some way to hoyt and lovejoy. Generally it was intended to increase the design flexibility for new river development in the pearl and river districts. Each of the commissions deliberated on the lot 5 issue, and each of the commissions decided against the proposal. The historical landmarks and design commissions didn't have the benefit of a model that showed the massing that we are talking about today, but the planning commission did, and while the model might not be exactly the same as the massing that's shown on these images, it was a pretty decent approximation of how it might be carried out. Let me show you a power point presentation here. This will parallel the packet you received last week. The area map, I just felt that I needed to show union station to the northwest of lot 5, the proposal --

\*\*\*\*\*: We are not getting anything, right?

\*\*\*\*\*: It looks great on my screen.

\*\*\*\*\*: We are not.

**Sten:** We are not getting it, either.

\*\*\*\*\*: There kind of thing happened on december 13th, didn't it? I made a whole bunch of copies.

\*\*\*\*\*: This is one where I think we really need the electronic assistance.

**Katz:** I said this should take less than an hour, or at least an hour.

\*\*\*\*\*: Technical difficulties not included. Anybody -- check your plug there, graham. Low-tech solution.

**Katz:** What we are going to go over is what we have in front of us.

\*\*\*\*\*: We have that.

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**Katz:** Why don't you walk through us then and leave the, oh, something is happening. I don't know what it is, but go ahead.

**Clark:** Why don't I just give you also -- there are a couple of maps and also the architect's depiction of what this building could look like. My second slide is at the bottom of that.

\*\*\*\*\*: Will they want this, too?

**Clark:** Sure, that will show within here, but you may want to hand it around. The map shows union station in relation to lot 5. Lot 5 is about 700 feet from the clock tower. The whole area, gill alluded to a bowl shape, and the bowl shape that he is talking about, if you consider your hands, the two bridges, and your fingers, 9th avenue, that's the regulatory bowl shape that is established today around union station and the idea behind the study in december about the union station clock tower and also today, one of the primary goals was retain the visual dominance of the union station and clock tower, and we feel that that bowl-shape certainly accomplishes that goal. On the next slide, that kind of gets to what I just said there. And we probably don't need to speak to each of those points. Urban design issue, is the union station is surrounded by that bowl. However, given that, just north and just south of the clock tower, regulations allow buildings significantly larger, in fact, larger than the clock tower, itself, so north of the Broadway bridge, there is a development proposal today for a building of about 15 or 16 stories getting right into that 175-foot limit, actually, it is not that high, is it? About 11, I think, now, and just south, buildings can be as high as 425 feet, so while we have the bowl between Hoyt and Lovejoy on either side, buildings can be larger. What we showed you in december about the clock tower on lot 5 had to do with views from the steel bridge, and while those are very important and, and many of the graphics will depict whether you lose that view at 75 feet or at 150 feet, there are other perspectives that are important, as well. You will see a couple of slides from the northwest. There are also, sort of northeast perspectives from the Broadway bridge that are important, as well. Finally, just something that I felt should be mentioned as part of this process. Even if council chooses to extend height bonuses to the site, a legislative product that amends the zoning code maps, we can't insert in the code provisions that the council directs the developer to follow through on, so that would be an entirely separate process.

**Katz:** Say that again. Say that again.

**Clark:** If we extend the, the height limits to the lot 5, through this code change, it may be the council will be saying, we are comfortable with doing that, if the building looks like this, or is masked like this or it turns out --

**Katz:** Wait a minute, wait a minute. We have got money in this project.

**Clark:** And it would be a separate mechanism that council uses to follow up on that.

**Katz:** All right.

**Clark:** You will hear probably from some opponents and proponents. This screen shows a summary of what we have heard so far. Generally, the proponents have expressed interest in flexibility of design, increased affordable units, opponents have been very concerned with visual competition with the union station and clock tower, itself, with the steel bridge's connection to the station, and then also, they expressed some concerns about such a building being contrary to the goal of preserving visual dominance. So on, on page, since we are going through the paper version here, at the bottom of page 3

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**Katz:** You have something on the screen. Whose is that?

**Clark:** That's yours, showing on the screen. Okay. Okay. I have got it. Watch that shoulder, will you? Okay. What you see there is an architectural rendering of a lot on lot 5. This was put together after the request of pdc with the developer and the architect, and it shows kind of an approximation of what things might look like. It is also more to be considered in terms of massing than in terms of design. The design may be somewhat different from this, but the massing would likely be fairly similar to it. And it looks a whole lot better than what the bureau of planning put together with the sort of drawing on top of slides. I felt that I should show that, first, so the first couple of views, what I have

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done is paired the regulations with the changed regulations as part of this project, that are proposed as part of this prompting, and the first slide there, it shows an aerial and then an elevation view and then a view from the steel bridge deck. And what you will see there is under 75-foot regulations, from this sort of western portion of the steel bridge ramp, you lose the view of the clock tower. The clock tower, the point that we chose as the important point on the clock tower is that intermediate line that then allows you to see the full clock face. With 75-foot regulation, you would lose that view from the western most point that we chose on the steel bridge ramp. In comparison, under the scenario that, that the developer and pdc and we have considered and talked about, if you have the development ring, something like down home, at about 40 feet, and a roughly 150-foot tower on a quarter of the site at the very northern portion, you would get that view that you otherwise would have lost at 75 feet. The next image, we are calling these sort of the, the second number of pairs here. Further east on the bridge ramp you lose the view at 75 feet, at 40th and 150-foot split, you do not. But kind of what we are doing is marching east across the steel bridge here, on the third pair, you barely see the top of the clock tower but you don't see the whole face. At 75 feet, this is where you lose it, is when you get behind the tower portion, so that's the third view, and on the fourth view as you move further to the east and you are really only seeing the northern tip of the lot, you have the view back under both scenarios. So, next after that, we took, these are some slides, and some very rough visual approximations and what I would like to ask the council and the audience to do is to think not about what the building looks like but about sort of where it is and what the massing is. Certainly, it is a very rough graphic to approximate what a building might look like on that site. The first one from the west, is at the top there 75-foot lot development, and clearly you can see the tower and under next scenario you can see the tower with the split massing.

**Saltzman:** Does that pair up on one of the viewpoints you showed us earlier?

**Clark:** It is similar to the western-most viewpoint, similar to the first geographic systems exercise.

**Sten:** It has about 25% of the footprint?

**Clark:** The tower portion on lot 5 is supposed to be about 25%, correct. Next up from a, further east on the steel bridge ramp, you do not see the tower. You barely see the flag pole at the very top. Under a 75-foot development scenario. If you go to the split development, you get neither. And I should mention, also, that on this view, the tower appears to sort of extend beyond the screen. Actually, the screen is pretty much exactly the top of where that tower would be. On the next position here, it is a view from the fremont bridge ramp, I won't tell you how I got the picture, unless you ask. What you see, if you look just east of, east of the, the union station clock tower and sort of west of the crane and the foreground is a white mass, that's at 75 feet. And the next view shows 150-foot, and this sort of gets to that, a couple, a number of competing design elements, within your perspective view. Clearly, at 75 feet, the steel bridge tower and the station clock tower are intertwined. If you move to 150 feet, you start to have some more competing elements within your perspective. Now, given today's bowl regulations, as they were termed earlier, a building beyond the hoyt to lovejoy bowl, edges, would be separated by the steel bridge ramps, so they wouldn't seem to be competing so much with the connection between the clock tower and the steel bridge towers.

**Sten:** Is it likely that the foreground of that picture, and I mean north at the Broadway bridge would be quite a bit taller?

**Clark:** Yes, the building that's proposed north of the Broadway bridge?

**Sten:** Well, there is a ton of vacant space that's going to be full.

**Clark:** And there is a proposal -- if I could show this on the screen, it would be better but just in the foreground of the train platforms and the trains, themselves, I am sorry, in the background of the trains, themselves, is that 11-story building that's proposed.

**Sten:** But even --

**Clark:** Correct, between the train tracks and --

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**Sten:** That picture, where that crane is, that's going to be 11 stories right in there? What's the height right in there?

**Clark:** I don't know that there is a development proposal, but a building there, if it is largely residential, could go as high as 17 stories or so, 175 feet.

**Sten:** So it is almost guaranteed that this view is going to be very different, once the river strict gets filled?

**Clark:** I think that that's a safe assumption, yeah. I have one more pair of images.

**Kelley:** Well, it gets to how you sort of show the bowl, is difficult, but basically the bowl is defined as the area between the bridges. Between the bridges and back to 9th. But the train station is the dominant element. I think the question is not so much what is the serial viewpoint from the bridge ramps but from any place in or near the district. How do you perceive the low rise affect here, the bowl effect, sort of the depression in the skyline? With the tower.

**Sten:** No, I agree, and these are very helpful for me. My hunch is that you won't see the Broadway bridge at all. From this viewpoint, or --

**Kelley:** From the Fremont bridge?

**Sten:** You can see the bridge itself but on this angle, where the horse barn is, once it goes up to 11 stories, it is going to be an interesting -- I don't know exactly what it will look like, but it won't look like this. I don't have a point.

**Clark:** And then I have a final image, couple of images here, from 6th and Irving, so south of the Union Station is the transit mall ends and the station entrance begins, 6th and Irving looking east toward the steel bridge, you have a 75-foot potential building envelope there and next you have kind of a split massing. What is the effect -- this, this image is trying to communicate sort of what is the effect on the, the dominance of the steel bridge towers, themselves. So just in conclusion.

**Katz:** Yes, in conclusion.

**Clark:** Lot 5, many will posit, is an important sight in the central city you are began design framework, and it is important to consider it as such. It is an unfortunate reality of this project that the prospect of more affordable housing is balanced on this site with potential impacts to urban design, and I am going to close it there and ask for questions.

**Katz:** Before we get to questions, I just want to add a ps, this is such appropriate discussion after this morning. For those of you who were here, but those who weren't, looking at us like, you are clueless.

**Kelley:** I would say, too, that the affordable housing component is an important part of the discussion. Maybe Bruce, if there is anything else you want to add to what we summarized earlier. I know that this is contemplated as kind of one of the first in Portland models of sort of active cross subsidy between more expensive view units and other affordable units in a project, which is probably a noteworthy model to pursue. Again, the question is, is this the right spot of ground to do that on, and it is convenient because we all know that we can control it.

**Bruce Allen, Portland Development Commission (PDC):** Thank you. Mayor Katz and members of the council, Bruce Alan with the Portland development commission and I will be very brief. First, to answer a couple of questions, the development where the crane is, is intended to be a 12 or 13-story senior affordable housing project, which is about ready to go into design review and the office project is 12 or 13 stories, also. Both of those are basically adjacent to the Broadway bridge. And that project has ended, is on revenue right now. And the tower, itself, that we have conceptually, and I want to remind you, conceptually, you know, we resisted even drawing something but everybody wanted to get some feel of it so we took the risk to show that, but the floor-plate is about 85-foot square so if you look on a city block, it is less than one-fourth of a city block so, it is a relatively slender building, and probably not quite accurately represented by the cartoons, but we debated that one. David Bell is our developer, and Margaret Bass and Dave Frank are here and can answer the housing questions. I want to start out by saying that GSI Properties has, was selected in 1996, and it was a good choice. They have stuck with us the whole way through environmental contamination and 3-foot deep water tables and

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train tracks and everything else, and they have done, we think, a great job. They have completed the first two of three phases. Those two phases include four residential apartment buildings. Each one of those is approximately 4 and 5 stories tall. And they, together, contain about 425, 450 units. I think slightly more than half of those affordable, to 50 to 60 and 80% range. Interestingly, as our development in the river district has, has been successful, one of the criticisms has been that we are seeing a lot of these 4 and 5-story buildings, which, in fact, I think that one of the reasons that prompted the planning bureau to look at the far and the height issue. The 75-foot height limit, without a bonus, pretty much defines the envelope of the building you are going to build. You cannot literally build more than a 5-story building, in that kind of envelope, and that's why we see a bunch of 5-story apartment buildings that tend to be a square shape and as people called them, they look like battle ships, and it is not just the four buildings at union station, it is a half a dozen or a dozen buildings in the pearl district, and your action to increase the height bonus early in the pearl district, I think, will address some of that. So, this is the last --

**Katz:** You are getting yourself into real trouble. [ laughter ]

**Allen:** This is the last site that we have at union station, and when the proposal was put on the table to relook at that, we asked the planning bureau to look at the site, and of course, that's why we are here. From our standpoint, it gives us, and gives you the opportunity to do something different than a five-story box. And with that opportunity, you know, comes some challenges and some people will like it and some won't. But, you are in a good position because the developers and pdc will do, you know, will build within the existing envelope or will take some chance and is do something that's a little higher density with more units, and we will -- we are prepared to go in either direction. We think that it is a good idea. We think that the flexibility of the height bonus will create a better building but it is not without its controversy.

**Katz:** Okay.

**Hales:** Actually, it is not the last site we have at union station, because you have got three blocks across the street from union station on the other side, right? Maybe I misheard you, but the last site at the yards -- the Portland commission owns three vacant lots --

**Allen:** In front of union station.

**Hales:** Across 6th avenue, and under the rest of this plan that we have already adopted, if I read it right, two of those blocks would be at 75 feet and then the third one would be at, at 350 feet?

**Allen:** Correct.

**Hales:** So pretty big. I am not sure what that means. I am not leading to a conclusion here, just trying to figure out how much -- part of the argument here is, is, which you just made, and is a reasonable point, which is hey, there is going to be all kinds of variety in the district anyway. But, and it is going to be at roughly the same distance from union station from this site to that, theoretically, 350-foot tall block, a third of the three, in front of the building. Right? And then we have got 100 feet of height on the other side of the Broadway bridge, but with bonuses, it could go 175, right?

**Allen:** With office, it can go to 145, I believe, and the residential, 175, yes.

**Hales:** Okay.

**Katz:** Questions? All right. So -- yeah.

**Sten:** Did you get --

\*\*\*\*\*: I am trying to steer away from that on this one.

**Katz:** Oh, gill, gill -- no, no.

\*\*\*\*\*: I can't stand the heat, et cetera.

**Katz:** Let me get off -- let me get you off the hook for a second. Bruce was told not to fall on a sword on this one, not from gill, but from somebody else, so gill, what's your opinion on this?

**Kelley:** This is a difficult one for me because I am a very ardent supporter of more housing in the central city. I do, however, find it pretty compelling that between the bridges, sort of low density district, around the rail yards, as a pretty strong defining urban feature in the landscape of the central

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city. And therefore, I kind of, after some difficulty, come down on the side of keeping the height low within this, this bowl, and trying to make up the housing units elsewhere in the central city. Particularly, since the differential in housing units is fairly small. We are talking about 5 to 6 units at the most affordable and another 12 or 13 of the next category. That's not in consequence shall, and I like the model as one model of providing affordable housing of this. They are, no less, expensive units because of the construction cost. This is high-rise construction so they are expensive units to subsidize. It often happens that we get too many issues focused on one piece of ground, and we don't look broadly enough, and I think that when I stand back and look at this, this vicinity, I find a compelling urban design reason to keep the heights contained, which would mean still we would have affordable units on the site and housing units, but a lesser number. That's kind of where I come down on this one.

**Katz:** Let's open it up for public testimony and then we will bring gill and bruce back, and --

**Sten:** Real quick, what's the difference in total units on the -- between the two designs?

**Allen:** We looked at a scheme with 200 units, the picture you saw today, I believe had about 160 or 175 units.

**Katz:** It is about 50.

**Sten:** But how many in the 75-foot building?

**Allen:** We figured we might get 100 to 110. So it is the difference of about 50 or so units.

**Saltzman:** Subsidy model apply under either height limit, 75 or 150?

**Allen:** Affordability but the internal subsidy is not as substantial because you are not selling a very high-price view of units --

\*\*\*\*\*: It is the 10th and 12th floor that make -- that allow you to get --

**Katz:** They are going to see the tower. [ laughter ] Oops. All right, thank you. Let's get public testimony and then bring everybody back for further questions and then let's vote on this and get it off our plate one way or the other. All right. Who wants to testify?

**Katz:** Okay, sir, go ahead.

**Alfred M. Staehli:** 317 SE 62, 97215. Madam mayor and commissioners, I gave you all copies of my letter, second letter from -- representing us, and I won't bother to read the whole letter, just very briefly, why we reiterated that the preservation league of Oregon urged the retention of the 75-foot height limitation, specifically for block 5. And I am sighting the fact that three Portland commissions, the landmark commission, design commission, the bonus should not be applied to the site. And again, the height limitation is consistent with the downtown Portland plan, we are building high limitations for a stepdown in the central city blocks adjacent to the district. And then I want to emphasize that the, the building on block 5, any building on block 5 would be an adverse effect on the historic station, they are building higher than 75 feet high would have an adverse effect on the station, and that was before I had seen the current proposal, I am really not prepared to address that, but --

**Katz:** Give us -- that's a fair question that commissioner Sten asked. Give us your opinion. I know you haven't had an opportunity to talk to somebody but part of our issue was if you split it this way, would the objections be as strong as they were when it was in one block.

**Staehli:** I would say this is possibly a positive design innovation which may be beneficial, certainly be better in some ways than whole 75-foot high block there, en masse. Their diagrams, as well as the photographs I gave you, would show that as being, having some merit to it. I hate to see a tower there, but then maybe that would be preferable. I also want to check with my board and other preservation people --

**Katz:** Fair enough. This was your opinion and we asked you without checking with them.

**Staehli:** Yes.

**Saltzman:** But you said, you thought a split level would be preferable to the full 75-foot?

**Staehli:** Yeah, and of course, a 40-foot high building, with 80 some setbacks or tower would be even better than that. I am saying, I would be inclined to refer to the, maybe the design commission and the



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Portland chapter's design commission and the historic resource committee to, to, to speak on those issues. And I just wanted to mention, I didn't label the photographs I gave you. The ones from the steel bridge are beginning at the west end of the draw of the bridge, and moving on down to the corner there, where the ramp turns there, and so it shows the views from that. Progressively. And then the views from the, the burnside bridge are from the east end of the draw and then moving west and basically showing how the station and the tower become basically is wiped out by the other buildings that are already existing south of union station there. And both for my information and for yours, and I have other -- I won't --

**Katz:** Thank you. David?

**David Bell, GSL Properties:** 2164 SW Park Pl., 97205. David bell with gsl properties. I mainly came up just to make myself available for questions, but a couple clarifying things. One is, just to repeat, I think, something I said the last time, which is that we didn't come up with this idea just to come up with the idea. We came up with it in response to discussions with pdc about what kind of configuration might work to add some 30% units, and we thought this configuration would make that feasible. So, it was really in service of that, rather than just for the, for the building a tower for the sake of building a tower. Secondly, I don't think that the planning and design commission said, don't do it, I think what they said was, that they had certain concerns about doing it, specifically with respect to the, the views from the bridge, and I think this latest scheme that we have addresses those concerns, whether it addresses them adequately is up to you to make, but I think that that was what was behind this latest scheme. So, basically I am here, if you have any questions of me.

**Katz:** Questions of david?

**Hales:** So from your standpoint this, pencils out either way, this public policy question and about whether or not we really want these affordable units this way?

**Bell:** No. I think the other -- this is the scheme that we have thought to look at adding the 30% units, if we go back to the, the five story, we haven't looked at the economics of that specifically, but I think it is unlikely that it is going to pencil with the 30 units at the five-story.

**Saltzman:** Any 30% units?

**Hales:** Right, but some version of the project pencils. It is just less affordable units, right?

**Bell:** It is less -- yeah, it is probably no 30% units but some version of the project pencils, yeah, and I am definitely not here pounding my shoe on the table about this one, either.

**Katz:** You are not falling on your sword --.

**Bell:** I am not falling on my sword on this one, either, no.

**Katz:** David, on the 0 to 30, what would be the monthly rents?

**Bell:** Oh, boy. 275.

**Katz:** And 30 to 60?

**Bell:** 550.

**Katz:** That's not quite affordable.

\*\*\*\*\*: That's not 30 to 60, that's 60.

**Katz:** That's 60.

**Sten:** I don't want to -- pencil is the, a term of art, these are subsidized buildings so it needs less money if you put the tower in because the tower makes money. But, neither building pencils.

**Bell:** There is a little more of that, too, because the subsidy isn't free money, the subsidy is dead, and to pile more debt on it, is not necessarily, you know, the greatest thing for us in the long run, either. So, I am, I would say I certainly wouldn't make any promises that it was -- that we would be able to bring in the 30% on the, the other. We certainly weren't able to do that on the other phases.

**Katz:** I guess I raise the question, whether or not, and I know how strongly the council feels on affordable housing, whether even at -- margaret, 245?

\*\*\*\*\*: 275.

**Katz:** 275 and 30 and at 40 and 50?

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\*\*\*\*\*: 400.

**Katz:** Whether, you know, how affordable that is.

\*\*\*\*\*: Right.

**Katz:** All right.

**Saltzman:** I could ask this of gill or anybody, but I guess I would ask this of david since you are doing so much of this affordable housing development. How important is it to keep -- to pile up this concept, maybe that is too strong of a word, to getting more 30 or 60% housing, if it is a relatively new concept, isn't it?

**Bell:** Well, yeah, I think the housing advocacy committee is very concerned about this income cohort because it just isn't getting addressed. So, I think, you know, this would show a way to do that, it would also show a way to do it and mix it in with 60% and some fairly high end market stuff rather than segregating it off into its own little area. We think this is, you know, a pretty good way to do it, and it is hard for me to see what the big grave dark issue is hanging over this with all the other stuff that's happening around the station, too. But, again, that's not my decision to make. If it is that big of a negative to put a little footprint tower in that spot, I think it is pretty symbolic, myself, but that's just my own opinion.

**Katz:** Symbolic of what?

**Bell:** These used to be the rail yards and the physical distance from the station is not really what's being looked at. What's being looked at, because there are other buildings bigger than this that are going to be a lot closer to the station, a lot of them, it is just that this happened to be the rail yards, if they used to be on the other side of the station, this was something else, I don't think that anybody would be that upset about it. You are going to find a building just like this, probably just as close to the building on the other side of it, but it didn't used to be rail yards, so nobody is going to think at that there is a problem with it. But again, that's just my opinion.

**Katz:** That's fair. Wanted to know what your opinion was.

**Sten:** One last question. Make sure I understand you. On the new concept, that's like a 40-foot block with the tower as opposed to a 75-foot block, am I -- is that --

**Bell:** I am not sure if it is 40, scott. Okay. It is about 40, yeah. I think it gives that little cutaway thing so if you are right in front of it, it is going to block, but it is pretty narrow so you are still going to be able to see the tower from a lot of other areas. That was the intent, anyway.

**Fred Nussbaum:** 6510 SW Barnes Rd., 97225. Madam mayor, I am fred neusenbaum, and I represent the Portland chapter of aorta, association of Oregon and rail transit advocates. I am here before you again to urge you to keep the current height limitations. I think that the staff report is adequately shown what the impact of, of massive construction of a building at that site is going to do for a view that we are having in our policies to maintain -- that we are dedicated in our policies to maintain. It says in other documents that we are going to maintain the dominance of union station, and if we start surrounding it with blocks of buildings, at this close of a location and -- there is a different view. The view from the steel bridge is more than just one of the views. It is the view from max, which is our major transportation funnel in this region. We spent a lot of money on it, we will be bringing people into the city from the airport on max. This would be one view that they would have if we succeed in building the high-speed rail corridor through Portland, and the station becomes even more important than it is now, as a transportation hub, and people need to find it, people need to be able to know that they are getting close to it. And a massive building on that site doesn't make any sense. If the staff documents show anything, it is that maybe we should rethink even the 75-foot limitations in the envelope issue of how we build within that 75 feet, with regard to this view. And I must differ with mr. Bell on what the planning commission decided because I have got the minutes in front of me here. Two things that they decided. One was that they agreed to drop the lot 5 from change in height limitations, that was their actual action. I don't know what came to you in the form of communication, but that was their formal action. They also, in subsequent discussion, which I don't

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think you have seen, talked about continuing to work on the view corridor between steel bridge and the union station tower, so they have, an abiding interest in the views. I think I will stop with that.

**Saltzman:** I wanted to ask, have you had a chance to see the split level diagrams that we have been looking at?

**Nussbaum:** I haven't seen these diagrams. I have seen some preliminary diagrams.

**Saltzman:** I wondered what you thought, at what level of improvement --

**Nussbaum:** Right, I think I even raised it in my last testimony at the last hearing that maybe some kind of a split development might work. Having seen these drawings here, I am not sure yet because it does save some views from the steel bridge but then when you look at the closeup views from the front of the station or from, from the Broadway bridge, which weren't shown, but my imagination tells me that that kind of, even a quarter block would so dwarf the station that you have lost that design concept, that --

**Katz:** Okay. Thank you. I am going to try to stick to, to an hour. Getting close. Anybody else?

**Robert DeGraff, Riverstone Board:** 821 NW 11<sup>th</sup>, No. 515. Good afternoon, Mayor Katz, and members of council. 21 Northwest 11 and I am here is resident of the river district. I was sitting on the Riverstone Board when Homer came to us about a year and a half ago, and opened this issue with us about increasing the height limitations between Hoyt Street and Lovejoy Street, so that he could build a taller project adjacent to Lovejoy but south of Lovejoy. And the sense of the board was that that was fine. That, in fact, these battle ships, if you were, that Bruce talked about, were, were not the thing that we wanted the neighborhood to be totally dominated by and that it made sense to have some variety. Knowing at least I knew at the time, that the city has envisioned that north of Lovejoy, there would be much more variation in the heights, and so that the river district was going to have this kind of bowl that there was going to be -- there was this view corridor, if you will, but that we felt comfortable with what Homer was proposing at the distance, it was from the, the train station, adjacent to our building. I was distressed to see lot 5 get thrown into the mix when the planning staff brought forward the, the, the code revisions, which ring the Riverstone on two sides. But then you have this single piece of property that's separated and sort of sitting out there in the middle of nowhere, with potential of 150-foot building. I have the benefit of being able to look out the windows in my unit and see a relatively impressive panoramic view of the Union Station, the convention center, the Rose Garden, and the towers in the Lloyd District, and I imagine what's going to happen to that when you drop 150-foot tower, pretty much adjacent to, but not, not right next to, the tower of the clock tower, and frankly, I just can't imagine designing something that will look good that won't detract from that impressive centerpiece that the clock tower is of that vista with the east side, the towers of the east side as the background and the Union Station clock tower kind of as the centerpiece. And so I am here, basically, as a citizen saying, my gut is that this doesn't make sense professionally, I work around these issues of low income housing here in the central city. I am a big supporter of low income housing and I know we need it. I know we need it in the neighborhood, and but this, this, this bad design in order to get to our housing goals does not make sense to me. And so personally, I think that we need to stick with the 75 feet in that view corridor between 9th, or Hoyt and Lovejoy and let the neighborhood grow up on the other side of those boundary streets.

**Katz:** Okay. Thank you. Questions? Anybody else want to testify? All right. Gill, come on up and let us know, what are we voting on now? This is just a piece of what we had that we didn't act on.

**Kelley:** Correct. You have acted on the remainder of the package. Everything west of 9th you acted on in terms of height, and then we return with the ecoreform --

**Katz:** So we just -- either adopted or don't adopt it?

**Kelley:** Correct.

**Katz:** So if we adopt the report, we change the height? Right? No? Which is it?

**Kelley:** You need to make the choice.

**Katz:** We will need to make a determination.

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**Hales:** We just need to make a motion.

**Katz:** This is a hearing, not necessarily a report. All right. Questions?

**Saltzman:** Will the ultimate development, whatever height limit we adopt, still be subject to design review by the design commission?

**Kelley:** It will be subject to design review. I am not sure whether that automatically will go in front of the commission.

**Saltzman:** Well, okay, so --

**Kelley:** It will be subject to the design review.

**Katz:** And to the Katz review. [ laughter ]

**Saltzman:** I was going to say, what the heck is that.

**Sten:** There is no acronym.

**Saltzman:** Is in theory, whatever height we adopt, would still, I mean, the issue of visibility of the tower, can still very much be addressed by the design review or of the Katz's review?

**Kelley:** We would expect that at either height. We would want a well designed building. There is a critical location.

**Saltzman:** The visibility of the tower could be a central issue?

**Kelley:** The question is, mayor, does a well designed volume at this height, offend the concept of the, of the larger urban design concept or not, that's really, you know, the decision. We would expect that it would be well designed.

**Clark:** And the design commission typically does not -- it considers a new building proposal in context of design guidelines, not so much as far as the massing or materials, as long as the building is built within the regulatory envelope, the design commission doesn't really get to messing with that. There is a design guideline that talks about, and I don't have the language with me, but it is something like, give a nod to union station as the primary visual element within this district.

**Saltzman:** Okay. And then I wanted to also ask bruce, this --

**Katz:** Excuse me, give a nod?

\*\*\*\*\*: Something like that, yeah. [ laughter ]

**Katz:** We need to review language. [ laughter ]

**Saltzman:** It is the new flexibility.

**Hales:** I think it is fine that the design regulations are vague in general. And that's why we have two layers to this.

**Katz:** Let me --

**Hales:** I am sorry to interrupt, but that, to me, as a policy maker, that makes sense. I don't want to mess around with those words.

**Saltzman:** And then the specific development would also be subject to negotiation of a development agreement between gsl and pdc?

**Allen:** We already have a master development agreement. This would be a project that would require an amendment to that, yes. And our commission has already okayed that, subject to this council. If it so desires. I was going to add one more quick thing, in addition to the design commission, who may be the easiest group that we have to deal with, it does go before our commission and staff our approval, in the association, the division's committee, and the aia, so everybody gets their shot at it.

**Katz:** And your council?

**Allen:** Yes.

**Francesconi:** But the height isn't than issue once we decide this.

**Allen:** Correct.

**Francesconi:** Okay. Is there some process -- not now. I am not suggesting we set it anywhere, but where we get a new -- I promise 67 we are going to decide it in about two minutes. But where you did have citizens look at this, and then a new design comes in, why did we have citizens look at it in the first place? It is not the, the best process that we have here. Maybe that's just an editorial comment.

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**Katz:** That's because we asked for that. We didn't like the bulk.

**Kelley:** One of the distinctions about what you are doing here today is that although it is a legislative process, we wouldn't generally know as much about a building on a particular site, doing a whole area, of legislative action, had we not prevented an ownership position of a property there, and been able to ask the architects, well, mock something up theoretically so that we can make this larger legislative height decision, so we kind of blended these conversations of, of what the project might actually be with what the, the overall zoning rules are.

**Katz:** Did you have a question?

**Sten:** Well, I think I am close to being able to make a motion. Let me talk out loud for just a couple of seconds. I was really struggling between these two choices, and I think as I articulated last time, I think that they are good goals that everybody mostly agrees on that are in direct conflict with each other, and often when you compromise two goals, you go something that's not good for either side. In this case, I actually think this compromise is pretty good. It is not perfect, but I actually don't think that 75-foot block looks all that great, and I think when you look at, I think the idea of getting three quarters of it down to 40 -- 40 feet and then doing the skinny tower, gets a lot of good things to happen, and I want to be real up front, I am very interested in this cross subsidy model and very interested in getting those 0 to 30% units down there. I don't think there is enough of them to sacrifice bad design and I agree with the mayor, it is not that many units, I don't think it is enough that that would drive me to say that I think this is bad, but my, my strong sense is that the little skinny tower can be done in a way that with the smaller footprint looks very, very good. And I personally think it will look much better than the 75-foot block, which I think does knock out the complete view from the light rail and I don't think that the 75 is going to come down, whether that, you know, should or shouldn't, so I like the compromise a lot. I am inclined to make a motion but I am kind of checking with the mayor that says, raise the height limit, but I don't think that in my motion, I can say, you know, make some kind of clear council statement, you know, maybe we could do it by memo or something else that says, what we would like to see on this land is the small 40-foot building with the towers as opposed to what could then be legal, which would be the 150-foot block. Because if we raise the height limit you could move the whole block and I don't think we can move it for a quarter block. But so what I would like to do is make a motion to, maybe I will just do that, make a motion to raise the height limit with, you know, an addendum that I think, my clear intent, if this passes, that the mayor negotiate nothing be built unless the mayor negotiate a deal that fits the hybrid that's been proposed.

**Saltzman:** The height limit, for one quarter of a block, as opposed --

**Sten:** In theory, we can, we could extent the height bonuses to one quarter block but what we would end up with in this northern portion of the block is a little island entirely separate. We try very hard not to have a split zoning line down the middle of a property.

**Saltzman:** I will second the motion.

**Katz:** Motion seconded.

**Allen:** We have the unique ability in this case, under the current development agreement, they can only do 75, so we can write into their contract anything that, that the council would like us to.

**Katz:** Catherine? Yes.

**Clark:** Catherine suggest suggested that I just clarify that what we have brought you is a report rather than an ordinance.

**Katz:** I heard two things. I heard Britta say this is -- a hearing on a report. Okay.

**Clark:** Correct, so should the council decide that they want to extend height bonuses to lot 5, we would need to draft an ordinance and revisit with you in about two weeks on the ordinance.

**Katz:** Because this is just the report? Conceptually?

**Clark:** Correct.

**Katz:** Okay. All right. But his motion still would stand, this is, this is basically what commissioner Sten is recommending.

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**Clark:** I also should add one other clarification. Commissioner Sten phrased it as, increase the height limits, what we are really talking about is extending the height bonuses, which is persmicity.

**Sten:** I take that as a friendly amendment if there is no objection.

**Katz:** No objections. Roll call.

**Francesconi:** I still have been agonizing over this one. This was actually a close call in my mind, very close because we have a very good developer. We need more housing units. And I am convinced more than ever that we have to grow taller. We have to have, for a lot of reasons, but one of them is the cross subsidy so, there is a lot of reasons to do this. But I am not going to support the motion because in a close call, the reasons to oppose it outweigh it, but it is close. The reasons are that if you look at the river district plan, we can meet our housing goals, including low income goals without violating a view corridor. Of the few architectural things we have worth looking at in the city, which is the second appoint. Here is an historic clock tower. So that's one reason and two, and number we are going against the intent of the central city plan and I don't think that this is the way to do it. Just process-wise. I just don't think that this is the right way to do t we come up with the design that maybe is going to look right and we hope it looks right, but we go against the 75 feet, this is not the way to proceed. Number four, the historic landmark commission recommended against the proposal, the design commission, the planning commission and our planning director who all know a lot more about this subject than I do. And the other reason, which is the most important to me, probably, is the number of housing units, is just not enough. I mean, today we, we decided to put housing dollars into an outreach program, instead of building this number of units, and so when we have, have the availability of other places to do low income housing, right nearby, I just -- in a very close call, can't go there. No.

**Hales:** I agree with those concerns. I guess, I think this is a place to apply the hipocratic oath, first do no harm, and this is an unusual district where he have a, you have a relatively low-rise, immediate neighborhood and a really architectural landmark, and you are right, we don't have that many of them, and some of them we would like to hide, and you know, this is a really good one, and the scale of the immediate neighborhood and the importance of union station, there is -- it is too good to lose, if we can avoid it. Are there going to be more tall buildings in the neighborhood? Yes. Should there be? Yes. But, I think that in this immediate circle around, or around union station, we shouldn't mess with that, and not do this. So, hopefully we can make another version of the project pencil, with that caveat about what pencil means in this case, and go forward with a good building at a lower height. No.

**Saltzman:** Well, I am going to support the motion. I think we need the low income housing. I think that's clear from our discussion this morning. And I know that we all believe that. But more importantly, I think we need these mixed subsidy models to thrive and prosper because this is the wave of the future. We all want to have low income housing in one part of town and high income somewhere else and middle income somewhere else. We want to encourage people of all incoming to live together, and in many respects, that's, the river district has been, you know, should be a more successful model of that, and this is, perhaps, one of the best opportunities to achieve that in the river district. Secondly, I do believe that the split level model really does preserve the views of the tower, or will preserve did better than the 75-foot buildout from all the visual information that you have presented to us today. And I am sure with the design review and the Katz review, that would be more true, that we could do this tower, get that low income housing, we could have this mixed subsidy model, and we could preserve the clock tower view so I will vote aye.

**Sten:** Well, I think it was a good discussion, I think that these are things that are in conflict. I really, you know, you look at this closely, and I think that the view that, the design commissions and the landmark commissions did not consider this hybrid, and the main stated reason in their argument was a block of the, of the block tower from the steel bridge. That view is history. Under current zoning, and so the hybrid allows the view to stay in place, and to meet the housing goal so, what we are going to get, you know, kind of the worst of both those worlds in order to not see the quarter block tower from

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the other side, because I think the only thing that is lost -- the steel bridge view is not lost with the hybrid, what is lost is the look from the other side, so as you look out from a distance, you will see one more tower but there will be a bunch of these around there so I think that this was a chance to kind of get both places. So, you know, I hope the mayor will vote aye and keep this in her portfolio because you can block it anyway if it is not there because I think this 75-foot tower is a bad compromise on both issues. You lose the affordable housing and the view. Aye.

**Katz:** Well, actually, we will have another round of this discussion when you bring back the language of the ordinance, so it will give all of us another bite at the apple on this one. But at least, for now, commissioner Sten, you make a very good argument, and it is for me, a close call. On the other hand, I remember that I was one of the appellants, if not the chief one, of the first interstate bank tower when that was proposed because it was blocking the view of mt. Hood from certain sites, and I was adamant there as a private citizen that one of the things that we needed to protect was the natural beauty of this city for everybody to enjoy. So, for me, this, this is an issue as to what is it that we are going to be building that's going to hopefully last for over a hundred years. And that we have the responsibility to be sensitive about those kinds of issues and the design issue. If, if the, the affordable housing numbers were larger, it would be probably a different vote for me today. But, but they are relatively low, and I would concur with commissioner Hales, if you are not sure, do no harm. This is my motto at the legislature, do no harm to the city of Portland. And it is our motto here, do no harm, as well. Having - - so I am going to vote no. Having said all of that, if you can show me other reasons and the council other reasons next week, for voting for, for any one of us to change our vote, I will be open to that. No. Thank you, everybody, that's it for today. Okay. Let's stand adjourned.  
At 3:09 p.m., Council adjourned.