



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **3rd DAY OF APRIL, 2019** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz and Hardesty, 5.

Commissioner Eudaly arrived at 9:32 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Robert Taylor, Chief Deputy City Attorney; and John Paolazzi and Christopher Alvarez, Sergeants at Arms.

Item Nos. 283 and 284 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

The meeting recessed at 10:53 a.m. and reconvened at 11:00 a.m.

COMMUNICATIONS		
274	Request of Louis Doctor to address Council regarding proposal for a tiered commercial tax rate for vacant and blighted downtown property (Communication)	PLACED ON FILE
275	Request of Brad Perkins to address Council regarding Rose Quarter, Trailblazers, I-5 widening project, and new bridge over Columbia River near BNSF Railway Bridge (Communication)	PLACED ON FILE
276	Request of Eleni Kehagiaras to address Council regarding safety and security (Communication)	PLACED ON FILE
277	Request of Tina Wyszynski to address Council regarding safety and security (Communication)	PLACED ON FILE
278	Request of Michael Zhang to address Council regarding progress of work being done with the Community Law Division (Communication)	PLACED ON FILE
TIMES CERTAIN		
279	TIME CERTAIN: 9:45 AM – Accept Travel Portland 2018 annual report (Report introduced by Mayor Wheeler) 30 minutes requested Motion to accept the report: Moved by Hardesty and seconded by Eudaly. (Y-5)	ACCEPTED

April 3-4, 2019

280	TIME CERTAIN: 10:15 AM – Report on recent work from the City Auditor: Data Loss Prevention; Restoration Projects and Green Streets; Cleanups of Homeless Camps; and annual follow up reporting (Report introduced by Auditor Hull Caballero) 40 minutes requested Vote not called.	PLACED ON FILE
281	TIME CERTAIN: 10:55 AM – Transfer payroll and non-payroll payment processing functions from the Auditor’s Office to the Bureau of Human Resources and the Bureau of Revenue and Financial Services, respectively (Ordinance introduced by Auditor Hull Caballero; amend various Code Sections) 5 minutes requested	PASSED TO SECOND READING APRIL 10, 2019 AT 9:30 AM
CONSENT AGENDA – NO DISCUSSION		
Mayor Ted Wheeler		
Office of Management and Finance		
*282	Pay property damage and bodily injury claims of Lori Peterson in the sum of \$21,752 resulting from a motor vehicle collision involving the Portland Bureau of Transportation (Ordinance) (Y-5)	189440
Commissioner Nick Fish		
Parks & Recreation		
*283	Authorize the acceptance of a donation of 385 square feet of real property on NE 11th Ave adjacent to Woodlawn Park to be used for park purposes (Ordinance) (Y-5)	189445
Commissioner Chloe Eudaly		
Bureau of Transportation		
*284	Accept a grant in the amount of \$1,682,468 from the Oregon Department of Transportation and authorize an Intergovernmental Agreement for the I-205 Undercrossing Project (Ordinance) (Y-5)	189446
*285	Authorize a contract with the lowest responsible bidder for the North Rivergate Freight Project (Ordinance) (Y-5)	189441
*286	Authorize Intergovernmental Agreement with City of Maywood Park for safety improvements along NE 102nd Ave, including work to be completed in City of Maywood Park right-of-way (Ordinance) (Y-5)	189442
Commissioner Amanda Fritz		
Water Bureau		

April 3-4, 2019

<p>287 Amend contract with CH2M Hill Engineers, Inc. in the amount of \$80,720 for the Strategic Business Plan Development Project (Ordinance; amend contract No. 30006284)</p>	<p>PASSED TO SECOND READING APRIL 10, 2019 AT 9:30 AM</p>
<p>REGULAR AGENDA</p>	
<p>Bureau of Transportation</p>	
<p>*288 Amend Ordinance to modify a condition of approval for the vacation of a portion of SE Claybourne St east of SE 122nd Ave subject to certain conditions and reservations (Ordinance introduced by Commissioners Eudaly and Fish; amend Ordinance No. 188928; VAC-10120) 15 minutes requested (Y-5)</p>	<p>189443</p>
<p>Mayor Ted Wheeler</p>	
<p>Office of Management and Finance</p>	
<p>289 Accept bid of Granite Construction, Inc. for the SW Capitol HWY - SW 36th Ave to SW Texas St Pavement Rehabilitation Project for \$1,787,787 (Procurement Report - Bid No. 00001159) 10 minutes requested Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4 Eudaly, Fish, Fritz, Wheeler, N-1 Hardesty)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>*290 Amend City Code to increase the Chief Procurement Officer's contracting authority and to streamline the procurement and contracting process (Ordinance; amend Code Chapters 5.33 and 5.68) 10 minutes requested Motion to accept substitute Exhibit B: Moved by Hardesty and seconded by Eudaly. (Y-4 Eudaly, Fish, Fritz, Wheeler, N-1 Hardesty)</p>	<p>CONTINUED TO APRIL 10, 2019 AT 9:30 AM AS AMENDED</p>
<p>S-291 Adopt revised Comprehensive Financial Management Policies; Financial Planning, Operation and Maintenance, and Budget to address the City's financial planning and annual budget processes (Previous Agenda 229; Resolution; amend FIN 2.03, 2.03.02 and 2.04) 15 minutes requested Motion to accept the substitute: Moved by Fritz and seconded by Fish. (Y-4 Eudaly, Fish, Fritz, Wheeler, N-1 Hardesty)</p>	<p>SUBSTITUTE 37419</p>
<p>Portland Housing Bureau</p>	
<p>292 Appoint Anneliese Koehler to the Portland Housing Bureau Bond Oversight Committee for a term to expire March 1, 2022 (Report) Motion to accept the report: Moved by Hardesty and seconded by Eudaly. (Y-5)</p>	<p>CONFIRMED</p>
<p>*293 Approve application under the Multiple-Unit Limited Tax Exemption Program for NE Killingsworth Apartments located at 5470 NE 16th Ave (Ordinance) (Y-5)</p>	<p>189444</p>

At 11:50 a.m., Council recessed.

April 3-4, 2019

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **3rd DAY OF APRIL, 2019** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz and Hardesty, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lauren King, Deputy City Attorney; and Cheryl Leon-Guerrero and Christopher Alvarez, Sergeants at Arms.

Council heard a presentation and invited testimony for items 294 and 295.

Items were continued to Thursday, 2:00 PM, April 4, 2019 for public testimony.

294	<p>TIME CERTAIN: 2:00 PM – Add Evaluation of Applicants for Dwelling Units to include renter protections in the form of screening criteria regulations (Ordinance introduced by Commissioner Eudaly; add Code Section 30.01.086) 3 hours requested for items 294 and 295</p> <p>Motion to amend Screening Criteria Code Subsection D.4.b. to adjust the look back periods for non-heads of household: Moved by Eudaly and seconded by Hardesty. Vote not called.</p>	<p>CONTINUED TO APRIL 4, 2019 AT 2:00 PM TIME CERTAIN</p>
295	<p>Add Security Deposits; Pre-paid Rent to include renter protections in the form of security deposit regulations (Ordinance introduced by Commissioner Eudaly; add Code Section 30.01.087)</p> <p>Motion to amend Security deposit Code Subsection F. to clarify the length of time for the payment history requirement: Moved by Eudaly and seconded by Hardesty. Vote not called.</p>	<p>CONTINUED TO APRIL 4, 2019 AT 2:00 PM TIME CERTAIN</p>

At 5:14 p.m., Council recessed.

April 3-4, 2019

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **4th DAY OF APRIL, 2019** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz and Hardesty, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Matt Farley, Senior Deputy City Attorney; and Dorothy Elmore and Tania Kohlman, Sergeants at Arms.

**Council heard public testimony
for items 294 and 295.**

<p>294 TIME CERTAIN: 2:00 PM – Add Evaluation of Applicants for Dwelling Units to include renter protections in the form of screening criteria regulations (Ordinance introduced by Commissioner Eudaly; add Code Section 30.01.086) 3 hours requested for items 294 and 295</p> <p>Motion to amend in the screening criteria policy, amend Code Subsection D.1.b. to say, “Permanent Resident Card or Permanent Resident Alien Registration Receipt Card”: Moved by Eudaly and seconded by Fritz. Vote not called.</p>	<p>CONTINUED TO APRIL 25, 2019 AT 2:00 PM TIME CERTAIN</p>
<p>295 Add Security Deposits; Pre-paid Rent to include renter protections in the form of security deposit regulations (Ordinance introduced by Commissioner Eudaly; add Code Section 30.01.087)</p> <p>Motion to amend in the screening criteria policy, amend Code Subsection E.1.a.6. and 7. to include the language, “excluding court-mandated prohibitions that are present at the property for which the applicant has applied”: Moved by Eudaly and seconded by Fritz. Vote not called.</p>	<p>CONTINUED TO APRIL 25, 2019 AT 2:00 PM TIME CERTAIN</p>

At 5:00 p.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

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

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Key: *** means unidentified speaker.**

APRIL 3, 2019

9:30 AM

Wheeler: Welcome to the april 3, 2019 session of the Portland city council, Karla, please call the roll.

Fish: Here. **Hardesty:** Here. **Eudaly:** **Fritz:** Here.

Wheeler: Here. And now we'll hear from our legal counsel, Robert, on some of the rules of decorum. Good morning, robert.

Robert Taylor, Chief Deputy City Attorney: Welcome to the Portland city council. The city council represents all Portlanders and meets to do the city's business. The presiding officer preserves order and decorum during the city council meetings so everyone can feel welcome, comfortable, respected and safe. To participate in the council meetings you may sign up in advance with the council clerk's office for communications to briefly speak about any subject. You may also sign up for public testimony on resolutions or the first readings of ordinances. Your testimony should address the matter being considered at the time. If it does not, you may be ruled out of order. When testifying, please state your name for the record. Your address is not necessary. Please disclose if you are a lobbyist. If you are representing an organization, please identify it. The presiding officer determines the length of testimony. Individuals generally have three minutes to testify unless otherwise stated. When you have 30 seconds left, a yellow light goes on, when your time is done, a red light goes on. If you are in the audience and would like to show your support for something said, please feel free to do a thumbs up. If you want to express that you do not support something, please feel free to do a thumb's down. Please remain seated in council chambers unless entering or exiting. If you are filming the proceedings, please do not use bright lights or disrupt the meeting. Disruptive conduct such as shouting or interrupting testimony or council deliberations will not be allowed. If there are disruptions, a warning will be given that further disruption may result in the person being ejected for the remainder of the meeting. After being ejected, a person who fails to leave the meeting is subject to arrest for trespass. Thank you for helping your fellow Portlanders feel welcome, comfortable, respected and safe.

Wheeler: Thank you very much, first up is communications. Karla, call the first individual.

Item 274

Moore-Love: Louis Doctor. He is not able to make it.

Wheeler: And that was noticed on the Tuesday memo, as well, is my understanding. Next individual, please.

Item 275

Wheeler: Welcome back, Mr. Perkins.

Brad Perkins, Cascadia High-Speed Rail and SOUL District Business Association: I hope I do all that in three minutes. Good morning, council. I am brad perkins, I represent the cascadia high-speed rail and SOUL district business association. Mayor ted wheeler, I read a quote by you in the march 14th, 2019 Portland trib newspaper regarding odot, i-5 rose quarter improvement project. You stated it is a once in a lifetime opportunity to reconnect the albina community. Instead this disaster project will do the opposite. This misunderstanding started when the city council supported this project prematurely without odot completing an environmental assessment. Portland public schools and 90% of those who testified at the only ea hearing demanded a more thorough eis study. The Portland

April 3-4, 2019

city council did not give the future of the rose quarter to odot. The surrounding area is the center of the african-american community. It's portland's east bank of the willamette river with beautiful views of downtown. As our transportation hub and center for events, it bades carefully planned redevelopment. In the 1950's and 60s, fossil fuel vehicle demand pushed leaders to bulldoze historic urban centers and neighborhoods for freeway developed. The i-5 star through north side Portland's rose quarter has drastically torn the urban fabric of the area and will not miraculously come together by spending 500 million on a freeway widening topped with vacant space and shrubs. It is absolutely necessary to take a more intelligent climate change planning approach for the heart of central eastside Portland. The albina vision group is not sanctioned by any jurisdiction, nor does it represent all pertinent groups. The city council needs to appoint a broader group of stakeholders to complete a refinement plan of the area encompassing mlk jr. boulevard to the willamette river, and i-84 to russell street. Prosper Portland should authorize a request for proposals for groups for ideas to develop the area to include cascadia high-speed rail station as a catalyst. Spending 450 million for a new hybrid bridge for trains or vehicles over the columbia river west of the bnsf bridge can be matched by Washington's recently announced bridge commitment. I am seeking support from Oregon legislators for this more popular congestion and co-2 relieving project. The state of Washington is studying ultrahigh-speed rail and planning on putting together a bistate group to guide hsr development. A new cascadia high-speed rail corridor and Columbia river bridge coupled with a new rose quarter transportation hub town center is a practical climate change alternative worthy of your attention and priority. Supporting odot's i-5 multiple bridge bulldozing plan will worsen the divisions in our racially mixed environment and perpetuate the rich capitalist oil base dominance of our society and destruction of our fragile eco-system. Thank you for your time, and remember the future is now. It's really up to you guys, especially with the governor announcing today that we may have to suffer through another fight with the crc. Okay. This is a --

Wheeler: Thank you, mr. Perkins.

Perkins: legitimate alternative and this is really pertinent to the city council because it involves our streets. Thank you.

Wheeler: Thank you and thank you also for providing the written testimony. Appreciate it.

Perkins: Thank you very much.

Wheeler: Thank you, sir. Next individual.

Item 276

Wheeler: Good morning.

Eleni Kehagiaras, Stadium District Business Association: Good morning mayor wheeler, commissioners Fish, eudaly, Hardesty and Fritz. My name is eleni kehagiaras, and I am representing the stadium district business association. I am the owner of a community-based neighborhood media company with my offices located in the stadium district near providence park, home of the timbers in southwest Portland. I am also the vice president of the stadium district business association, and our board representative of venture Portland. During the budget season I would like to thank city council for investing in the success of neighborhood business districts like ours and through the continuous funding of venture Portland. And to commissioner Fish, it is great to have you as a resident in our district. Tri-met proposes to close four max stations downtown to save up to two minutes of travel time. One of the stations tri-met wants to close is the kings hill station. The max station sits across from lincoln high school and the Multnomah Athletic club in the heart of the stadium district. The goose hollow community has been advocating to keep the station open given the safety and the security concerns to the neighborhood. Students, mac members, guests, and employees in our district rely on this station along with goose hollow residents. With the platform located in the median, it is the safest station in the area

April 3-4, 2019

with good lighting and sight lines. As the chair of the lincoln long-term development committee, co-chair of the master planning committee, and a member of the design advisory group, I have spent many years involved in the plan for new construction on the lincoln city site. The new front doors will sit at 17th and salmon, the shortest distance to a max stop would be kings hill. Due to budget constraints and city design requirements, the site will suffer at least 20% decrease if not more for a loss in parking. The children and staff occupy the campus from 5:00 to 11:00 p.m., and the need for safe access to transit options will only increase. We are experiencing extensive development in our district, which will bring improvements over the next few years. We feel the decision to close the stop is a little bit premature and pending the outcome of those changes would be beneficial. As a daily tri-met user myself, I value the need for making improvements on travel time, however we feel the decision to close the stop and reduce the transit time by a few seconds for those passing through the city is not taking the best care and consideration for the area users who would have more travel time and safety concerns added to their commute to school or work by eliminating the access point at kings hill. Tri-met has increased its period for community input, and therefore we seek your advocacy and support. I urge you to stand on the side of the area users who value the safety and accessibility of the kings hill stop and implore tri-met to delay the decision to close the stop until more development and residents move into the district. Those developments will bring improved lighting, sight lines, and increased pedestrian density making it safer to walk the other distance to the stations. Thank you for your time and consideration. Good day.

Wheeler: Thank you. We appreciate it. Commissioner Hardesty?

Hardesty: Thank you. Can I ask a question? When is tri-met supposed to make this decision?

Kehagiaras: I am not sure how much time they have left on that. They did extend it a little bit. It was something that was supposed to be decided months ago, so they have opened it up to more. There was just a community input last week.

Hardesty: Thank you so much. Would you be kind enough to leave some material at my office. I absolutely agree with you, I think it's stupid to be closing a stop that's right at a high school. It doesn't make sense.

Kehagiaras: Thank you. Especially with the new front door being there, and I did leave you guys written testimony, as well as our stadium district maps.

Hardesty: Thank you so much.

Wheeler: Commissioner eudaly. Commissioner Fritz?

Fritz: Thank you for testifying today. I have not found that tri-met has been very interested in what the council has to say or what I have to say as a commissioner, so I am glad that you have put this in front of the public on open signals cable access television.

Kehagiaras: Thank you.

Fritz: How, so it really is going to be up to community members to talk to tri-met to try to get them to change the decision. If somebody watching today wants to join you in this advocacy, how would they get in, how would they reach tri-met or get in touch with you?

Kehagiaras: Their email is hello@tri-met.org. Thank you.

Fritz: So people should send comments there?

Kehagiaras: Yes, they can send comments to that email address.

Fritz: Thank you.

Wheeler: Appreciate it. Thank you for coming in. Next individual, please.

Item 277

Wheeler: Good morning.

Tina Wyszynski, Stadium District Business Association: Thank you very much, commissioners, mayor wheeler, mr. Fish, Commissioner Fish for living in our district. My name is tina wyszynski. I am with the stadium district business association, actually, the

April 3-4, 2019

founder and president. I want to thank you very much for letting us come and speak today. We are members of venture Portland. Eleni kehagiaras is my vice president. The subject I want to talk about today is not a pretty one. It's about the homeless camping. It's against the law, yet it is still happening throughout the city. My work, that's not my volunteer work, takes me to all quadrants four quadrants of the city and to some suburban areas, as well, and the problem is everywhere. It's not just in the stadium district. While it's against the law, it does not feel like much is being done to enforce the law. While camping is a huge problem, the collateral damage such as litter, fire, and everything that goes along with it, is another. This is not a unique problem, as I have said, to our district but it is a problem for all local area businesses. In a stadium district, we have a lovely new expansion project going on at the stadium. It's soon to be completed. People will be coming here from all over the country, and really the world this summer to visit the stadium and to visit our city. Unfortunately, all roads into our beautiful city are laden with trash, garbage, and many other things I don't want to say on morning television. Our city has become a landfill. In our district we have regular clean ups. I see camps being cleaned up one day only to return in a matter of days and sometimes hours. As a district, we would like to help you help us clean up our city, and we would love to know what else we can do. I would also like to commend lucas hillier of the city who took my phone call and returned it after a very long message because I can be chatty. He actually got -- he had a very nice explanation, which I don't think the rest of us get to hear often. He also did mention that he's a staff of one -- he's one person managing a staff of two people. My ask would be that some more dollars are found, I don't know how we do it, and again, we will try to do something to help you, but to help clean up this city and to provide other resources so that camping isn't an acceptable thing in Portland any more. Thank you.

Wheeler: Thank you. Appreciate it. I don't know if you are aware it, but just in a few minutes we are going to hear from the auditor on her audit of the campsite cleanup program.

Wyszynski: I read it yesterday.

Wheeler: Very good. I just wanted you to be aware of that.

Wyszynski: I will stay for it.

Wheeler: Commissioner Fritz.

Fritz: There are other districts who are doing as you are doing, and getting together to look at holistically about this, we just approved a district on the central east side that looks at maybe different approaches to helping people who are living outside and making sure that the entire area is livable for everybody. So we hope that you will continue to engage with the city, and thank you for commending lucas hillier. I agree, he does amazing work.

Wyszynski: Absolutely.

Hardesty: Thank you, mayor. I agree with what commissioner Fritz just said. People aren't on the street because they want to be. People are on the street because this is a city that's unaffordable for most working people. And we need partnerships rather than division, and so I look forward to working cooperatively to figure out how we are going to allow people to live with dignity until we have housing that people can afford to live in.

Wheeler: Thank you for being here.

Wyszynski: Thank you.

Wheeler: Appreciate it very much. Next individual.

Item 278

Wheeler: I don't see mr. Zhang. Karla, have any items been pulled off the consent agenda?

Moore-Love: Yes we have two items, items 283 and 284.

Wheeler: Those will be taken up at the end of the regular agenda. Let's go to the first time certain item, please, item 279.

April 3-4, 2019

Moore-Love: Roll call.

Wheeler: Yes, thank you very much. Please call the roll on the remainder of the consent agenda, Karla.

Fish: Aye. **Hardesty:** Aye **Eudaly:** Aye. **Fritz:** Aye.

Wheeler: Aye.[roll taken] [gavel pounded] the consent agenda is adopted. Item 279, please.

Item 279

Wheeler: Colleagues, today we are going to hear from travel Portland on their great work creating economic impact in the Portland -- in Portland businesses, both large and small. This year they are going to celebrate 40 years as a nonprofit organization. It's a partner driven business engaging stakeholders to help Shape a Portland that residents love and keeps visitors coming back year after year. Tourism is a very important part of our economy. It means over \$5 billion of spending in the region supporting over 36,000 jobs. A couple of areas I am glad to see focused on are cultural diversity and community engagement, vulnerable communities, neighborhood business districts, and the James Beard public market that we have had the opportunity to hear about over the years. I also want to thank travel Portland for joining Portland means progress, as an early adopter, connecting young people to the booming hospitality industry, and those jobs I think will be critical to our success in the years ahead. I want to welcome Jeff Miller who is the president of travel Portland, and Martin Martinez from Orox Leather. Thank you gentleman for being here today.

Jeff Miller, Travel Portland: Mayor Wheeler and council. So nice to be here talking about our program at work. We have got lots of good information. You may know that we moved from a destination marketing organization to a destination marketing and management organization, and that change really balances story-telling with stewardship. What makes Portland a great place to live is what makes Portland a great place to visit. So we believe that a great place to live is the first thing that we need to think about. And our dual role as destination marketers and stewards, we are at the table on issues around livability, diversity, inclusion, equity and more. One thing that we do know though is Portlanders like tourism. We do a biannual survey with more information, and 57% of the residents said tourism improves the quality of -- overall quality of life. 87% say that the tourists have a positive impact on our local economy, meaning jobs, businesses, support, and the tax base. What you see on the screen, these interactive statues are the Portlanders, and we took them on the road, in 2018, and to San Francisco, Los Angeles, Seattle, Phoenix, and Minneapolis, and they tell the story of beer, food, tax-free shopping, hiking, and of course, naked bike riding. [laughter] These statues are, actually, interactive with virtual reality headsets, and you look through the eyes of Portlanders through these. The statues share really what Portlanders love about Portland, and we know it's the people here that make this place a great place to visit. I am also joined at the table by a live Portlander, whose business is supported also by tourism and he will talk to you in a few minutes. Our mission is to generate travel demand that drives economic impact for Portland. It's pretty simple and it keeps us very focused on what we need to do. I will run through quick numbers. This is from Dean Runyan research for the three-county region. 8.7 million overnight trips, which increased 1% this last year, the spending that Mayor Wheeler spoke of, \$5.3 billion, but you can see the amount it's grown since 2010. Almost a 50% increase. Travel related employment, 36,360 jobs, and we know that will continue to climb as more hotels are opening. The very many have opened their doors, and we have several to go. We often get a rap that these are low-paying jobs. We do have a lot of entry level jobs, but they also provide career paths to higher career goals. We are very proud to be an early adopter of Portland means progress. We will actively work to connect those youth to jobs in our industry. Transient lodging taxes continued to increase. This represents 1% of the tax, and

April 3-4, 2019

of course, the city gets 5% which will be about \$41 million this year, and you can see the growth over time, and we really do feel the need to make sure that that tax is growing for all Portlanders to benefit from. Probably the best thing that has happened to our business is the addition of the Hyatt Regency Portland at the Oregon convention center, which is scheduled to open in early 2020. It needs to be opened by March because our first citywide convention is moving in, so we are excited about that. You can see 2019. We booked 195,000 room nights just in the convention business, but over 347,000 room nights, when you add the meetings business, or the single hotel business as well. And then you see also the incredible economic impact that comes along with that. We also plan to double what we did last year. I will talk about one conference in particular that we are getting ready to book. It's the national convention of the government finance officers association in May of 2023, with 14,000 room nights and an economic impact of \$9.5 million. We have tried for years to get this conference and now with the Hyatt in our package, we were able to book it, and thanks to Jennifer Cooperman, the city's CFO, she was very helpful with us and our team in making sure that we're going to get that. You will see a BDF grant soon for that, Commissioners Fritz and Mayor Wheeler. Also as the hotel rooms have grown, we know short-term rentals have grown. In 2014 there were about 1500. As of August 2017 at the eclipse there were 4,600. Airbnb has remitted their lodging taxes, and through partnership with you on the council, they are now remitting, also, their tourism improvement district fees, which allowed us to expand programs to help businesses do a better job. With that legislation, we added Eric Breon, the CEO of Vacasa, to our board, and Shannon Hiller-Webb, who is an Airbnb super host, and Commissioner Fritz rightly suggested we have a super host, and she is a terrific addition so thank you for that. We were excited to have her come on. And now I'd like to introduce Martin Martinez, whose business certainly benefits from tourism, but who has been an amazing partner of ours as we travel both domestically and internationally, and talking about the maker community here. Again, it's all about the people when we talk about Portland. Martin will talk a little bit about a program called "Local" which I will dig into a bit more, but I want him to tell you sort of what he has to say about tourism.

Martin Martinez, Orox Leather Co.: Good morning, everyone.

Wheeler: Good morning.

Martinez: Hi, I am Martin Martinez, co-founder and general manager of Orox Leather Co. with our office and workshop located in 450 Northwest Couch. Orox Leather is a small family business that makes and sells quality, hand-crafted leather goods. Our products include wallets, purses, belts, bags, and other accessories. These products fit well with the lifestyle of Portland residents and visitors which is an important reason why we are in this city. We opened our combination workshop and retail store in Old Town Chinatown on December of 2012. We have currently ten employees working for us. Travel Portland has been a significant partner for us over the past several years. We estimate 50 to 65% of our customers are from all across the U.S. and across the globe. Travel Portland has provided excellent support for us in a number of ways. One example is the maker of tri-fold brochures available for visitors at the convention center, which is a great location to show our business. We list our business in the directory, which the visitors access when making when they're making travel plans. Every week we track website visits which were referred from Travel Portland website. Orox Leather was featured in several articles and a gift guide written by Travel Portland, and posted on their website and sent out to various media and Press releases. Through Portland in combination with Prosper Portland enabled us to exceed and sell our products in my people's market, where businesses of color are connected with travel industry and new market opportunities. We are looking forward to the third year of this event at the end of the month where we will join over 80 other businesses like Orox with over 1,000 expected attendees. Orox Leather has been engaged with new

April 3-4, 2019

program partners called local, who is working with us to increase our customer traffic. It shows techniques for bringing more perspective customers to us through google maps, and google map searches. One of my favorite stories was about someone who was walking past our shop, and they received a phone notification telling them about an offering, and they turn around and they came by to our store. They saw the products and met the family, and they ended up with a story, they left with our wonderful products. Local told us about this market and practice, plus several others which has resulted in more traffic and more conversions on those visits. Local has also made other changes for us of which we do not have direct access but which help us to bring more traffic and more sales. Overall, we see more visitors and sales as a result of locals. Locals work for us. Travel Portland included us in an event in New York City to meet with a large number of local media, to promote Portland as an outstanding travel destination, and this is, this event provided our brand an excellent exposure to various media, whom we had no prior contact, and an area of network with the other iconic Portland brands. Orox leather has been featured on two national television shows, Naturally, Danny Seo and Handcrafted America, and we expect to be in another public broadcast this summer. We have also been featured in several magazines, articles over the past several years. We believe that travel Portland may have helped to steer these organizations to consider our business for their coverage. In summer, in summary, travel Portland has played an important, effective role in the success of our business. More than half of the customers come from outside Portland, Portland area, and travel Portland has proven to be a valuable resource for our success. As a self-funded small business, we are grateful to have partners like travel Portland on our side, and we rely on their efforts for long-term help for business. Thank you, everyone, and thank you for, thank you travel Portland.

Wheeler: Thank you, martin. Appreciate it. Thanks for being here.

Miller: I will dig into a little bit of our work now. One thing I know you know about is my people's market. We held the third one on november 9 of 2018 at the custom house blocks. It's a partnership with prosper Portland that we are very excited about. My interest, especially in my people's market, is the b to b connections, and for hospitality businesses to be able to connect with local businesses. These are all, of course, the mercatus vendors, and I want to give a huge shout-out to the mercatus website. It has allowed our convention services managers, who are working with those national meeting planners, to connect them with local businesses, services that they need, and that website has been a boon for us to be able to get directly to those businesses. I just saw kimberly branam in the building and really thanked her again, and we have a surprise for them with mercatus later. My people's market 4.0 will be may 31 and june 1 at the broadway corridor. The first day will be exclusively dedicated to business to business opportunities for those vendors, again something very important to me. We are holding it, while we have a convention in town called NCORE, the national conference on race, ethnicity and higher education, and we have had a big push to bring more ethnically diverse conventions to Portland, and this is a terrific one. It has 3,000 attendees, and that first entire day will allow those delegates to interact with our local businesses and the my people's market atmosphere. The second day will be certainly the marketplace, and a cultural celebration, but that b to b piece, is, we hope to really expand their businesses beyond Portland's borders. We've really increased our emphasis on research, one, what are people thinking about Portland, we are doing a perception survey quarterly. As you know, Portland gets good press, and sometimes bad press. Two, to understand what people are saying about Portland, social listening and monitoring, and three, to really understand how on the ground visitors are experiencing Portland, and we've partnered with Oregon state to connect intercept surveys around town. You can see from this chart that people are delighted to recommend Portland to their friends and family to come. Our consumer marketing campaign, which is mostly

April 3-4, 2019

focused on the winter months when businesses need more help we use the data that we've been talking about to shape that creative work, and you will see it's called, "you can in Portland." we think it talks about this place as a place of opportunity, a place that's friendly and welcoming, and it's a multi-channel, multi-tiered campaign that we do around the country. I will show you the stop motion advertisement that we had and make sure you watch the chicken.

[video]: Whatever it is that floats your boat or particulars your taste buds, or brightens your day. Even if you have never tried it before. Just know that you can -- in Portland.

[laughter]

Miller: We have gotten terrific comments on that, and it was fun to have that produced actually here in Portland. The other thing that we know is content is king, and we forged some really strategic partnerships with digital publishers like chefsfeet and vice, and it's Portlanders telling their story. Again, you see gregory gourdet there and his interaction with other chefs, went out on the digital platform. But we're also excited about the newest content partnership with open signal, a community driven media art center. Open signal has created an incubator program that supports black film-makers and the creation of new work, and travel Portland has stepped up as a partner there. We will leverage that content via this program, which connects young african-american film-makers with established african-americans in the film industry to create new content, and that allows us to push it out on digital platforms, and again, give a voice to real Portlanders and their stories. The you can campaign was won the best branding and integrated marketing campaign in 2018 by the u.s. Travel association, but even more importantly, focusrite a research firm said that we drove \$156 million of incremental business in those winter months. Cash registers ringing is what we are all about.

Wheeler: Commissioner hardesty?

Hardesty: Excuse me. When you used the term "incremental spending" what does that mean exactly.

Miller: It would not have happened but for the campaign.

Hardesty: Aw, thank you very much.

Miller: You're welcome. I have challenged the travel Portland team to be the most innovative destination marketing and management organization in the country. You've seen some of these things. We are holding a marketing conference today with a record attendance of 220 people, really helping the businesses learn more about marketing and how to push their businesses out there. We know our job is not finished. When visitors arrive, we need to attach them to those businesses with their dollars. I would like to share one of the ways that we are doing that. There are three universal truths about the travelers. One, they use their phones to search. They almost exclusively use google and google maps. And after performing the search, they intend to visit that in the near future. The other truth that we know is that Portland businesses, like all businesses, are stretched thin. So they are missing easy opportunities in this digital space. 20% of travel Portland's partners are not -- do not have their business verified on google. And of those 20%, most aren't optimized. Our pilot project is with a company called "locl" and we want to be the first city that's google map optimized, which it increases the online visibility, overall profitability of businesses, provides visitors and locals with better on the ground experience and shapes the visitor perceptions. Locl company is actually a local Portland company, and that are focused on google my business and google maps listing, which is how we all search. Travel Portland is able to do this for all visitors facing businesses free the first year, which is an \$1800 value to each of these businesses because we believe it's so important to make sure that we help them attract more business. The business will get a dashboard, and this is bamboo sushi, and it really gives the business more analytics on their google searches and the business that they are getting and helps them -- locl will help

April 3-4, 2019

them to analyze and make better business decisions. As a destination, and what we're mostly interested in, travel Portland gets a dashboard and really gives us business type, what's happening in business type, when we have an event in town, and we can track what's going on, so it's exciting for us. As a case study, wildfang, signed up, along with tender loving empire, omsi, mark spencer hotel, groundworks, the Portland japanese garden, orox, and a few others to be the guinea pigs. Wildfang in January saw a 79% increase in direction requests, and a 321 increase in direct searches, just from optimizing the google listings. These are some of the testimonials of those businesses. We have had 200 sign up and we're signing up more today at the marketing conference. One of our next pushes will be for landmarks and for Portland parks, and so we'll work with the parks bureau, but we will raise the profile for city parks and those google searches, and ensure that they are accurately represented and make sure that they are part of the tourism package, and we'll measure the visitation in new ways, and we are also happy to be a sponsor of summer free for all in Portland parks. I will conclude by saying the visitor industry and travel Portland is very excited about our partnership with the city, and actions like adding the short-term rentals to the tourism improvement district has allowed us to do programs like locl and my people's markets, and to really grow our influence and making the business, having businesses create more business for themselves. Thank you. Happy to take any questions, if you have them.

Wheeler: Commissioner Fish.

Fish: Jeff, excellent presentation, as always. You said that we have about 8.7 million overnight trips. Is that in the region or is that just --

Miller: The three-county region, yes.

Fish: Three-county region. I seem to recall from last year, though, we, you said that we had a total of about 16 million tourists, who come into the region every year, is that number still correct?

Miller: It's hard to tell the number of tourists versus the number of overnight trips, but it's probably close to that. Because we get a lot of day trips.

Fish: We get a lot of day trips. How are we doing with compared to peer cities. Let's take seattle for example, which has roughly our population. How do we stack up?

Miller: We stack up actually very nicely because they have so many more direct flights, international flights, and they are a delta Hub. Obviously they're a bigger city, and they are -- their international business is larger than ours, but we are growing there, and I think that we stuck up nicely against them, against Minneapolis, certainly against austin, and those are the cities that we consider, and on the international side we have five cities that we compare ourselves to, and how they are doing internationally, and we have stacked up really well there. This year has been a little tough. More flights are happening in other cities than here.

Fish: And also, we are becoming a destination city for film and tv. Hulu is doing a show currently and it looks like it will get picked up, and other content providers are filming here. How does the image of Portland in film and tv help us to meet our goals around tourism?

Miller: You know I think that, you know, we talk about our access to nature here, and that's really important to tv shows because there is a real variety of places to film, both urban and out in nature, and so it's really good for us. We work closely with the film office and certainly the state film office, and are talking to another major tv show. Those shows tend to be very expensive, so we don't always have the funding for that, but they are important.

Fish: And finally, thank you for your sponsorship of summer free for all. We are going to be unveiling our lineup shortly, and we've exceeded our private fundraising goal, and we are very excited to have you as part of that, so thank you very much.

April 3-4, 2019

Miller: We will be pushing all of that out on our social media to make sure that visitors also know what's going on with summer free for all, so the team is ready.

Fish: Thank you.

Wheeler: Commissioner eudaly.

Eudaly: Thanks for the presentation. I am intrigued and just slightly creeped out by the giant figures with the virtual reality in the back of their heads. I wanted to ask of the 8.7 million overnight visits, do you have even rough numbers on how many of those individuals are staying in hotels versus short-term rentals?

Miller: There is a bit of that. I don't have that information with me. It really talks about overnight visitors, either staying in a hotel/airbnb or with friends and family.

Eudaly: Okay. I mean, I am particularly interested in that issue. Because while I certainly support and celebrate our tourism industry, my first concern is how it's impacting our housing crisis, and that is specific to short-term rentals. So if you have any, any numbers you can dig up, I would appreciate that.

Miller: I will send over the report. We are working closely with thomas lannom in the revenue bureau because we agree with you that illegal rentals should be gone, and certainly host-to-host community believes that, so we will do our part, and I just spoke to thomas a couple days ago about things that are moving forward. So we are interested in being supportive of that, as well.

Eudaly: Thank you.

Wheeler: Commissioner hardesty.

Hardesty: Thank you, mayor. Thank you so much, excellent report. I want to go back to something commissioner Fish said, which is how is our rising houseless population impacting tourism? And what's the roll of the tourism industry to help us find housing that people can afford to live in?

Miller: It does certainly affect people on the ground, and one of the reasons that we added the research that we did that I spoke of was to see what is that effect from a social media listening, and on the ground, certainly on the social media of nationally and internationally, it was not as big as we Portlanders may think it is. So I was pleased to see that. I mean there certainly are blips around some of the protests that happen and things like that, but generally, we are not seen much different than any other city. One of the things that we are doing on the houseless situation, tamara kennedy hill, who is our vice president of diversity and community relations, has convened a vulnerable community's working group. Marc jolin is part of that, the county, the city, the mayor's office, and we are working on what is our lane as tourism to do our part to help that, so we are very engaged there. Tamra, I think that they have had two meetings now, and so we have dug into that issue, and we are finding ways that we can help. We also support transition Projects, and their street outreach team, which goes around and talks to the populations and tries to move them to services. And that's been very successful, and those, we did that along with pba and the business owners and managers association, and we are continuing to support that street outreach team. So we are at the table making sure that we have a voice, and that we also are helping.

Hardesty: Does that table include people who are experiencing houselessness?

Miller: At this point, it doesn't. We are relying on the joint office to really be the guide there, and help us find our lane, so if they want to -- if we should bring someone there, we certainly can, we want to make sure that we stay in our tourism lane because it is a big subject that a lot of people are working on. We think we have a particular role to play, as well.

Hardesty: I hear what, what you are saying. However, I think that there are way too many tables trying to address the problem of people being houseless that don't have anybody at the table, who has experienced houselessness. And so you get better outcomes when

April 3-4, 2019

you, actually, are talking to the people on the front line. So just a small suggestion about who is at the table matters because the decisions you come up with have an impact on those communities. Thank you.

Wheeler: Commissioner Fritz.

Fritz: Jeff, you also have been, Travel Portland has been very supportive of dedicating \$5 million of the tourism tax money to –

Hardesty: Not yet.

Fritz: I said they have been very supportive of

Hardesty: Oh, I'm sorry. Sorry.

Fritz: Dedicating money to permanent supportive housing for folks, and so a lot of travel Portland's contribution is monetary, and in making sure that, as you said, the organizations that do the work, and engage houseless people are getting the support that they need through, as you said, everybody is staying in their lane.

Miller: We are happy to be there.

Fritz: Thank you for your partnership.

Wheeler: Jeff and Martin, I have a question, so we have heard from you what you are working on. I've always impressed that the better part of 40,000 people in this region are employed directly in the tourism industry, and obviously it's a huge component of our economy. What would you ask of us as the city of Portland? What do you need from us to continue to be successful and to hopefully expand tourism opportunities in the years ahead?

Martinez: I feel like, I mean, the city really needs to be constantly shining, so I mean like anything that you can do to supporting like the small businesses, like Orox, like also make a community, like ways where we can thrive, you know like the Portland that we have, you know, can come, like having just an area to express or trade, you know, so I feel like supporting prosper Portland, Travel Portland, I mean, they started, the Portland Market Saturday market wasn't there yet to help us be where we are at now. So more of that, more areas for makers to express their craft will be amazing help to more upcoming makers in our community.

Wheeler: Excellent. Thank you, Martin.

Miller: I think this council has been very supportive of tourism. Remembering that tourism does create jobs and not just low-paying jobs, and when we come to you with the things that we are doing, you come at our customer advisory board events and our fam events and we appreciate that because those meeting planners and delegates like knowing that our city council supports tourism and their business, and I know the visitors development fund board has been -- it's always a good place to learn about the size of the business, so you've been very supportive of us in the past and we really appreciate that, and we want to give back in very specific ways that will grow jobs in the region, and I think that the Portland Means Progress program is another way that you are providing resources for us to then move through that, so thank you for that.

Wheeler: Thank you, Commissioner Fish.

Fish: You know, you mentioned a convention that you've landed in 2023. It's going to bring us great prestige. I just want to acknowledge that, I believe, it's the American Public Garden Movement will be here in June of 2020. So that will be happening right after next year's annual report. It's, as I tell my team at parks, it's just around the corner, it's going to happen sooner rather than later. It will bring a very important niche audience to our city, and we'll get to celebrate Portland as a city of gardens. We are looking forward to showing off the Leach Botanical Gardens, Japanese Garden, and Lan Su Chinese Garden, and high profile gardens on the east and the west side, and using it as a way of burnishing our reputation and actually doing some fundraising locally, so another terrific win. So thank you for that.

April 3-4, 2019

Miller: Absolutely.

Wheeler: Thank you, commissioner eudaly.

Eudaly: One last question, it's probably another request for off-line information but the artsly is on now, so it just occurred to me how vital that intersection of tourism and arts are, and how arts also created a lot of jobs and revenue in the city, so I would love to have a conversation with you or if you have any existing data to share with me to think about how we can work together in that arena.

Miller: There is a slice of money out of the lodging excise tax called for cultural tourism, and part of that, we work with the regional arts culture council and we make grants to arts organizations and other organizations to help their advertising out of town because they're doing their intown advertising and we can help fund them a bit to do that, so I will make an appointment and take you through that program. It's a pretty fun one.

Eudaly: Great. You learn something new every day.

Miller: It's always good to give away money.

Wheeler: Commissioner Hardesty.

Hardesty: One last question, what have you heard from small businesses who you are marketing to tourists, and visitors, about their ability to find a place that they can actually maintain their business? I mean you talk about the people's market as an example of a lot of very, very small businesses, that really don't have a place, right, because they can't afford to actually open up a shop and operate it. What are you hearing from those small businesses that we're highlighting as these are the jewels of Portland. Are they going to be jewels long?

Miller: I think that part of the reason for my people's market is to help them scale to the next level so that they do have the revenue to afford a permanent home. Some of those businesses have, and prosper Portland really takes that role directly with the business and helping them to find that place. Our job, our piece of that job is to help find them the business-to-business connections and find new markets where they can grow their revenue so that they can afford a space. That's why the partnership is so important because we have our lane.

Hardesty: I appreciate the partnership. And you're right, a lot of this is very interconnected, right. If you cannot make sales, you cannot stay in business, but if you can afford your rent, mr. Martinez is downtown, right, and I know that is a lot different today than it was say in 2008 when you opened.

Martinez: Yes, definitely –

Hardesty: Right?

Martinez: Yeah. It definitely increases. Rent has increased for us. So we had to, but I feel like there was a point in which we, it was not even possible for us to open up a retail store, so thanks to tourism and thanks to like Portlanders really loving our brand, really has helped us a lot.

Hardesty: I just hope that we keep that conversation going because people can't be in business if they can't afford to actually open up their storefront. Thank you.

Wheeler: Very good, thank you. I will entertain a motion.

Hardesty: I will accept the report as presented.

Eudaly: Second.

Wheeler: We have a motion from commissioner hardesty and second from commissioner eudaly. Any further discussion? Karla, please call the roll.

Fish: Thank you both for an excellent report, and I am delighted, particularly, to see the data on people recommending to friends and family that they consider coming to Portland. It does seem that every time someone has an unfortunate experience here, we get, at city council, we tend to get those emails. So it's nice to see a more balanced presentation on --

April 3-4, 2019

and people who visit the city share in the same pride that those of us who live in the city have in Portland. So thank you for your good work. Aye.

Hardesty: Aye.

Eudaly: Thanks for the presentation, and thanks for the reality check on how the rest of the world perceives Portland. It's easy to get caught up in the social media echo chamber. But, I know it's true that the challenges that we are facing in Portland are challenges that cities across the country and actually around the world are facing, so that is helpful. I look forward to working with you in the areas that I mentioned, and I vote Aye.

Fritz: Thank you for your presentation. Thank you for all your work. I've been on the visitor development fund board for over ten years now, and I really appreciate how well travel Portland is running that and that's very much do to you, Jeff, so thank you for you and your team doing an amazing job. Many of you know that I was a registered nurse before I got on the council, and I worked the evening shift for 27 years, so the travel Portland's development fund board is the only 8:00 meeting that I agreed to attend on a regular basis and certainly the only one that I enjoyed, and I would like to look at the rate. There is hundreds of conventions that come to Portland. And the board looks at, can we give grants to make the, to make it possible for these conventions to come, and then we get the room taxes, so that we get even, have more money that comes to various sources. It's always amazing to me just a range of different professions a, have conventions and b, bring them to Portland, and so when we think of our entire, it's not only the economic impact with the taxes, it's also bringing all these brain powers, these talents, these varied things of people who come Portland and say wow this is really nice. I mean it's partly due to why we have so many people coming to live here is that they visit and then they stay, and I just think it's a very good thing. We do need to have a community discussion about how do we go more than the room taxes, since we don't have a sales tax, which can be a selling point to people coming to Portland, but how else can these visitors contribute at our entire community and pay perhaps a little more in other ways, not adding to the room tax, but in different ways. So, again, thank you very much. Aye.

Wheeler: Excellent report, I appreciate it. Martin, thank you for being here. Jeff, thank you, as always for your exceptional leadership. I vote Aye. The report is adopted. Thank you.

Miller: Thank you.

Wheeler: Thank you both. Next item, please will be item #280.

Item 280

Wheeler: Welcome, madam auditor caballero. Thank you for being here.

Mary Hull Caballero, Auditor, City of Portland: I am the auditor, mary hull caballero. I am back with some members of my staff to share results of our latest audit. The types of audits we conduct are comprehensive assessments of city programs or operations against performance criteria. The criteria may include sources such as city charter and code, national standards, professional standards, or a bureau's strategic plan. The audit process has three phases, the planning phase involves identifying the criteria and meeting with management and staff to understand their work and any barriers that may keep them from achieving their goals or performing optimally. By the end of the planning phase we have established the scope of our audit and meet with management to discuss it before we begin field work, which is the second phase of an audit. Field work is guided by a handful of objectives designed to assess whether the program or operation is meeting expectations of the criteria. If there are gaps between the criteria and the actual performance, we identify them as findings. Findings become the substance of our report, and the basis from which we make the recommendations for improvement. We have three performance audits to present today. The first assess whether the city is aligned with national standards to prevent data loss, the second focused on two bureau of environmental services programs to manage restoration projects, and build what are

April 3-4, 2019

known as green streets. This audit is an example where better criteria, in this case, completed environmental plans, would help management deploy resources and to highest need projects and evaluate program effectiveness. The third audit looked at the program the city created in the office of management and finance to address some of the side effects of people living in tents and makeshift shelters on city property. The program began as a temporary response to people living outside, but it has evolved into a multi-faceted program spending \$3.6 million annually. Before we begin, mayor, I would like to remind now council action at the end of the presentation today is necessary. We are here strictly for information-sharing purposes, and so we will begin with the data loss prevention audit.

Kari Guy, Director, Audit Services: Would you like to mention the follow-up process or would you like --?

Hull Caballero: Yes, I forgot to mention. We have started this year publishing work that we've always done but have not published, which is we go back after an audit and check on the progress that a bureau is making. And we started to publish the results of those things, and we have one out currently on the americans with disabilities act and then we have one also on the private-for-hire transportation uber lyft program.

Eudaly: Where can people find this?

Hull Caballero: You can find them on our website. You can also find it in our office.

Eudaly: Easier said than done finding them on the website. I'll just come up to the office but maybe for everyone else.

Guy: We are happy to bring them by, and I think there is one in your packet.

Eudaly: Thank you.

Hardesty: And maybe the website, for the listening public, could you just say it?

Guy: It is Portlandoregon.gov/auditservices. Commissioners, I am Kari Guy, I am the audit services director, and I will describe the first and shortest audit. In October of 2018 we assessed the bureau of technology services overall approach to data loss prevention and also looked more specifically at the bureau of human resources data loss prevention practices. Data loss prevention is the practice of detecting and preventing unauthorized access to sensitive or confidential information. It can be deliberate or inadvertent. It can occur physically or electronically. Here we go. For this audit, we contracted with an i.t. data security specialist. They conducted a number of tests around the city systems, including reviewing the overall policies, procedures, roles and responsibilities for data security in the city. They conducted after-hours desk reviews to look for unsecured laptops or exposed hard copy data in various bureau of human resources offices, they reviewed access controls, and lockout settings for our computers, electronic systems, and they observed bts bureau of technology services tests that were designed to prevent or detect data loss, among other tests. The audit found that overall, the city's approach to data loss prevention was sound. The city is moving towards implementation of the national institute of standards and technology cyber-security framework, and that's a national best practice. However, the audit found some areas of vulnerability, and in a separate confidential report, we made 27 recommendations to strengthen the city's data security systems. The bureau managers committed to implemented those recommendations and we will follow-up in a year to make sure that's done. Thank you.

Elizabeth Pape: Hi, my name is Elizabeth pape, and I am the performance auditor, and I led our December 2018 audit of environmental services, restoration projects and green streets. This is the second in a series of two best storm water management audits. We released an audit on private storm water management in July of 2018 and will be following up on those recommendation this is summer. Portland residents rely on restoration projects and green streets to improve water quality, restore wildlife habitat, and prevent flooding, but without formal methods to select projects and document outcomes, the city may not meet those goals. In 2018, the bureau spent nearly 13 million in construction and

April 3-4, 2019

maintenance for projects to treat rain water run-off including restoration projects and green streets. However there was no formal method to track and report progress towards goals. Instead, the bureau relied on piecemeal reporting and staff assurances. The bureau uses restoration projects to meet watershed health objectives, such as improving water quality and habitat. Restoration projects include planting native vegetation, and land excavation to create wetlands. Projects can vary widely in size, cost, and complexity. We looked at three projects, based on input from staff, albert kelly park, luther road and mason flats. Green streets are recess planning strips expanded from roadside curbs. The bureau uses green streets to treat and slow water run-off. The channels are planted with vegetation to filter pollution and slow and absorb the stormwater. There are more than 2,000 green streets in Portland. We had three findings related to restoration projects and green streets. Our first finding was that restoration projects and green streets may not have addressed the area's highest needs. Despite intentions going back almost a decade, the bureau did not have a stormwater system plan in place to guide the investment of capital spending for restoration projects and green streets. Existing plans were not enough. The Portland watershed management plan, the system's plan for the combined sewer system, and watershed plans did not meet the necessary criteria. Only a stormwater system plan will assist the bureau with defining the areas of the city that are at the greatest risk for threats, such as pollution, habitat loss and local flooding. Our second finding was that it was not clear that restoration projects meant environmental and water management goals. The bureau cannot demonstrate that it's restoration investments were making overall progress towards watershed goals because of inconsistent and piecemeal reporting. The bureau has affirmed the need for reporting restoration project outcomes, noting that reporting could provide benefits such as the ability to connect restoration project outcomes to watershed goals. The bureau can't report on overall progress because there is no inventory of restoration projects on which to base reporting. None of the projects we reviewed had quantifiable goals, and there are no protocols for consistent monitoring or data collection. Our final finding was that there was no reporting on green street condition to rate payers or regulators. The bureau cannot demonstrate to regulators or rate payers the million dollars it spends annually on green street maintenance kept them in functioning conditions. A majority of the green streets, 53%, were not inspected as required in the spring of 2018. The bureau did not have a method to summarize eight separate condition scores for reporting or monitoring to ensure that staff met inspection and maintenance standards. The bureau did not report on whether green streets were in functioning condition as required, and instead, it reported that the total count of inspections and maintenance activities. In 2017, approximately 40% of green streets were not maintained, at least three times, which was a standard, and 70 were not maintained at all. So, for our recommendations, to ensure that projects are cited in the highest priority areas, we recommended that the bureau should commit to an implementation schedule for components of the stormwater system plan and create a method to use the risks identified to evaluate the capital projects. To demonstrate that restoration projects met goals, we recommended to the bureau develop an inventory of restoration projects and track information such as cost, location, project goals, and outcomes. Ensure all projects had quantifiable goals that were tied to the goals of the Portland watershed management plan or that reduced risks identified in the stormwater system plan. Regularly report project results to rate payers in a way that explains the connections between projects and outcomes. Number five was the one recommendation that the bureau didn't really admit to. They said that they were working towards connecting individual restoration projects to the quantifiable metrics in the watershed report cards. But the report cards are only issued every four years, which maybe too long of an interval for noting – for adaptive management or noting trends. To provide reports, about green streets -- to demonstrate

April 3-4, 2019

that restoration projects successfully met goals, we recommend -- I am sorry. I am getting very confused.

Hardesty: It's okay. We are not as scary as you may think we are.

Guy: We're auditors, so -- [laughter]

Pape: To provide reports about green street condition, we recommend that the bureau define quantifiable standards to describe functioning condition for green streets, update operation and maintenance guidelines that support the functioning condition, and create oversight procedures to ensure that staff follow operation and maintenance guidelines. I meant to stress that the bureau assisted us with coming up with recommendations, and they were really helpful in creating concrete recommendations they are going to follow-up on. We'll followed up with staff in december, and let you know how they are doing implementing these recommendations.

Kristine Adams-Wannberg, Audit Services: Good morning. I am Kristine adams-wannberg, a performance auditor and led our march 2019 auditor of the city's camp cleanup program. The homeless urban camping impact reduction program was created in 2015 and it takes complaints about camps, assesses site conditions and removes trash and camps on city property. It removed 2.6 million pounds of garbage in fiscal year 2018. It's a fairly new program for the city, and we wanted to see how well it was performing such as looking at the site assessments and cleaning, if it was meeting legal requirements for notice, if the crews were respectful and how the program was responding to complaints. We found that overall the program was doing well by improving the conditions in the camps. We did find there was improvements in communication of folks as well as program data. Where people were making a report about a camp, they liked the ease of reporting but a camp but they did want status updates about what was occurring with the complaint. We were pleased to find that the city was meeting legal requirements for posting notice, and we saw firsthand that crews were being respectful with those experiencing homelessness. These crews are hired through a contract with the city, and many of the crew members themselves are formerly homeless individuals. People living in the camps wanted better information on when the cleanups would occur, so rather than a seven or ten-day window, they wanted more information about when exactly they would have to move. Assessment criteria needed to be better developed and applied. Currently some of the criteria overlap and are not clear to the crews or their supervisor's giving scores to the sites. Program data needs to be improved. It relies on several manual processes and separate systems. Currently the program is not monitoring timeliness. The program is, however, working on some options for better systems. The program storage policies need to be more detailed on what is to be stored and how, and the facilities themselves needed to be upgraded. However, I would like to note the program does have a new facility at this point where it is consolidated property. We recommend that improving communication data and internal policies by doing the following. One improving communication to people in the camps about when crews will likely be and also improving the durability of the notices that are put up. Two, ensure contractors have a common understanding of what is personal property, and three, improve storage policies and procedures. And four, give complainants status updates, five, improve data quality and reduce manual processes, and six, use data to analyze and improve effectiveness and efficiency and timeliness, and finally, seven, to clarify the assessment risk factors of scoring and ensure common understanding among the crews about the criteria and identify what needs to be photographed. With that, I will turn it back over to mary.

Hull Caballero: So we are prepared for any questions that you have.

Wheeler: Commissioner hardesty.

Hardesty: Thank you, mayor. And thank you all. One of my favorite occupations are people who do audits because they are like just the numbers people, right, don't blame

April 3-4, 2019

me, this is just what I found. I have a couple of questions, first, about the restoration project in the green streets. I you for your audit, I think you did a really good job about really laying out what our vision is as compared to what our outcomes are. You said that number five was the only recommendation not a agreed to. So my question is for the fifth recommendation, a, why was it not agreed to, and b, what is a good outcome? Because four years does seem like a long time, one year seems too often, how do we get to a place where the public gets the information that they need?

Pape: I think that's a discussion that you should have with the bureau. We mentioned in our report that the four-year intervals seem too long. On the other hand, a lot of these are really complicated projects that have very small incremental improvements, and so I think you are absolutely correct that, you know where that interval lies, where there is resources that can be devoted to it, and also, where it really makes sense. It's something -- we're not taking a stance on. But I did, when we were performing the audit, we looked at the report cards. We were doing our fieldwork in the summer of 2018. The index started, oh, I can't remember the exact date, but it was either 2011 or 2012. I think, I might be wrong on that, but there was only one reporting period within the, I think it had been almost eight years that the program had been in place. So we just didn't find that it was a tool that was useful for us for tracking trends or looking at whether or not projects were effective in meeting the goals.

Hardesty: Thank you very much. I also appreciate the two-page updates because that's helpful. One of the things was that used to make me crazy was that we would get an audit and then we did not hear anything else about it until it the next audit happened. This is a really a good way for, at least I'll speak for me personally -- to be able to track the work that's being done and to find out if we are improving our governance in the process, so thank you for that. My last question has to do with the reports around the cleanup of the house, the homeless camps. I know that this is a -- the cleanups are a complaint driven system. But they, and do you take complaints from both, both directions or is this just people that want people that they are uncomfortable with moved? So, I mean, you know I'm saying. So I'm trying to understand if I'm houseless, and my i.d. is gone and my medicine is gone, and if I call and complain, am I going to get help if I go through this process?

Adams-Wannberg: Commissioner, so they take complaints from anybody. So it could be somebody who lives in a neighborhood, and somebody is -- there is a group of folks that are homelessness, near the neighborhood, and they want that place cleaned up, it could be somebody who potentially is living in a camp. In many cases, when we went out and did the field work, the folks who were actually living in the camp help with the cleanup.

Hardesty: Do we track that? I mean, do we track where the complaints are coming from?

Adams-Wannberg: Commissioner, we don't particularly track, is it coming from a particular address or neighborhood. They tend to be confidential.

Hardesty: Huh. Confidential?

Adams-Wannberg: So for example --

Hardesty: Anonymous?

Adams-Wannberg: Anonymous, exactly, I'm sorry. I had that wrong. So they tend to be more of an anonymous feature in the database and everything like that. Some people do self-identify and say hey, I am from this, this is my address. They will give the information on where that camp is, so here's the cross street, here's what I heard and here's the complaint and everything like that. It could be somebody who just leaves their email address, however.

Hardesty: And do we have a way of -- how does the prioritization work?

Adams-Wannberg: Commissioner, the way it is supposed to work is, basically, a complaint comes in, the staff and the program look at it, they will send it out to one of the

April 3-4, 2019

contractors to do the site assessment. This site assessment will take certain criteria like where is the location, so for example, is it in a sensitive location like is it near a school? They will also look at other factors, for example, are the needles present, are they blocking access, and they will make basically a score based on that criteria, and that criteria will, basically, identify whether that site needs to be cleaned up and kind of the priority for that cleanup.

Hardesty: My last question -- well, actually my next to last question, is I have heard a lot from the community members who have lost the i.d. and medicine and have had a really hard time getting those real necessary needs met. And so, are there any recommendations about how we protect people's vital, like i.d. information and medication? To make sure that it gets back to the right person in a timely manner?

Adams-Wannberg: So commissioner, one of the recommendations is actually to improve the policies and procedures for storing. One of the things that we did find is that some of that more sensitive information like, you know, if you had somebody with a credit card or a passport or something like that, medication, that needs to be stored separately from the rest of the belongings and needs kind of a higher level of security for that. So that's what we are hoping is going to happen, and I think that the program was amenable to that.

Hardesty: Wonderful, and what is the training for people who are subcontracted to go out and do this service? As far as the cleanups are concerned? Based on your report, it sounds like there is not a standard across the board about what a priority site is, what's appropriate, what the -- how much time the community needs in order to know that something is going to be happening at that site.

Adams-Wannberg: So commissioner, in terms of -- there are kind of two different things going on. One is the assessment criteria, which you have one contractor only, kind of doing that, and I think with more clarification of that criteria, it will be very helpful. I think that will result, resolve a lot of issues. In terms of the folks who are actually doing the bigger cleanups and everything, they do receive training. I would say that really when they go out in the field, when we did our field work and rode along with the crews and everything, sometimes it really is a judgment call on what is property and what is not. That's something that is difficult, but that the program gives updates to, and that's something that we're hoping that they can refine that information and continue to, basically, work with those crews.

Hardesty: Thank you. I appreciate your work.

Adams-Wannberg: Sure.

Wheeler: Very good. I would like to read a couple of comments if I could. First of all, thank you madam auditor, thank you to your team for three, what I think are very strong audits. Thank you for your detailed work. I particularly appreciate the fact that you may not have any knowledge about the bureau or the program that you are going into, and you really take the time to get under the hood and meet with the employees who manage these programs and the feedback I get has been uniformly very positive, so I want to thank you for that. There's an important symbiotic relationship here between the enterprises that were individually responsible for, and frankly, our limited bandwidth and inability to be accountable for everything going on in a \$5.2 billion enterprise, so we really rely on you to help us be the eyes and ears in terms of the programs and help us to sharpen our programs to make them more effective. So I want to acknowledge that and thank you for that. I want to speak specifically to the homeless and urban camping impact reduction program. This has, obviously, had a very rapid evolution just in the last several years. We have an anderson agreement, a legal agreement, which has been in place since 2014, and it was determined that the city needed to create a process where people living outside would be given notification and adequate time to remove their belongings, unless, of course, there were extenuating public health or environmental circumstances. If

April 3-4, 2019

belongings were not removed the agreement was that the city would bag and tag and hold those belongings for 30 days. And you have made a couple of suggestions on how that process can be further refined. And I also want to acknowledge That the office moved the storage from a place that was really inconvenient to a place that is now centrally located and easier for people to gain access to. The coordinated campsite cleanup program started out in 2015 as a 1, fte program in the mayor's office. And it's now grown over the years to include the 1-point contact campsite reporting system, which you mentioned, as well as the homeless urban camping impact reduction program. The one point of contact program received 25,460 reports this year. Or excuse me, last year. We're expecting to exceed that this year. So we have a 3, fte program that had 25,000 plus reports last year. In 2015, they cleaned 139 camps. Last year, they cleaned 3,122 camp. The three-person team takes in all of the complaints. They have developed a prioritization risk assessment, which includes the factors that you indicated, and environmental factors, public health factors, and other considerations. They have daily phone calls with outreach providers, and emergency responders, and they also work to develop initiatives to address hygiene and trash issues that we see every day. They attempt to establish partnerships with those in the camps to make that happen. Just to give you some context on today, in the last seven days we received 802 new campsite reports identifying roughly 200 sites throughout the city, so this is a widespread issue. When I came into office, the city was cleaning approximately 10 camps per week, and we have increased the capacity, and now we're cleaning about 40 camps per week and of course we've now also entered into an intergovernmental agreement with odot to be responsible for those right of ways because frankly, we have the ability to clean those camps in a manner that we think is more appropriate for the city of Portland. The process looks something like this. All reports are read, they're reviewed by the city staff, and an assessment is conducted for all sites that have been reported, so long as it's not a duplicate. And then clean start pdx is dispatched to perform the risk assessment that you mentioned, they pick up trash, and they also work with the people in the camp, they pass out trash bags and often there is a collective effort to keep the camp site clean. Staff are looking for things like the amounts of trash, biohazard materials, needles, proximity to school, private residents, and whether it's blocking sidewalk or blocking sidewalks or restricting access. Depending on the results of the predetermined assessment criteria, the sites are then evaluated. Staff then determine whether another level of intervention is necessary, and that intervention frequently includes engaging social service providers to put people in a place that is more -- that they are more likely to be able to get help than the location where they already are. The program has had to walk the line between working with our outreach providers to get folks the help they need to get off and stay off the street and holding the line when people need to move from public property when the situation has deteriorated. I want to be very clear on something. The goal of this program is not to solve homelessness. There are other programs that are supported and funded by the city to address the issue of homelessness. This program's goal is specifically to reduce the impacts of these camps by managing the waste and keeping the community safe and clean for the benefit of everyone in the community. We only started tracking last year, but last year we collected about 1,300 tons of garbage. This -- we collected 1,139 tons, just at the beginning of the month. So far this year so we are collecting far more garbage this year than we did last year. I want to again, thank the auditor. As you can see from the response letter from the office of management and finance where this program ultimately results, resides, we are already beginning to work on a number of the recommendations that were put forth in the audit. Again, I thank you for those recommendations, and last but not least, and perhaps most importantly of all, I want to thank lucas hillier, who manages the program, and I want to thank the coordinator, katie lindsay and jonathan lewis, for their continual and dedicated and

April 3-4, 2019

thoughtful service, and their approach to this very, very challenging work. There is no question about it. You cannot make everybody happy when you are doing this work. We have seen something of a dynamic in this chamber this morning. There are some people who will say we are not doing enough. And make no mistake about it, this program is not resourced to the scale of the problem in this community. On the other hand, there are those who say we are doing way too much. This is characterized as sweeping homeless camps, so you're never going to make everybody happy, but the work you could do is important. You get the complaints. You are rarely thanked for the work you do, and I want you to know as your mayor, I tremendously appreciate it and I thank you for the work that you do. So thank you all for that. Thank you for the excellent presentation.

*****: Thank you.

Wheeler: Perfect. We're right on time. Next time certain item at 10:55 – that looks like 55 to me, doesn't it? We will take a two-minute break. [gavel pounded] [break taken]

At 10:53 a.m., council recessed.

At 11:00 a.m., council reconvened.

Wheeler: We're back in session. We're all well-organized. I would like to welcome back auditor mary hull caballero.

Moore-Love: I need to read the item. 281.

Mary Hull Caballero, Auditor, City of Portland: For the record I am still –

Moore-Love: Sorry Mary.

Hull Caballero: Can you please read the item. Sorry.

Item 281

Hull Caballero: For the record, I still am city auditor mary hull caballero. I'm here today with a second consolidation proposal between the auditor's office and the office of management and finance. A few weeks ago you approved code changes to reflect transfer of assessment finance and foreclosure from my office to the revenue division. That change reduced redundant steps in the city's assessments and foreclosure processes and allowed my staff to benefit if expertise that resides in the office of management and finance. I'm proposing today that the payment functions in the council clerk division in my office be transferred to the bureaus of revenue and financial services and human resources. Directors jennifer cooperman and serilda summers-mcgee have agreed to assume the auditor's payment responsibilities. You may not even be aware that council clerk staff plays a role in vendor payments and city payroll. That responsibility harkens back to a time when the auditor's office was responsible for monitoring financial transactions and serving as payment control. As the accounting division and human services became more specialized and some controls have been built into the financial software, the auditor's role in vendor payments and payroll has become redundant. Karla is handing out a handout that shows the process and it's a graphic that shows the back and forth between the auditor's office and the accounting division to produce vendor payments and by removing the auditor's office from that middle section, and before the checks go out the door it streamlines the process and makes it a lot more efficient. I have delegated the auditor's charter obligations for vendor payments to the bureau of revenue and financial services and I plan to do the same for payroll. Today's council action will amend the code to reflect the transfer. I would like to thank directors cooperman and summers-mcgee for working out the details of this consolidation as well as controller michelle kirby, payroll manager tom schneider and toni anderson who supervised the council clerk contracts division in my office. I'm also grateful to general council jennifer amiott for managing the code revisions and i'm happy to answer any questions.

Wheeler: Commissioner Fritz.

April 3-4, 2019

Fritz: Thank you for your presentation. What's the financial implication of this? Is money being transferred to provide this so that the staff in the new place are going to be able to do the same things your staff had been doing?

Hull Caballero: No. The work that is done in the council clerk's office is redundant to work that's already going on in both payroll and the accounting division and so that second step we're stopping that step and the work that we're transferring over to the office of management and finance does not amount to like even a halftime fte, or something like that. It's a --

Fritz: So in the financial impact statement it says the check printers, the check stop related to equipment and supplies are being transferred over. Is there a budget for those within your office that needs to be transferred over?

Hull Caballero: You know, we have the physical printers that the checks are printed on and then there's an arrangement between the accounting division and human resources because the budget item for buying checks and toner and things like that for the printers is in the accounting division. So they will work out how payroll will get access to those.

Fritz: So that internal material and services is already not in your budget.

Hull Caballero: Right.

Fritz: Thank you.

Wheeler: Very good. Any further questions? Not at the moment? Very good. Is there any public testimony on this item, Karla?

Moore-Love: No one signed up.

Wheeler: All right. That's fine. This is a first reading of a nonemergency ordinance. It moves to second reading. Thank you. Appreciate your being here to describe that to us. We will move on to the regular agenda item 288, please.

Item 288

Wheeler: Commissioner Eudaly?

Eudaly: Thank you, mayor. Pbot has been working with Portland parks and recreation to vacate a portion of southeast Claybourne street located east of southeast 122 avenue. This vacation will consolidate property owned by ppnr for the expansion of leach botanical garden per its recently adopted master plan. Staff from both pbot and ppnr, lance Lindahl and Brett Horner will quickly walk us through the item and of course are available to answer any questions. Commissioner Fish, would you like to comment on this item?

Fish: Thank you, colleague. Just to say that I'm happy to see that we're achieving another milestone in the leach botanical garden project. I want to thank, on behalf of parks, we want to thank pbot staff for their partnership in this important project. Gentleman?

Lance Lindahl, Portland Bureau of Transportation: Thank you for the great Portland Bureau of Transportation introduction. I'm lance Lindahl, Portland Bureau of Transportation, right of way acquisition. Again with me today is Brett Horner from Portland parks and recreation. We're here today with a request to amend the previously approved ordinance that vacates a portion of southeast claybourne street east of southeast 122nd avenue. This street vacation has been a cooperative effort between pbot and parks and the end result will be a big positive for both bureaus. In the slide you can see in the first photo it shows southeast claybourne where it intersects with southeast 122nd. The street is currently unimproved with a gravel surface. This segment of the street will actually be retained, widened, paved and we'll have a sidewalk added as part of the leach botanical gardens expansion project that's getting ready to kick off. The second photo shows the portion of southeast claybourne that will be vacated. It's also unpaved and unimproved and curb plans call for this to be changed and constructed with a paved private driveway, landscaping, gift shop and administrative offices, again serving the garden exclusively. Here's a quick slide showing leach botanical gardens master plan. Right in the center you can see the area that is being vacated as public right of way. It's outlined in the red box.

April 3-4, 2019

So past actions that have occurred on this item, back on may 9th of last year city council approved ordinance 188928 which vacated a portion of southeast claybourne street subject to certain conditions. Then in january of this year the bureau of development services revised the response to the street vacation. Bds determined that the original condition of approval was no longer needed. At that time there was split zoning that was in place at this site that has been resolved through the comprehensive plan update that recently went through. Also there was a concern about doing the lot consolidations of the historically platted lot lines would be extinguished. Upon closer review bds determined that that section of city code does not apply to lot zoned open space, so what happened is parks was then being asked to do, or to meet a requirement that was quite onerous in terms of survey works and application materials that was not really needed. So in conclusion today, amending this ordinance will remove the now unnecessary requirement for the lot consolidation process. All other conditions of approval for this vacation have been met, so with this amendment as an emergency item i'll be able to move forward and record the ordinance at this time and this will allow the construction of leach botanical gardens expansion to move forward.

Wheeler: Great.. Any questions? Any public testimony on this item, Karla?

Moore-Love: No one signed up.

Wheeler: All right. Very good. This is an emergency item. Please call the roll.

Fish: Yet another example of pbob and parks working effectively together. Thank you, gentlemen, for your presentation. Thank you, commissioner eudaly. Aye.

Hardesty: Aye.

Eudaly: Thanks for the presentation. I can't wait for the garden to be complete. Aye.

Wheeler: Love to see –

Fritz: Hem.

Moore-Love: -- i'm sorry. [laughter] out of order. Fritz.

Fritz: Thank you. [laughter] this is really a wonderful project, and it's a joy to see it continuing to move forward under commissioner Fish and to have been a part of helping to plan it. Thank you, brett horner, for all of your work on it as well as yours and pbob. Aye.

Lindahl: Thank you.

Wheeler: Well, since she voted that way I think it's good that we let her vote. This is fantastic work. Beautiful garden. I'm always happy to see it evolve so I want to thank my colleagues and their bureaus for working collaboratively to make this happen. Thank you. I vote Aye. The ordinance is adopted. Next item, please. Item number 289.

Item 289

Wheeler: Good morning.

Lester Spitler, Bureau of Revenue and Financial Services: Good morning. I'm lester spitler, chief procurement officer. You have before you the procurement report recommending a contract to granite construction in the amount of \$1,787,787. City council approved ordinance 189317 on december 19th to allow procurement services to competitively solicit an invitation to bid for the project. The engineer's estimate for the project was \$2,024,646. Procurement services issued the invitation to bid and received six responses on february 19th. The lowest responsive and responsible bid are was from granite construction. Their bid amount 11.7% under the engineer's estimate. The city subcontractor equity program applies to this project which identifies an aspirational goal of 20% for disadvantaged, minority owned, women owned, emerging small businesses and service disabled veteran businesses and the subcontractor and supplier areas of the project. Granite construction has proposed a goal of 20.52% for disadvantaged and minority owned firms in the areas of handrail fabrication, permanent signage installation, oil and asphalt hauling, saw cutting, traffic control and trucking services. There are six firms that have been identified to perform this work and all six are certified as disadvantaged

April 3-4, 2019

business enterprises and minority owned business enterprises. Granite construction is located in Vancouver. They are in full compliance with all of the city's contracting requirements. If there are any questions I would be happy to answer them. The project manager from pbot is in attendance as well. Otherwise I recommend that you approve this report.

Wheeler: Thank you. Commissioner Hardesty.

Hardesty: Thank you, Mayor. Thank you very much for your report. My question is disadvantaged business enterprises, do you have a breakdown of just who is included in that and again you know my question is always who is benefiting from these contracts.

Spitler: Yes, so the DBE is a distinct, the disadvantaged business enterprise, a distinct certification that the state promotes, it's different from the minority owned business enterprise certification so all six of the firms that are going to be performing the 20.52% subcontractor work are certified as both DBE and minority owned firms. That's as far as the breakdown as we can go.

Hardesty: That's not going to be sufficient. So for me I just need to know like when DBE doesn't tell me anything about who is benefiting the contract, so I'm really interested in what specific firms are benefiting, right, and kind of, so just for future reference I need to know like the details of that breakdown.

Spitler: So you want to know the makeup of the company ownership?

Hardesty: I want to know whether they are identified as a disadvantaged business which traditionally is a white owned company, right, they may be starting off, might be a white woman owned company at least on paper, but what I want to see is the diversity of the contracts, right? Is this an African-American firm, Latino firm, Native American firm, is it a woman, you know. The alphabet soup just doesn't give me enough information to be able to determine who benefits from public contracts.

Spitler: Okay. The prime contractor is not certified but the six certified subcontractors are all minority owned businesses as well as disadvantaged business enterprises. So I don't know the exact ownership of those six firms but I know that they are all certified with the state as minority owned business enterprises.

Hardesty: Thank you. I appreciate that. I just, in the future if you would be kind enough to make sure I get that information ahead of time so I would be able to see who benefits from public contracts.

Spitler: Sure.

Hardesty: That's the question that I'm asking.

Spitler: Okay. Thank you.

Hardesty: Thank you.

Wheeler: All right. Any further questions? Any public testimony on this item, Karla?

Moore-Love: This is a report.

Fish: It's a report. I move the report.

Wheeler: I'm sorry. Commissioner Fish moves the record, Commissioner Fritz [laughter] seconds the report. That's a new one for me. I'm stone cold sober. Commissioner Fritz seconds the report. Please call the roll.

Fish: Aye.

Hardesty: I'm really looking forward to the day that I don't have to ask in this chamber who benefits from public contracts. It's a very simple question and usually the alphabet soup that we tend to use really doesn't give me factual information that I need. What I hope is that the diversity of our community benefits when public dollars are spent and that's what I'm looking for and I will continue to ask that question and expect people who are providing public contracts to have those answers for me. I vote No.

Eudaly: Aye.

April 3-4, 2019

Fritz: So the information that they are all minority certified contractors is in the council documents, so and I'm not sure how much we can delve further into the ethnicity of the businesses. I'm not sure that's, that we can do that. So I appreciate that they are getting 20% minority owned businesses, getting \$366,791 from this procurement. I'm also really grateful this project is happening. It's a fix our streets project. Thanks to commissioner novick and I've seen the signs on capital highway every day when I ride the 44 bus that your dime at work. So, I think really important to know there are projects going on all over the city because of the gas tax and that's a really important work. Aye.

Wheeler: I vote Aye. The report is accepted. Thank you for your great presentation. Don't go far. Item 290.

Item 290

Wheeler: Colleagues, in July of 2017, the city council passed an ordinance increasing the city's procurement officer's contracting authority from \$500,000 to \$1 million for public contracts for goods and services and construction and from \$100,000 to \$500,000 for professional service contracts. Last December the city council extended that increased contracting authority until March 31st. This ordinance would make the chief procurement officer's increased contracting authority permanent and additionally raise the authority for professional service contracts to \$1 million to conform with other categories and we of course have chief procurement officer Lester Spitler is here to present the ordinance and answer any questions. Thanks for being here again.

Lester Spitler, Bureau of Revenue and Financial Services: Thank you, Mayor Wheeler. Good morning city council. As the mayor said --

Wheeler: I'm sorry, before, legal counsel -- I'm sorry to interrupt, Lester. Legal counsel had advised me that there was an inadvertently missing underlining and strike throughs on exhibit b, so I have been asked to attach the correct document through substitute. So I'll read what legal counsel has provided. The exhibit b that was filed with the ordinance is inadvertently missing the underlining and strike through showing proposed code changes so we need a motion to substitute exhibit b, so we have the correct document attached to the ordinance for the record.

Hardesty: So moved.

Eudaly: Second.

Wheeler: We have a motion from Commissioner Hardesty, a second from Commissioner Eudaly. Any questions about the substitute? Could we call the roll, please on the substitute.

Wheeler: Commissioner Fritz, you bet.

Fritz: Well I just want to specify that the work -- I was confused by the substitute because there was the underlining and strike-through for section a. This new section b takes -- adds some, some criteria. So it says for amendments not exceeding 25% of the original contract amount, amendments exceeding 25% of the original contract amount provided the amended contract amount does not exceed 1.25 million. The director of the bureau whose behalf the contract was issued concurs, the price agreements at the early estimated cost of the city 1.25 million or less, amendments where an ordinance approved by city council grants initial authority to the chief procurement officer beyond the stated rules. That's the material change.

Spitler: Yeah, correct.

Fritz: So, would you just explain a little bit about what difference does this make?

Spitler: Sure. Price agreements are different type of contract than regular contracts. They allow for more of an on-call nature of the work where there's typically a task order that's issued for a specific scope of work, but the contract in and of itself is more on call. So previously we had the price agreement authority in section 533, which is the goods and

April 3-4, 2019

services authority. It applied to 568 but we're just being more explicit about including it in 568 with this revision.

Fritz: Thank you. Thanks mayor.

Wheeler: Thank you. Any further questions on the substitute? Please call the roll on the substitute.

Fish: Aye.

Hardesty: So if I understand this amendment correctly rather than having authority for a million now the procurement officer would have authority to sign a contract for up to \$1,250,000. If that is my understanding I would not support this amendment. I vote no.

Spitler: That's -- may I respond? The intent was there's always been authority in our rules that allows me to increase of contract by 25% of the original value. So I can't award an initial or sign an initial contract up to \$1,250,000. It would be up to 1 million then if the bureau needed more capacity in the contract from a funding perspective then we could amend it to add 25%. So the cumulative total is \$1,250,000. But the initial contract would not be able to exceed 1 million.

Hardesty: So these are on-call contracts that you would be able to negotiate without the council's oversight. Is that correct?

Spitler: That's correct.

Hardesty: And because they're on-call contract -- has there ever been a time that you've actually gone into negotiations on a \$1 million contract for an on-call personnel?

Spitler: Yes. The bureaus use a lot of on call architectural and engineering contracts. And as part of that process we're not allowed to take price into consideration when we're selecting a contractor. So what happens is the city selects the highest qualified contractor then we enter into negotiations with that firm on hourly rates. The hourly rates are what they bill on each task order so when a scope of work comes up under a price agreement the bureau engages the consulting firm. They send them a scope of work. The consulting firm sends back a proposal and the proposed cost is reflective of the hourly rates that were negotiated at the time the contract was awarded.

Hardesty: So this is an rfp process?

Spitler: It's a qualifications based selection rfp process.

Hardesty: And it is a diverse pool of candidates that you're choosing from?

Spitler: The same goals and objectives apply to these types of procurements that apply to all of our procurements. So depending on the dollar value we have to solicit them openly and competitively if they are under a certain dollar value if it's 100,000 and under, for example, the city is allowed to directly award a contract to a verified firm without going through a competitive process, which is a new pilot and that's been wildly successful throughout the city

Hardesty: So how does the city determine whether or not it's effective in reaching its goals of contracting with communities of colors and very specifically across the board with women? How do we ever figure out whether or not those goals are achieved?

Spitler: So, the city has an aspirational goal via our subcontractor equity program and we report on those metrics every year on what the city achieves. I think recently you heard of fixing our streets presentation where the utilization was in the 60%. So, you know certain contracts are more -- are better suited for competing on a smaller level.

Wheeler: So lester, could I suggest this. Let's finish the vote. It makes me nervous that we

—

Hardesty: I apologize, I just [inaudible]

Wheeler: we have an ongoing dialogue in the middle of the vote and then let's have this conversation because it's a good one and I want to have it, but I don't think it's appropriate to have it in the middle of an open vote. Continue to call the roll, please.

Eudaly: Aye.

April 3-4, 2019

Fritz: You voted.

Hardesty: I did and voted no.

Fritz: I'll vote Aye to put it on the table.

Wheeler: Aye. The amendment is on the table.

Fritz: Mayer, given that this is an emergency ordinance. Obviously commissioner hardesty has some questions. I had not reviewed this language and neither has my financial and legal genius in my office, so I'm wondering if we could set this over until next week so that we have, that commissioner hardesty has time to get a full briefing and I have just a bit more time to look it over.

Wheeler: I would be willing to do that, yes.

Fritz: Would that be, I mean presumably it's an emergency because you need to get it done quickly. Is there a reason that's --

Wheeler: I would rather hold it over for one week rather than remove the emergency clause if those are my options.

Fritz: I think those might be your options.

Wheeler: Is that what you would request?

Hardesty: I think that's a good idea.

Wheeler: Okay, very good. So we will hold this over in my office. We'll bring it back next week. Thank you, lester. I appreciate it. Next, 291.

Item 291

Wheeler: Colleagues, this resolution adopts two revised comprehensive financial management policies and related procedure that addresses the city's financial planning process and annual budget process. This item was originally heard on march 13th and this is a substitute resolution. Cfo chief financial officer jennifer cooperman is here to explain the changes in the substitute resolution and answer any questions that we might have about the policies. Good morning.

Jennifer Cooperman, CFO, Bureau of Revenue and Financial Services: Good morning, mayor and commissioners. As introduced i'm jennifer Cooperman. I'm joined by josh harwood, city economist out of the city budget office. We're here today to present updates to two of the city's comprehensive financial management policies that address the city's financial planning and annual budget process. As the mayor stated these are substitutes to what I presented on march 13th. There's one change from march 13th, and that's the deletion of language that addressed the funding of labor agreement costs. I would like to take just a couple of minutes to highlight the following revisions that are being proposed to these policies. Fin 203, which discusses financial planning, has been revised to incorporate specific council direction for bureaus to prioritize asset management as a city-wide core business function including life cycle costing and the setting aside of replacement reserves. Asset management is defined to include the city's investments and capital assets and equipment and assets are tangible assets as well as intangible assets. Intangible meaning software, right of way, et cetera. Fin 203 is amended to direct bureaus develop long term financial plans which are in addition to and go beyond the currently required five-year plans. They are intended to highlight and quantify in these financial plans and in the capital improvement plans funding gaps as well as proposing strategies to address them. As submitted, fin 203 will codify the current restriction of capital set aside resources to projects relating to emergency preparedness, parks and recreation and transportation. Per resolution 37101, from 2015, these restrictions are otherwise due to expire june 30, 2019. Fin 204 budget has been revised to require bureaus to secure council approval for financial commitments such as bureau director decisions or litigation settlements of half a million dollars or more after the current year budget is approved that a bureau otherwise cannot accommodate. Change guidance for amending the budget during the year to urgent and unforeseen needs rather than needs that are unanticipated will

April 3-4, 2019

allow one time resources to be used to address city-wide liabilities not included in the five-year forecast, will consolidate the capital set aside ranking and funding process to once per year during the annual budget process and will set certain limitations on the competitive special appropriations grant process. We're available to answer any questions that you might have about these financial policies.

Wheeler: Commissioner hardesty.

Hardesty: Thank you, mayor. Thank you so much, director cooperman. My question has to do with the funding limitations on fin 2103. If you look under the funding, we have very narrowly set a standard for how that 50% could be used. That includes emergency preparedness, parks and recreation and transportation. Does that mean that if any other bureau in the city has a desire to actually utilize that money that's been set aside that they would have no access to it?

Cooperman: You want to speak to that?

Josh Harwood, Economist, City Budget Office: I can try. For the record, josh harwood, city economist. Our director jessica kinard could not be here today. She is experiencing the wonders of flu season. So I apologize for her not being here. The short answer is yes. However, it is within council's capacity to waive the policy in an individual circumstance and state why they are doing it.

Fritz: Actually, could I just chime in here, because I was -- the current policy is this. It is due to a binding policy that the council adopted a little over three years ago to, because we got the overall asset report and looked at where are the biggest deficits and they are in those three bureaus. So that's where the 50% set aside, is currently set aside to be, that was due sunset in four years which is why we're having this conversation on that, so thank you for raising it. It doesn't preclude the other 50% of the one-time money going to asset management as well. So that's where we're trying to be really focused on where do we get the biggest bang for the buck in which bureaus knowing that there's still the other in this year's budget, this \$14 million in the one-time, \$7 million to asset management in these three areas and \$7 million that could go to something else. I would also say that it's been a little bit, the term emergency management has been used a bit creatively in recent times, in that it funded I think the firefighters apparatus. Right.

Hardesty: Well, thank you. That's very helpful because I think I just shut me off. What is the definition of emergency preparedness? Because as you know I have the rest of the first responders in my portfolio –

Fritz: So I'm really surprised that you're questioning this particular thing –

Hardesty: Well, you know, if it says emergency preparedness i'm just wondering if it's across the board, as you said it's been used creatively that way. I guess my concern is that is we don't know what we don't know yet and there may be something that comes up that needs capital improvement and i'm concerned that we're pinning ourselves into a box that we will not be able to get out of.

Wheeler: Could I make a suggestion here?

Hardesty: Please.

Wheeler: I would recommend we adopt this policy but I do think there is a need for us to review the question of the categories. One could make a very strong case and commissioner hardesty, I believe you've made – well you haven't necessarily made this case but you talk a lot about technology and technology is becoming more infrastructure to the work we do. One could make a case that city technology should be included as part of the capital side. I'm not saying that that's where I am today, but I do think it would be useful for you to go off and for some period of time review that question about whether we have the right buckets, whether we should be considering different buckets, then come back to this council with recommendation.

April 3-4, 2019

Fritz: As a point of information, mayor, we did use that bucket for the data center that was transferred out of the earthquake area.

Wheeler: Indeed we did.

Fritz: Yes.

Wheeler: I'll just put my cards on the table. I'm all for flexibility, but the tradeoff, of course, is more flexibility means less discipline and so we need to find that right balance.

Cooperman: So, for certain folks who weren't here in 2015 when the prior resolution 37107 was adopted, that did a few things but one of the most major ones in my opinion was it increased the capital set aside percentage from 25% up to 50%. So the council did take a very proactive step recognizing the infrastructure needs. In talking with city staff, I think there is a desire for you to have more flexibility than less, and that identifying the buckets up front is restricting you because there are needs that do come up that might not easily fit into those three buckets. The choices in the allocations will come to you regardless.

Wheeler: Commissioner Hardesty.

Hardesty: Thank you, mayor wheeler. This seems like an important piece, and I would offer if we could just hold this over so we could have more of a conversation on it until next week?

Wheeler: I'd rather not. I would rather move forward on this. But you know –

Hardesty: That is your wish –

Wheeler: As I said, what we could do is we could establish in the legislative record a request that you come back in six months or whenever with a more thorough analysis on whether we have the right buckets but I think it's important that we move forward on fiscal policies.

Robert Taylor, Chief Deputy City Attorney: Mr. Mayor?

Cooperman: Any other –

Taylor: Mr. Mayor?

Wheeler: Oh I'm sorry Robert?

Taylor: One formality --

Wheeler: Excuse me, Josh –

Harwood: It alright.

Taylor: One formality. I believe there has been a substitute resolution -- [speaking simultaneously]

Wheeler: Yeah, no, so we'll get to that. I just, I didn't want to interrupt the flow of the conversation. Is there more on this particular subject before I ask if we can get a motion please for the substitute resolution?

Fritz: So moved.

Fish: Second.

Wheeler: We have a motion from Commissioner Fritz, a second from Commissioner Fish. Any further discussion on putting the substitute on the table? Please call the roll.

Fish: Aye. **Hardesty:** No. **Eudaly:** Aye. **Fritz:** Aye.

Wheeler: Aye. Substitute is on the table. We're open for more questions, thoughts, concerns. Any public testimony on the resolution?

Moore-Love: No one signed up.

Wheeler: Very good, Call the roll.

Fish: Thank you to director cooperman and all those who worked on this set of policies and I appreciate the changes that were made from the last iteration to what we have before us today. Aye.

Hardesty: Thank you so much, director cooperman. I really appreciate the work you and your team have done on this project. I cannot in good faith vote for something that I do not support the limitations that we are putting on ourselves. It is not acceptable to me that I

April 3-4, 2019

need to wait six months to have clarity on whether or not we're moving in a direction that makes sense. I vote no.

Eudaly: I believe this is the third time we have considered this – or second? Really only the second. Feels like the third time. I appreciate the revisions. My concerns have been addressed. I vote Aye.

Fritz: So if this resolution were to be rejected the current policy is to direct 50% to parks, transportation and emergency management. The reason is that the unfunded liability especially in parks and transportation dwarfs all other needs in the city. We added emergency preparedness to allow some more flexibility while still focusing on the things that are most urgent and cost effective and so this takes away the sunset and I appreciate all of the different policies. Thank you for taking my feedback and incorporating much of it. Aye.

Wheeler: Thank you, cfo cooperman, for your presentation. Josh, thank you. Thanks to the hard work you have put into this, your staff, omf, along the city budget office and city budget managers all across the city who worked to develop these revised policies. Thank you again for your flexibility on taking into account our input in recent weeks to help solidify our viewpoints. I look forward to continuing the conversation with my colleagues in the office of management and finance about how we can best address the question of funding labor agreement costs since one of the agreements we made collectively was to withdraw that from consideration today. The revisions to our comprehensive financial management policies I believe improve the city's financial planning, financial management, asset management and providing adequate reserves aligning our policies with national best practices and encouraging responsible stewardship of city assets. These improved policies will help us to achieve our financial management goals including better long term planning, promoting collaboration during the annual budget process, directing resource towards critical infrastructure projects, addressing intergenerational equity issues and maintaining financial sustainability. One final note i'll put on the table these policies are always subject to change. This is fluid. They evolve as the needs and interests of our city and our fiscal structure evolve. I appreciate the hard work you put into it. It's an excellent product. I vote aye. The resolution is adopted. Next item please, 292.

Item 292

Wheeler: Excellent. We have Portland housing bureau director shannon callahan here this morning. Good morning.

Shannon Callahan, Director, Portland Housing Bureau: Good morning, mayor, good morning, commissioners. We had expected anneliese to be here this morning but I think she is not quite here yet. So if you wouldn't mind i'll just do a little brief introduction about anneliese koehler – Ah, Anneliese –

Fritz: Great timing.

Wheeler: So have you ever had that nightmare where you walk into a crowded room and you're -- [laughter]

Eudaly: Everyone is staring at you.

Anneliese Koehler, City Housing Bureau: -- longest time.

[laughter]

Callahan: Good morning.

Koehler: Good morning.

Callahan: So the bond oversight committee is composed of five community members. One of each is appointed by each of the commissioners and the mayor. Commissioner Hardesty is appointing Anneliese this morning to replace Jess Larson, who was a previous appointee of Commissioner Saltzman. Anneliese has worked with the housing bureau for quite some time on affordable housing issues as well as was on the committee that moved forward the original ballot measure for the Portland housing bond itself, the welcome home steering

April 3-4, 2019

committee. Anneliese is also a public policy advocate for the food bank, and we are privileged and honored to have her on our oversight committee, so with that I would turn it over to Anneliese.

Koehler: Thank you. I thought I'd have a couple of minutes to think about this but -- [laughter]. Coming in hot. I just wanted to say thank you so much for this opportunity. I'm very excited about this and feel very privileged to be here. I started at the food bank about seven years ago and my assumption was that I would be working on food stamps and other anti-hunger policies and programs and very quickly I have spent the bulk of my career working on housing. Our public policy priorities are guided by what we hear from the people that we serve and unsurprisingly, I'm sure to you, housing is the #1 reason that people cite. So I worked on the Portland housing bond and the metro housing bond and am really excited to see some of that through on the oversight committee. Thank you.

Wheeler: Very good. Well first of all, let me say thank you. Number 2, let me say you do really well on the fly. [laughter] That was exceptional. Number 3, I want to thank jess larson for her service to this important committee and I want to thank you Anneliese for being willing to come on board. I know you're a busy person. Side note, my wife katrina was at the food bank last night with I think 17 or 18 other volunteers from our daughter's school. They had a blast –

Koehler: Yes!

Wheeler: And they came back and just said, you know, the Oregon food bank is just a paragon of organization. I just wanted to pass that on to you.

Koehler: Thank you.

Wheeler: So thank you for your willingness to serve. With that i'll accept a motion.

Hardesty: So moved.

Eudaly: Second.

Wheeler: We have a motion to accept the report from commissioner hardesty, a second from commissioner eudaly. Karla, please call the roll.

Fish: Well, Anneliese, thank you very much for stepping up and offering to serve. Also thank you for the work you did on both housing bonds. The metro housing bond was I thought a particularly collaborative, extraordinary undertaking and I set aside almost a day a week last fall to participate in the leadership of that effort and I know you and the food bank made a huge difference. We ended up winning in all three counties, which is really a testament to the strength of our coalition. Thanks for all that you do for our community and thank you for stepping up again to serve in this important role. I'm pleased to support your nomination. Aye.

Hardesty: I want to also thank jess larson for her service and her visionary leadership on this committee and i'm really thrilled to have Anneliese come and take that spot. The Oregon food bank is near and dear to my heart as someone who loves the waterfront blues festival I have pretty much interviewed anybody and everybody who has ever played at the blues festival. My favorite interview is always with the Oregon food bank because it is real that the folks who work and volunteer are doing it not for the money but doing it purely out of the love of community and the love of people. I vote Aye.

Eudaly: I'm going to add to the chorus of thanking jess and welcoming Anneliese. I like to take every opportunity I can to highlight the fact that despite our booming economy Oregon has one of the worst rates of food security in the country and i'm really grateful to have someone serving who understands this intersection of housing unaffordability and hunger. I vote Aye.

Fritz: Thank you, miss Koehler, for being here and for explaining your work at the food bank and how it does relate to housing, as commissioner eudaly said, and I appreciate your service. You have big shoes to fill but i'm sure you can do it.

Koehler: Yes.

April 3-4, 2019

Fritz: Aye.

Wheeler: Very happy to support this appointment. Thank you, commissioner Hardesty, for bringing it forward. I vote Aye. The report is accepted and the appointment is approved. Welcome aboard.

Koehler: Yes.

Hardesty: Yay, now you get to volunteer lots of hours for free. [laughter]

Koehler: Yes! [laughter]

Wheeler: Now she's running off to the next – say, who was that masked woman? [laughter] Next item, please. 293.

Item 293

Wheeler: We have Shannon Callahan, director of the housing bureau is here, and Dory van Bockel, who is responsible for a multi program. I don't know who's presenting today, but I'll just introduce you both.

Shannon Callahan, Director, Portland Housing Bureau: Good morning again, mayor and commissioners.

Wheeler: Good morning.

Callahan: Shannon Callahan. Just as way of reminder, city council passed a comprehensive inclusionary policy housing policy in 2016. Prior to when that policy took effect, 19,000 units of housing were permitted and vested in that program beforehand meaning they did not have to comply with the requirements to include affordable housing in their developments. Based on the large pipeline that did not supply any affordable housing the mayor and commissioners asked us to look at creating a program to incent that pipeline to come forward and voluntarily include affordable housing. After working with city council and the Multnomah county commission a program was approved to provide limited tax exemption for a period of ten years in exchange for ten years of affordability. The development you have before you today is the first development to take advantage of that program. It will be providing eight units in their new development for affordable housing. The range of rent savings for tenants who would reside in that building would be from \$479 savings a month to \$650 savings a month in the one bedrooms. With that I would like to turn it over to Dory to add a few comments and we're here to answer any questions you might have.

Dory Van Bockel, Portland Housing Bureau: Good morning, commissioners, mayor Wheeler. I'm Dory van Bockel, program manager of the multi program and as Shannon mentioned this project will bring eight units to the affordable housing portfolio, they will be affordable at 60% median family income. That's 20% of each of the unit types. It's not a real big building. There's only 39 units and they are comprised of studios and one bedrooms so we'll have four studio and four studio one bedrooms. This is located in fairly high opportunity area within the city. So it will be ground floor commercial space. There's lots of restaurants and other commercial activity there along Killingsworth and the developer has expressed interest in using the city's preference policy to help rent those units as well.

Wheeler: Very good. Colleagues, any questions? Please call the roll.

Moore-Love: I think everybody signed up –

Wheeler: Oh, I'm sorry, is there anyone signed up? I apologize.

Moore-Love: I think they all may have left. It was lightning, Maggie, Courtney, Shannon and Desiree Rose.

Wheeler: Please call the roll.

Fish: Aye. **Hardesty:** Aye. **Eudaly:** Happy to see the incenting the pipeline working. Aye.

Fritz: Very happy to see that they're choosing 60%, which is the greater need, and also that there's a mix between the smaller and the one bedrooms so again, good work. Aye.

Wheeler: Aye. Thank you.

April 3-4, 2019

Fish: Mayor?

Wheeler: Ordinance is adopted. Commissioner Fish.

Fish: 283 was pulled by lightning. He's not here right now. I would urge that we just read it and go to a vote.

Wheeler: 283, please read it.

Item 283

Wheeler: Karla, is there anyone signed up for public testimony?

Moore-Love: This was pulled. I didn't have a signup sheet. Lightning --

Wheeler: Call the roll.

Fish: Aye. **Hardesty:** Aye. **Eudaly:** Aye.

Fritz: Commissioner Fish, I'm going to be highly entertained if you, what your operations and maintenance budget request is going to be for this --

Fish: It's going to be a big number.

Fritz: I thought it might be. Aye.

Wheeler: Aye. The ordinance is adopted. 284, please.

Item 284

Wheeler: Who pulled this?

Hardesty: Mr. Mayor --

Wheeler: Commissioner hardesty.

Hardesty: Hi mayor, I was the one that pulled this off the agenda. I have all my questions answered. I do apologize that you had to hang out but I feel very confident and positive and this is a great thing for my community.

Wheeler: Very good. Thank you for being here. Thanks for your hard work on this.

Fritz: Would you like to put your name in the record so people know --

Hardesty: Yes, please. At least know you're here.

Elizabeth Tillstrom, Portland Bureau of Transportation: For the record, Elizabeth Tillstrom, project manager with the Portland Bureau of Transportation.

Fritz: Thank you for your work.

Eudaly: Thank you, Elizabeth.

Wheeler: We appreciate it. Please call the roll.

Fish: Aye. **Hardesty:** Aye. **Eudaly:** Aye. **Fritz:** Aye.

Wheeler: Aye. The ordinance is adopted. We are adjourned.

At 11:50 a.m., Council recessed.

April 3-4, 2019

Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

APRIL 3, 2019 2:00 PM

Wheeler: This is the Wednesday afternoon, April 3, 2019 afternoon session of the Portland city council. Hello Karla again can you please call the roll.

Fish: Here. **Hardesty:** Here. **Eudaly:** Here. **Fritz:** Here.

Wheeler: Here and now we'll turn it over to legal counsel to give us a few words on the rules of decorum, good afternoon.

Lauren King, Deputy City Attorney: Good afternoon, welcome to the Portland city council. The city council represents all Portlanders and meets to do the city's business. The presiding officer preserves order and decorum during city council meetings so everyone can feel welcome, comfortable, respected and safe. To participate in council meetings you may sign up in advance with the council clerk's office for communications to briefly speak about any subject. You may also sign up for public testimony on resolutions or first readings of ordinances. Your testimony should address the matter being considered at the time, if it does not you may be ruled out of order. When testifying please state your name for the record. Your address is not necessary. Please disclose if you're a lobbyist. If you're representing an organization please identify it. The presiding officer determines the length of testimony. Individuals generally have three minutes to testify unless otherwise stated. When you have 30 seconds left the yellow light goes on. When your time is done a red light goes on. If you're in the audience and would like to show support for something that is said, feel free to do thumbs up. If you want to express you do not support something, please feel free to do a thumbs down. Please remain seated in council chambers unless entering or exiting. If you are filming the proceedings please do not use bright lights. Disruptive conduct such as shouting or interrupting council deliberations will not be allowed. If there are disruptions a warning will be given that further disruption may result for the person being ejected for the remainder of the meeting. After being ejected a person who fails to leave the meeting is subject to arrest for trespass. Thank you for helping your fellow Portlanders feel welcome, comfortable, respected and safe.

Wheeler: Thank you and I would just like to add for the record one of the core rules here is to understand and appreciate that you will hear differences of opinion from your own at the microphones. That's what democracy is all about and in particular tomorrow when we get to the public testimony part of this I'm going to continue to admonish people to understand there will be different perspectives, different points of view. Everybody will have access to the microphone, but we just ask everybody listen to everybody else's opinion respectfully. With that could we read both items together, Karla and then I'll turn it over to commissioner Eudaly?

Item 294.

Item 295.

Wheeler: Commissioner Eudaly.

Eudaly: Thank you mayor and good afternoon, everyone. I'm so pleased to introduce our fair access in renting proposal, a fitting kickoff to April which is national fair housing month. Given that the day has been more than two years in the making and we're introducing the most significant tenant protection package we've advanced since our relocation ordinance in January of 2017, you would think I would have a lengthy and eloquent opening statement prepared. I actually just wrote this before the hearing. I have thought long and

April 3-4, 2019

hard about what I wanted to say today, but I have decided to let the policy mostly speak for itself. However, before I move to housekeeping two minor amendments and hand the presentation over to our esteemed panel I offer the following comments and piece of testimony for my colleagues to consider. As elected representatives we have an obligation to ensure reasonable access to housing and to affirmatively further fair housing law which was created to prevent housing discrimination. Last year we celebrated the 50th anniversary of the fair housing act in these very chambers. Last year as well as throughout the past decade we have heard from the fair housing council of Oregon that discrimination in housing is alive and well in our state and in our city. This package if passed will significantly decrease incidents of housing discrimination whether by default or design. Housing is a basic need, a human right, and an finite resource. Our failure to protect tenants and stabilize rents has contributed to an unprecedented housing crisis which is in its 10th year. It's changed the face of our city, decimated communities, and impacted the future of tens of thousands of Portland residents. It's terrible for our economy, our environment, our social and cultural fabric, and our spirit. We are not acting fast enough to remedy this crisis. While this policy does not increase the supply of affordable units it does decrease multiple barriers to housing which is an essential piece of what must be a multifaceted approach to solving this crisis. Finally, I have been disappointed to hear some of the misinformation circulating about the impact and intent of these policies. Simply put, we are not forcing landlords to rent to people with criminal records. As you will hear, we are providing a low barrier option for screening based on solid data and research while allowing landlords to opt to do individualized assessments instead, a practice recommended by hud federal guidelines upon which they are free to decline prospective renters based upon nondiscriminatory business interests. I'm a long time Portland resident, renter, a woman, a mother, and a violent crime survivor, the suggestion that I'm so committed to renters as a class of people above all else, that I would advance policies that would endanger other renters was false. I'm willing to assume the best and chalk this up to confusion and concern but once we present the actual policy I hope that we can lay this false claim to rest. As a survivor I know what it's like it fear for my safety and the critical role that safe, stable housing plays in that. I also know that when we deny opportunities for housing and employment to individuals coming out of the justice system we make our whole community less safe. This is a complicated and thorny issue. It's one we have kicked down the road for decades and I don't know whether we can ever adequately address it through policy making but what we can do here today is share data and research to help people make sound decisions based on fact, not fear. I'm going to share a message I received earlier this week from an impacted community member. This morning I read an article about your proposal to change rental policies in Portland. I cannot thank you enough for your insight, kindness and consideration regarding housing opportunities in Portland. I'm a convicted felon and have no fair chance of finding a safe place to rent. I'm refused despite the fact that I'm a first time offender and have both a bachelor and master's degree. My credit score is in the high 700s. I have voluntarily completed evaluations to prove that I'm not a danger and I present no threat to anyone. Despite this, I'm told that as a felon I'm an imminent risk to other renters. Just looking at me you would never know that I'm a felon. I'm treated as a person until I have to indicate that I was convicted of a felony. At that point everything changes. I lose my humanity and my chance to be a member of society in the eyes of many. The message is clear. I'm not worthy of housing and despite any evidence to the contrary being a felon means I will harm others. In the 2018 study conducted by the justice department nearly 2.2 million adults were held in America's prisons and jails at the end of 2016. I think of the men and women who are daughters, sons, mothers and fathers who also happen to be felons and are consistently denied housing because of the fear surrounding the label of felon. I'm thankful that I have

April 3-4, 2019

a supportive family who welcomed me home with love. I will live with them until I can afford to purchase something because I have no hope of renting. Thank you for your courage to bring a voice to those of us that do not have one and have not been allowed a seat at the table. Now for some housekeeping, colleagues, we opted to hold two hearings, one for our presentation and invited speakers, which include some opponents to our policies and one for public testimony and that's because of the number of people we anticipate will want to testify and how long that would take. We thought you might want to go home before midnight tonight. Yes. I encourage all of you to consider today to be similar to a work session. It's our chance to really delve into the policy, to ask questions, to deliberate. We have brought multiple experts for you to hear from, but I would strongly prefer that you hold your questions for the end of each presentation because they have been carefully planned and thought out, chances are your questions will be answered by the ends. Finally, these two ordinances must be advanced together. They don't work well or effectively on their own. Every word has been heavily negotiated with stakeholders and carefully vetted over the past two years. We have not received any amendments in advance from other offices, but we understand there may be some. I respectfully request they be shared with my office in advance and not introduced until tomorrow's session for us to respond to your concerns and work with your offices and that they will be voted on two weeks from now when the full package comes back for a vote. Finally, I have two minor amendments to make before we begin the presentation. For the past two years our office has worked closely with city attorney Lisa Grant, who left the city to work for the state housing department at the end of last year. We're grateful for the other attorneys who all pitched in and put a tremendous amount of work into help put the code language into its final form but there were two small items incorrectly interpreted and not caught by staff before we submitted the document for today's session. So in order to uphold the promises we made to the community and make sure the policy language fulfills the original intentions here are the two changes we need to make. You should all have a red line version in front of you. Amendment 1, amend screening criteria code section d.4.b to adjust the look back periods for nonheads of household. Number 2, amend security deposit code section f, to clarify the length of time for the payment history requirement. Could I get a second?

Hardesty: Second.

Eudaly: With that, let's get started. We have a long and interesting hearing before us. Tyrone Pool founder and owner of one app Oregon, Jamey Duhamel director of policy for my office and dr. Lisa Bates a social professor and director of the center for urban studies at Portland state university. Welcome, everyone.

*****: Welcome.

Eudaly: Please state your name.

Tyrone Pool: Tyrone pool and I am the founder and president of one app.

Jamey Duhamel, commissioner Eudaly's Office: Jamey Duhamel, director of policy for commissioner Eudaly.

Lisa Bates: Lisa Bates.

Pool: Hi, would you like me to begin? Well, I would like to start off by letting everybody know I have spent the last ten plus years of my life in housing advocacy. I have been working really hard to create access to housing for some of Portland's most vulnerable families. Outside of that it would be good to make sure you understand I'm not actually pro or against this rule. I'm here to make sure that there's enough accurate data being presented so you guys have enough information to make a good decision on it if this law should pass or not. With that I would like to go right into some of the data and things that I have learned over the last five years of running one app. A lot of it will be very shocking and exciting to know. With one app the reason -- I'm going to go over this software with you that way you understand clearly the data that comes out of the software came from,

April 3-4, 2019

how it was created, because a lot of the data points were used to create the rest the documents you'll hear today. Starting with one app, you will when we first designed one app, we had the premise that we could create access to housing for everybody if we let everyone know where they qualify to live. Due to my own homeless experience that seemed would make the most sense, people would apply to places that they qualify for if they knew where they qualify. Based on your background check you could qualify for a very small percent of the market. A lot of people have evictions and felonies or low income, they qualify for 1% of the market. That's 10 out of 1,000 units. The amount of money and time it would take to find one of those random needle in a haystack properties can be so much and so expensive that it creates homelessness that's unnecessary. People qualify they just can't navigate the rental market. It costs too much and takes too much time so we develop one app, which was a tool that would let a renter see exactly where they qualify based on their background check. December of 2017 we launched one app Oregon and this is what you are seeing on the screen. This is the map view, this is what happens when a renter on one app pulls their background check and can see every property they qualify for. Green are approved properties, red are properties you don't qualify for. We don't say denied because we're not the property so we actually say these are required, which means there's work to do to get into this property and yellow or orange is conditionally approved. Usually with a double deposit or some other conditions you have to meet to move in, but you still pass. We launched in December 12 we ran this throughout the entire 2018 year and what we found first what would you think happens in a city where renters can see exactly where they qualify to live? We assume you would move into the property you qualify to live at. That's actually not the case whatsoever. We found that even when people could see where they qualifying only 10% of households move into approved properties. 57% moved into property they were conditionally approved for or applied to, sorry, and 33% apply to property they were denied to even though they had complete vision on where they could live. So when we found out this information we realized that we were unable to change human behavior. People do not apply to where they qualify. They apply to where they want to live. There are a few reasons when we communicated with people we did ask why is it that you did not apply to where you qualified? One of the biggest feedbacks are community they have their church, they have their home, they have their school, they have their parents and they just cannot move to areas where the green pins are. If they are in Vancouver they qualified in Beaverton but live in Gresham and that's where their community is, that's where they need to stay so they will apply to denied properties. A lot of the time it was simply the properties that were green, they weren't interested in. This last weekend we by and I spoke to a family who came in to look for a place, and there was a three bedroom in the area they were approved for. And I was why what's wrong with this one? She looked at it and said that has the blue bedrooms. I have seen that one. I'm like okay. She says I have two daughters. That was enough to not apply to the green pin and apply to denied properties. No matter how hard we try we are unable to get people to apply where approved. That changed the culture of one app because we can actually see every single reason why a person is denied on every single application in extreme detail we are able to put together solutions to help people get into properties they do qualify for. So that changed into one app's new mission is to not only show you where you do qualify, but provide you with the tools to be approved to where you want to live. This is what attracted me to working with Jamey because I knew at this point that the product we had was not enough, and she was working on something that actually helped people get approved to places she wanted to live. They want to live. It was extremely excited. I have never been paid a single dollar from her office. Every bit of effort I put in was on our own time and money because I was very excited to create a solution to get people into housing. It's good that people understand that so they don't think that I was -- this data is tainted in any way.

April 3-4, 2019

This is a sneak peek into 2.0 this is not launched yet. I wanted to show you the because it shows you what market driven solution look like in order to create access to housing. This is an average renter, this renter looks like they are conditionally approved for credit, they passed the other things outside rental history and we have products in this marketplace that will help you be approved. One of the products that is our most powerful product that we are to do with the data is we created a program called the one app guarantee. We found out of all the denials that took place in 2018, 71% would have been approved if they had a cosigner. It is the one process that management companies use almost across the board to mitigate risk for renters that don't qualify. If you're income is too low, if your credit just below par, you don't have a rental history, not been at a job long enough a cosign will get you through the door. The problem is virtually no one applies with a cosigner even though it's a powerful tool people just don't have access to it so we developed a cosigner product that we will get on the lease with you and cover damage an lost rent if a person is to be denied. This is our way to help renters get more access to housing. Working with Jamey and hearing Jamey's proposal it was so exciting because you could snap your finger and all the pins light up green and people had access to housing where they never had a chance to before. That's how the data works every single renter who pulls their background check on one app when they click apply to a property it not only tells them if they are approved or conditional but it tells them exactly why they don't qualify in detail and then it stores that information so that we can see in the future. Down to detail it literally says this property requires seven accounts in collections. You have nine. You must remedy two accounts and it shows you all seven accounts in collections, the dollar amount owed for each and the phone number to call reported by the credit bureau. Now we can say \$1,000 would have help how many people because we can see the dollar amount of each account, we can say you know, we did some data just to show how our data works and we pulled every single section 8 voucher because last year they raised the section 8 limits on all their vouchers and it only created access to less than 3% of housing based on our data because income wasn't why people were being denied. We had 17% denied from criminal history, a huge percent from rental history. So you can actually see this information, you can accurately know where to target, so that's the data, that's how it works. There's one thing that I want to make sure that I help change and form the narrative of this conversation going forward because before I originally when I first spoke with Jamey's group I had this impression that was kind of created -- universally about what property management companies are and because I went to my own homeless experience I had my own idea what they were and the picture painted is fat cats, wealthy, sitting with their feet up and they don't do anything but collect rent and they just have the ability to -- they have a lot of wealth and time. During this process of following Jamey around for nearly a year now and working with lots of management companies, I found that that's actually not the case for the majority of management companies. Management companies -- as a matter of fact most of them make little to no money and when I say no money I mean most of the ones we spoke to barely make enough to get by with their companies, just want to make sure that that is thrown out. Also one of the big things that -- if you change the premise that management companies are wealthy and don't care about people and you go into and you look at it through the eyes of -- they are business owners that need to create profit and make a living like everybody else, then you start to look at denials differently. Every time a person was denied back in the day it meant you're not good enough to live here. In reality after doing this research I realized that what it really means is that I don't have the support systems in place to support you as a tenant, so because of that I can't let you live here. If you follow that premise further, you'll understand that most management companies' screening criteria is not actually designed to determine risk at all. Screening criteria when you meet with owners are actually a reflection of their

April 3-4, 2019

personalities. Believe it or not if a screening criteria says we don't accept renters who don't have two years of rental history it doesn't mean they think you're going to default. What it means is that I'm not in this to teach you to be a renter, you need to learn how to manage a house or rent outside of me. So once I met with them and I spoke to landlords and understood that the majority of them actually got into the business because they wanted to create access to housing I started to look at the screening criteria differently and then I spoke to different owners who were doing well what the criteria was asking to happen. When we say two times the rent I want owners who do two times the rent and I said how are you successful with this? The majority tell me I could use their names so I plan on doing this thing. One of the -- mo farland was one I spoke to from stark first property management. He has 1,250 units. He actually has so much passion for helping families that are rent burdened to the point to where he actually every person he helps he knows them by name. Even though he has over 1,000 properties. He says when a person can't pay rent they walk into his property and he sits down with them and he says where is my money? If they say, I had car issues or this or that he's like, next month you pay rent on time. This month we're going to break this rent payment that is due now, don't worry about it, we'll break it over three months down the road. He does that for every single person who does not pay the rent on time, that missed it. That's just part of his business model because he knows how to manage rent burdened families very, very well and if they don't pay during that payment plan he still has options for them to continue. Another company that does really well is fortress, they do something very similar, I even spoke to central city concern because they do 1.5 times the rent. How are you successful with this? They actually have a fund. At central city concern if you're denied, not denied, if you miss a rent payment they actually send your notice to a resident service coordinator at central city concern that calls you and asks you basically what your scenario is, then if you can't pay they send out on your behalf rent assistance request to all the programs they partner with and then if those don't come back and pay, two times a year out of their own fund they will pay the rent. So you can default two times per year and be covered. These are not solutions that the average property management companies possess. I met with criminal owners who take criminal history. They just literally accept anyone with criminal. One gentleman in particular I wouldn't mention his name he said he literally knows every single parole officer in Portland by name. He said if they saw him they would know him by face. He loves helping out people with criminal histories because of the fact that he can sit right across from them and tell them his story cause he was a felon and also let them know he's not judging them and he will provide the supports and when they start making mistakes he will look right across the table and see they have bloodshot eyes, I can tell you've been using, this is a violation you can go back to prison and he basically works with them on a personal level every time, city concern takes criminals as well. They have a program called flip the script that people with criminal history are part of that program and that provides a huge amount of support. I asked the associate that I spoke to there if that criminal program didn't exist would criminals do well, and she said no. So the only reason I bring this up is I know we're going to paint a picture of first of all I want to let you know I actually want throughout my homeless process faith is the only thing that got me through it, and I want those pins on that map to be green for people more than probably anyone else in in this room, but at the same time its not a job for me, this is my mission. I need to make sure that you understand the risk that you run bypassing the criteria. Not the effort that's required to make it successful on the property management side. You're talking about letting renters into properties that management companies are not equipped to support. Right? Only so many management companies are taking two times because they are good at it, but the ones that don't take two times are not good at it so they need support in order to be successful with that. You have people who don't know how to manage felons. Not saying

April 3-4, 2019

that every felon is an issue, but some do come with their own level of support and if these management companies don't have tools in place when the traffic starts to come in then it will be issues. During this process I have realized that everybody has been chasing the wrong thing. Everybody has been trying to figure out how do you find what creates default? We want to find the magic number that says your credit score below this means you'll get evicted. You won't pay rent. Your rental history this low means you're going to be a problem. You try to find this perfect number that you can say this is the number you should approve people above and below. After doing this research with Jamey I don't believe that's the case, I don't think there's no perfect number. Any renter will do well if placed with the right management company that have the right supports for them. Which means defaults only occur when renters are matched with properties not equipped to support their unique barriers. If that's the case, then and we're going to make sure we pass this, we have to make sure we put in the effort to make sure these management companies have the tools and solutions to support the new applicants and the new characteristics of people that they have never supported before. That is really what I want to make cause I want this to be successful. That was what I wanted to make sure was understood on both sides of it. I'm very excited for you to see the amount of access this rule could create if passed.

Wheeler: Thank you, Mr. Pool. I heard commissioner Eudaly say she wants to hold off on public testimony, but commissioner Hardesty has a question.

Eudaly: Just until the end of each presentation.

Wheeler: Very good commissioner Hardesty.

Hardesty: Thank you, mayor, and thank you commissioner Eudaly for the clarification. Tyrone, you're one of my heroes and you're one of my heroes because you were someone who was knocked down through no fault of your own and you kept your eyes really focused. When I first moved here, I had no history, but I walked into an apartment complex owned by a woman and said, just moved here, start my job next week, don't have a lot of money, don't have any local references. She looked me in the eye and said give me 50 bucks and you can move in. That would almost never happen today. I think there's a difference between nonprofit property owners like central city concern, that has a host of programs that are geared towards giving people a second and third and maybe even a fourth chance and providing resident services that actually help people trouble shoot their problems.

Pool: Yep.

Hardesty: That's one kind of rental opportunity. Right? Then we're talking private owners who today can kind of pick and choose and if you own a property you really just want the easiest opportunity possible. The first person that walks up that has three to four times the money that's probably your person, right, because you know they are going to pay the rent, you don't have to worry about it. I'm talking about an ideal world.

Pool: Yep.

Hardesty: We're not in an ideal world at this moment.

Pool: Yep.

Hardesty: We're in a real crisis. We have people, thousands of people living on our streets. For me, I feel that we have an obligation to make housing available at every income level and every neighborhood. I think we have to partner so based on your personal experience, based on you following Jamey around for a year and I would love to be able to follow Jamey around for a year and you said you didn't have an opinion, I need you to have an opinion because I need to know -- there's an ideal world scenario and there's the real world we live in today.

Pool: Right.

Hardesty: How do we get out of this crisis if we don't to start putting pieces in place to make sure everyone has the opportunity? You said faith was what kept you going.

April 3-4, 2019

Pool: Yep.

Hardesty: Some days faith is hard to come by especially when you have just been kicked, kicked, kicked.

Pool: Yep.

Hardesty: As I think about how do I do what's in the best interests of Portlanders --

Pool: Yep. Yep.

Hardesty: In a crisis. Again, in the ideal world we would have a lot of time and we could debate back and forth. We're in crisis, what would you recommends.

Pool: This criteria if passed will create a utopia for housing, people have access to places. That's a utopia. The only fear, the solution -- how don't I want to say this the wrong way. Once this criteria passes, like I said, there will be a lot of management companies that you remember these aren't the really wealthy, as matter of fact let me give you some perspective on the market. Most industries are 80/20 which means 20% of the business is controlled or 80% of the business are controlled by 20% of the companies. So, a few people control almost all the market then a tiny few pick scraps. That's not how it works in rental. It's one of the only markets that's the opposite. So, 25 companies, top 25 companies in Oregon out of 389 licensed management companies first one is 14,000 units, the 25th company is 900, 369 companies, which makes up 80% of the rental market, is the long tail of 369 companies of private management companies with 150 units under management. So if you understand the market first and you know that what really is changing the law not on the top big ones that, yes, they are wealthy, but it's really on the 369 tiny companies. So if you understand that and you know you're going to -- that change has to happen so you put this out there and what you're asking is for every management company to be efficient in every renter type simultaneously. Right? So that can be a little tricky cause you're saying you need to be good at managing rent burdened families, you need to be good managing people with criminal history, you need to be good at people managing people that don't have any rental history.

Eudaly: I'm going to cut this off, cause I think it's really important we hear the actual presentation and then hear from doctor Bates.

Pool: I get it. I want to make sure since she asked me the direct question how to fix it or how would I change it I would say if I was to pass it then I would make sure that there was a time span before it went into place that mad sure that multifamily housing northwest, other programs and agencies, have the ability to train and educate their people on solutions on how to manage all of these different characters of renters that they are not used to managing beforehand.

Eudaly: That's why we have delayed implementation. I'm also a huge fan of yours and think you're app is brilliant but I need to push back a little bit. As I explained in my opening remarks, landlords are not being forced to rent to people based on nondiscriminatory business issues. We are not asking the private market to take on tenants who would require supportive services to be successful in housing. I also want to point out that 25% of our renters are already spending 50% or more of their income on housing and I can't understand for the life of me why it's not acceptable at the outset of that rental agreement to be spending 50% but it's perfectly acceptable to allow landlords to raise it to 50% and above during their tenancy.

Pool: But that's a different question than she asked. But yes. I agree. [speaking simultaneously]

Hardesty: I appreciate it. I withdraw my question because I didn't want to take this down a different path.

Pool: I just want to answer it to say to be successful just train them. That's all I would say.

Eudaly: Let's move onto Jamey's presentation please.

Fritz: Can I just as a question.

April 3-4, 2019

Eudaly: I would like to save the questions until the end of this presentation. We're already getting into the weeds.

Hardesty: I apologize.

Wheeler: Lets agree on this as protocol, do you want us at the end of each panel to ask questions?

Eudaly: This is the presentation. These three people have worked a lot on this policy.

Wheeler: You let us know when it's time for questions.

Eudaly: Then the following panels are invited testimony.

Hardesty: We will respect whatever you want us to do, commissioner. I just had a quick question that went a long time.

Jamey Duhamel, Commissioner Eudaly's Office: It's a good thing I printed off my notes. I was worried about that. Okay. Forgive me I'm going to do a lot of looking down and up, I'm going to do my best to stay engaged, and read my notes here. Thank you. Good afternoon, commissioners, mayor and thank you, Tyrone, for sharing the stories and the data. We really appreciate the time that you spent with us on this policy. Again I'm Jamey Duhamel and I'm the director of policy for commissioner Eudaly. For the past two years I have had the unique honor of working on this fair access in renting proposal with many community members, advocates, landlords, private and public interests. I'm going to start this presentation by going over the outreach and development it took our office to get to this stage but before I begin I want to emphasize that we took an intentionally different approach to creating the code that you see before you today. Most of the time in government we set our sights on fixing a problem, we give it our best shot based on our expertise, some internal guidance and some selective input. Only then do we launch it into the public for feedback before making adjustments and bringing it to you. Instead what we are presenting to you today was not created by our office alone, but was created with everyone you see in this room or at least the invited testimony and more. Regardless of whether or not they are ultimately here to support it, what you are seeing is literally the 33rd draft and we're pretty proud of it. So let's start with a general timeline. This timeline only represents the work we did on the screening criteria part of the fair proposal, so we actually in fact began working on the security deposit proposal in February of 2017 and an early draft was completed by the summer of 2017, that draft was run through the relocation technical advisory group before it was disbanded and once we began work on the screening criteria it was integrated into some of the workshops and groups represented here in the timeline. As you can see the fair proposal timeline starting in January 2018 kind of represents three major buckets, we started with an internal advisory group with a deep equity lens for a few months and created our first early draft. Then in the spring of 2018 we launched it publicly and we conducted face to face workshops with everyone in the city who would spend time with us and then we took that final draft late last year and ran a beta test with the final information. I want to emphasize that the number you saw was 125.5 hours I took meticulous notes as we developed this policy. It does not represent the phone calls, the emails, the one off conversations and all of the in between work that was literally face to face workshop time, me and others sitting around tables discussing the points of policy. So we started like I mentioned with an internal advisory group with a deep equity lens. The first thing we did was create a mission statement that I used throughout the entire process as my guiding north star when negotiating changes to the policy draft. I didn't realize it at the time, but it was a critical part of helping evaluate the wide variety of needs, interests and suggestions for the entire next year of work, as you can see the mission statement says we wanted to create clear channels to access housing of choice for all renters regardless of background that is consistent, fair and equitable and maintains dignity and humanity for the renter. With our workshops we met with a large variety of impacted community members including housing providers to the negotiate details. As you

April 3-4, 2019

can see we spent almost 55% of our time in workshop with private market and affordable housing providers and there were significant improvement to our policy draft because of it. I provided you with a chart outlining the ways in which the policy was adapted over time to address industry concerns to land on this final version and we'll dip into the beta test development later in the presentation. Through the process of outreach and development we came to five conclusions that guided our outcomes. We'll go into each of these in detail but in general the findings are as follows. First, the fair housing act sets the standard for addressing housing discrimination and in deed the fair housing act is being violated here in the city of Portland. Number 2, affordability has disproportionate impacts on protected classes. Number 3, screening barriers have disproportionate impacts on protected classes. Number 4, the industry relies on mythologies to assess risk. Number 5, changes to screening practice can address discriminatory outcomes. First, the fair housing act sets the standard for addressing housing discrimination. In developing our findings we used the disparate impact theory as upheld by the supreme court in 2015 to assess whether discrimination in housing occurs and who is impacted the most. The disparate impact theory holds housing providers legally liable for setting policies that don't have disproportionate outcomes regardless of their intent. Additionally the fair housing act requires all government jurisdictions to affirmatively further federal fair housing law which means we must act if we know discrimination in housing is happening and has been interpreted to also apply to efforts to eliminate segregation. Finally huds general council recommends individualized assessments as the best practice for mitigating discriminatory outcomes, particularly for justice involved individuals. These are all important findings for understanding the baseline we needed to use for identifying the scope of the problem and the right solutions. Understanding our obligations under the fair housing act then we must ask ourselves if discrimination in housing is occurring in Portland. In fact we have known at least ten years it is because testing by the fair housing council has shown discrimination in 2010, 2015, and most recently in 2018. Today we know that one in four renters face disparate treatment based on race and nation of origin. The audit also found and I quote, "the most common issue identified was the provision of different terms and conditions and availability of units, of the 13 positive tests there was evidence of differing information provided to protected class testers with regard to rental terms and conditions including differing rental price amounts, move-in specials, deposits, application fees and screening criteria. The different information favored the comparative tester over the protected class tester. In the race color positive tests they protected african-american black testers were told about higher rental prices and fewer units than their white counterparts". So we have already established the fair housing act requires governments to affirmatively further fair housing law and the supreme court has upheld the disparate impact theory which the audit demonstrates is happening right now in Portland. Our second finding is that there's clear discrimination in affordability. While property values and home prices are skyrocketing, average wages for people of color are going down because all or almost all of the city's neighborhoods are unaffordable to many of color we are reinforcing economic segregation through displacement and putting inordinate strain on affordable housing providers and their very limited housing stock, we will explore this problem in more detail a little bit later. However we have a few maps from the housing bureau's most recent state of housing report. For Latinx households only two neighborhoods can be classified as affordable, the term affordable defined by hud is paying 30% or less of income on housing costs and that roughly equates to about three times a month rent income ratio, income to rent ratio. For black households no neighborhoods are affordable and for native American households, no neighborhoods are affordable. This map provided by metro demonstrates that economic segregation has significant impacts on people of color. More and more families are being pushed to less resource parts of our city and are being pushed out of the city

April 3-4, 2019

completely. As Tyrone explained earlier families will often apply to units they don't qualify for because they want to have choice over where they live and the communities they raise their children in. Right now people have very little choice. Our third finding is that commonly used screening criteria have disproportionate impacts on protected classes, let's start with credit history. State law gives explicit rights to landlords to screen for credit scores and credit issues however research from the national fair housing alliance as well as the national consumer law center and many more prove that current credit scoring systems have disparate impacts on people of color and were designed to support housing discrimination at their core. Through redlining, predatory lending, disparate wage gaps and other racist government policies the average credit score for black and latinx people are approximately half that of white non-Hispanics. Additionally credit scores and accounts do not reflect positive rental payments and in fact companies often do not report positive credit payments at all. If you are a renter with a limited income and lack of assets you often have to choose between keeping a roof over your head or paying a student loan on time. One is an essential need not reflected in credit while the other communicates false information about your ability to pay rent. Finally, both fico and transunion release reports that found borrowers with higher fico scores are in many ways acting the way borrowers with very low scores are predicted to act and during the subprime mortgage crisis their delinquency rates were four times that of higher than those with credit scores below 600. In fact many lenders that do not rely on credit scoring mechanisms at all experience default rates lower than industry standard. As is well known, screening for criminal history also has disproportionate impacts. Locally we know people of color are five times as likely to be incarcerated as their white counterparts. In fact Oregon ranks seventh in the country for incarceration rates of our black population. Nationally black and latinx individuals comprise an estimated 58% of the u.s. prison population despite accounting for on 25% of the total u.s. population. These impacts are well documented by hud and form the foundation of their guidance around individualized assessments. Additionally national health care for the homeless council found that justice involved individuals are subject to public policy that impede successful reintegration into society especially housing leading to higher rates of recidivism and homelessness. In essence we allow justice involved individuals to continue to be punished even after they served their time imposed on them by the justice system. The stigma of past incarceration continues to drive public policies that either exacerbate or quietly allows a lack of access to fundamental resources like housing that enable them to contribute positively to society and avoid negative outcomes like increased recidivism and homelessness, it's a vicious cycle of our own making. We must create policy that promotes a culture of early rehousing. Eviction history is the third category of discriminatory barriers. We don't have local eviction data available but a 2018 eviction study in Seattle found that over 51% of tenants in eviction filings were people of color, 31% were black experiencing an eviction 4.5 times what would be expected based on their demographics in Seattle. Additionally a study published by the Harvard civil liberties law review found Hispanics in predominantly white neighborhoods were twice as likely to be evicted and more likely to be evicted when their landlord was non Hispanic. Considering Portland's legacy and demographics is reason to assume similar outcomes here. Our fourth finding is that landlords and really the industry as a whole uses risk mythology to assess applicant risk. This isn't intentional on their part, this is how the business of providing housing has developed to maximize time and money. Many people believe that renting to someone with a criminal history will make the community and neighborhood unsafe and they are less likely to be good tenants, but a study conducted by a Minnesota based research collaborative and wilder research found that misdemeanor offenses that occurred more than three years ago and felony offenses more than five years ago have no significant affect on rental housing outcomes. To determine negative housing

April 3-4, 2019

outcomes they look at evictions based on lease violations for behavior, nonpayment of rent, leave without notice and a category of other. It goes on to explain even when negative outcomes occurred the average stay was 1.5 years before the outcome, which is still pretty good. More specifically, 11 of 15 criminal offense categories including violent felonies have no significant effect on housing outcomes in other words they were just as likely as tenants with no criminal history to have positive or negative outcomes. Even the four of the 15 criminal categories that may increase the likelihood of negative housing outcomes only does so only by three to nine percentage points at most and the study claims that's over estimation. Criminal recidivism research shows that juvenile offenders pose little to no risk of long term recidivist of criminal behavior and research also shows that recidivism rates of offenders decreased almost the rate of non-offenders after approximately seven years. This time frame of seven years is widely accepted and is often used in employment screenings as well. What research shows is that the longer the time since the criminal offense was committed the less likely a person is to reoffend at all. Time since offense is the essential factor. Finally research has also shown that recidivism rates double for formerly incarcerated adults who do not have stable housing. We have heard repeatedly from landlords that renting to people with criminal histories increases their legal liabilities. In fact no landlord has ever been held legally liable for the criminal act of a tenant based on their decision to rent to someone with a criminal history alone. A research report published by the nyu journal of legislation and public policy found that past criminal history is not an appropriate predictor of future criminal behavior because there is no straight line to draw from one offense to another. Which is why case law upholds that landlords cannot be held legally liable for the acts of others unless it was foreseeable based on previous behavior on that same property or was foreseeable because the landlord did not provide a safe and secure premises. So for example, if a tenant has a broken lock on their front door and the landlord doesn't fix it, if that tenant is burglarized or harmed from someone entering their unit the landlord can be held liable for not fixing the lock. In fact, no state in the country and this is really important, no state in the country even requires screening of tenants for any barriers let alone criminal history. Landlords often have the right to do so if they want, but they are not required to consider any barriers because it's not a landlord's legal obligation to keep certain people out. The industry is using credit scores as a shortcut to determining an applicant's sense of financial responsibility. Since we have already established that credit scores and the entire credit system is inherently racist and not reflective of actual risk using the scores alone is not appropriate and just perpetuates racial disparities. The only debt that truly matters in the circumstance would be debt owed to previous landlords. Finally, a very common myth is that people who have eviction histories are bad tenants. An eviction record alone is not a predictor of anything because of disproportionate use. Evictions are used as a means of retaliation and discrimination, so the types of eviction are important as well as length of time since the eviction occurred. For nonpayment of rent which represent the vast majority of evictions, someone can be evicted for any amount they were short, \$20 for example and landlords are not obligated to extend the time for payments. As Tyrone mentioned some of the really good ones do and we're grateful for that, but if they want them out it is perfect opportunity. In the current affordability crisis renters are dealing with those opportunities present themselves more often. Regardless that circumstance should not prevent someone from ever accessing housing again. There's literally no way for a renter to overcome the stigma of a previous eviction until given the opportunity to build a better rental history, it's a catch 22 that leads to homelessness. Instead only specific patterns of recent behavior can accurately assess risk. Nonpayment of rent again can be for any amount that occurred several years ago has no direct relevant bearing on whether or not someone can pay rent today. Just like with criminal history if they have gone several years

April 3-4, 2019

without eviction it indicates they have established stability or should at least be given the chance to demonstrate that they have. Our last finding is that reforming the way landlords screen for tenancies can mitigate many of the issues we described. Reforming screening criteria is not a new concept to the city, in fact in 2011 the fair housing action plan then under commissioner Fish was developed to give policy recommendations to end housing discrimination. As you can see recommendation number 4 specifically called for changes to screening criteria. The action plan also said and I quote, "this action plan sets forth the specific actions the city of Portland through the Portland housing bureau will take in 2011 to 2012 as the first set of bold steps over the next five years to end discrimination in rental housing. It builds on the visionary work of the analysis of impediments review committee and provides a comprehensive approach blending enforcement, education and increased access to affordable homes and services and we just want to thank commissioner Fish's for leadership on that. In additional calls to change screening criteria and affirmatively further fair housing law is in the home for everyone 2016 to 2017 housing work group action plan. Finally, but most importantly, calls for changing screening criteria have been coming from impacted tenants and advocates for decades. I will let those here today and tomorrow speak for themselves. As the city's fair housing audit demonstrated the lack of regulations and standards in the screening process have allowed a culture of discrimination intentional or not to flourish. Each landlord is allowed wide latitude in what they screen for, how they process applications, what income ratio and barriers they think determines risk. This environment makes fair housing testing and enforcement more difficult and violations nearly impossible to prove. Discrimination is not always intentional. Standardized screening practices with key accountability mechanisms can make fair housing requirements much easier for landlords to understand and apply in their every day practice and should give them more peace of mind that they are doing the right thing and have less legal liability in court because of it. The four key solutions are on the screen and in summary were recommending to use recognized best practices such as first come first serve processing as well as expanding the use of individualized assessments to address barriers. We recommend setting a lower income ratio to address economic segregation and income inequality and low impact look back periods to screen for criminal histories and low impact credit conditions to screen for credit history. So that brings us to the proposal package. Before we get into the details it's important to note that while there are two distinct policies within this proposal they are integral to each other and linked in very direct ways. When we were ready to bring our security deposit draft to council in the summer of 2017, we heard loud and clear from our community partners that we would be making housing access worse for people of color. Landlords use security deposits to offset perceived risks and some landlords right now in this city charge second chance tenants up to five times the rent for a deposit. We realize that making changes to what and how they make deposited claims would exacerbate screening discrimination. It's critical for this council to understand is one really needs the other to work effectively. We spent a lot of time discussing data around screening criteria impacts, so it's important we take a moment to explain there are significant barriers in security deposits as well. Ancillary income is a profit landlords make in addition to base rent and is a hot trend. This picture comes from a presentation given at the 2017 national apartment association education conference by a company called entrada. They did a study of over 2 million apartment units and found that the number 5 source of ancillary income for landlords was security deposits. In Portland lack of key regulations makes this ancillary income easier to come by. Let's start with deposit caps. There's no law in Oregon that limits the amount a landlord can charge for a security deposit. As explained earlier those amounts can get shockingly high. Of the 25 states that set deposit caps, 22 states are between one time to two time a months rent, two states are less than a month's rent and one state is three times a month's rent. The

April 3-4, 2019

other half of the states including ours is silent on the matter because state law gives explicit rights to landlords to charge both first and last month's rent and because the deposit can also be used for last month's rent we had to take a nuanced approach to the deposit caps. In total a landlord can charge one to two times a month rent total for a security deposit depending whether or not they include last month's rent or conditions as identified in the screening process warrants additional barrier. Including first month's rent which is all most always required total move-in costs won't exceed two to three times a months rent amount and while that is still high it's fairly typical in the country. State law gives explicit right to the landlord to charge for repair and replacement but not actually do the repair or replacement, it literally states that. State law does not require much in the way of accounting of actual damages to make claims against the deposit except an invoice due to the tenant 30 days after moveout. We're recommending a more thorough process for tenants and landlords to agree upon what damage exists in the unit at move-in through a condition report, the report is the baseline for any claims the landlord intends to make at the end of the tenancy and in addition a landlord must include pictures and proper evidence of labor charges when making claims for damage. State law mandates landlords can only use deposit to cover underpaid rent or damages caused by the tenant "not including ordinary wear and tear". That's about the extent of that explanation, in state law. The common practice is to charge for full cleaning, often after cleaning is done by the tenant before moveout. The charge to put on a fresh paint and to repair or replace items regardless of how the damage was caused including worn out carpet. Additionally landlords commonly charge full replacement of all carpets and hardwood floors when damage occurs in a single area because they want it to match. We are recommending a more complete definition of wear and tear that makes clear landlords cannot charge for items that weren't damaged intentionally or through misuses or neglect. In addition we have eliminated the ability to charge for basic cleaning and for paint except where needed to repair damage to a wall. We have also provided a provision that limits what they can charge for damaged flooring containing it only to the room or area in which the damage occurred. We are also recommending the amount charged must follow a reasonable depreciation schedule. In affect landlords should only be allowed to charge for the actual value of the item, in other words what they could have sold it for in its used condition, at the time it was broken. We have not yet identified a specific depreciation schedule so that is an area that will be decided in administrative rules if the policy passes and before implementation begins. State law requires only property management companies to keep security deposits in separate client accounts. In practice landlords who are also not property managers often mix the deposits in their operating and personal funds. In fact one private company who owns over 800 units told us directly that he always puts deposits in his operating budget and we have since learned that he uses that budget to purchase additional properties. What that means is landlords can be highly incentivized not to return the money because they depend on it for other uses. Many other states require separate accounts and interest of a minimum amount paid to the tenant. We are recommending that landlords must put deposits in a separate account of their choice and can use the same separate account for all units. If they choose to use an interest bearing account that interest is due to the tenant upon moveout minus a optional 5% admin fee. In addition we're including new reporting requirements that are designed to assist tenants in providing evidence to their next landlord during the screening process, before moveout a landlord would need to provide a tenant with a rental history form that follows specific conditions described in the screening criteria policy and also a payment accounting of the last two years to enable them to demonstrate history the of payments they made to their current landlord since it's not reflected in credit. Both these reports contain critical information often used to deny housing to tenants when former landlords do not respond to requests

April 3-4, 2019

from screening companies. Now on to screening criteria. There is no state law requirements about how applications are processed or what information and application must provide to an applicant. In practice, smaller to medium size landlords typically take in many applications at a time and sift through them as they arrive until they find someone that they want. As the fair housing audit demonstrated the point at which an application is submitted is the primary intersection with discriminatory practices. Larger landlords and property managers often voluntarily use a first come first serve model as it's considered best practice to avoid fair housing claims. We are recommending a first come first serve approach for all landlords. The policy requires that landlords provide a receipt and queue number as applications are submitted and then process them in the order they were received. Nothing prevents a landlord from screening multiple applications at a time as long as they issue a determination in order. Because moving to a first come first serve system is inherently inequitable to some degree we are recommending accountability mechanisms such as 72 hour notification advertisement window before landlords accept applications for vacant units. This allows people who need to request time off from work, need translation assistance, have disabling conditions that require assistance, or need time to get their supplemental evidence gathered to have a shot at being the front of the line. The advertisement requirements also include notification about units that are fully accessible by ada standards and the preference policy also allows individuals who need those units to be considered for them first if they apply within the first eight hours of an open application period. Finally we have created a unique heads of household definition that allows a group of adults to choose to live together to identify amongst themselves who will be the legal leaseholders responsible for paying the rent. This allows other adults to be screened on more limited basis because they are not legally liable but opens the door to greater access for multi generational households, families who may have adult children with disabilities and people whose income is so low they would never qualify on their own. This graph from metro gives us a little insight into multi generational households in Portland as you can see there are thousands of tenants in multi generational households and they are more likely to be households of color. State law gives explicit rights to screen for credit, eviction and criminal histories conditions, but does not specify the type of identification needed to acquire the information. Screening companies have told us the only thing they need to establish identity is any document or combination of documents that matches the person's name with their face and their date of birth. So social security numbers are only used for checking credit. We're recommending a wide variety of possible forms of identification to allow people without government issued i.d. to enter into housing. We have also added a provision that landlords cannot reject an application due to lack of social security number. If the landlord uses the low barrier criteria which we'll explain it won't matter for checking credit because lack of credit is not a condition an applicant can be denied for. If the landlord adopts the individual assessment model lack of credit becomes part of the consideration and applicants can provide supplemental evidence about their credit conditions or reasonable explanation of why they did not provide a social security number. State law does not mandate an income ratio but in practice most use the three times income ratio, but some landlords require an even higher ratio for their market rate apartments. Resource providers across the board have told us income ratio is the biggest obstacle into market rate housing. This puts tremendous pressure on affordable housing provider resources as well as creates economic segregation that impacts people of color the most. Also people who have section 8 vouchers have extreme difficulty finding market rate housing they can afford and at least 25 are forced to give the voucher back and at least half of all voucher holders are seniors and people with disabilities. We are recommending landlords cannot reject applicants who make at least two times rent or at least two and a half times when three major utility costs are paid directly by the tenant

April 3-4, 2019

directly. To compensate for increased risk on future nonpayment of rent landlords can require either additional half month secure deposit taken in installments or a guarantor or as Tyrone called it a cosigner when an applicant falls at two times the income ratio. This provides an additional assurance that the applicant has other resources to help pay rent if they fall short. Additionally for voucher holders a landlord must subtract the voucher amount from the full rent amount before calculating the remaining ratio and again only heads of household would be screened for income allowing other low income tenants an opportunity to access housing. The concerns around lowering the income ratio are understandable but at this point in time there are no better answers we have some organizations here who will speak to this in their testimony, but this provided by metro demonstrates the mismatch between units available and the incomes of people who need to access those units. As you can see the number of units available to people who make 60% ami or less is half the number of people who need them. Lowering the income ratio allows us to ease some of this mismatch which based on a previous map clearly demonstrates economic segregation while also easing some of the resource burden put upon our limited affordable housing units. So let's talk about screening for barriers. Our proposed policy does not force landlords to rent to anyone or remove a landlords purview on who lives on their property. It is again state law to do so. Rather this policy asks landlords to choose their own screening process and provide the following two options. Option 1, adopt the low barrier set of criteria outlined in this code. This is a fast, simple way to screen as quickly and easily as the current system allows. This criteria is based on data that supports a more accurate and equitable assessment of what constitutes "risk" in an applicant's history. Or option 2, adopt the individual assessment model. This allows landlords to choose whatever screening criteria they want as allowed by state law but if they intend to deny an applicant landlords must consider any evidence the applicant supplied that demonstrates they have mitigated or improved housing barriers that they are being denied for. For example, someone with an eviction can show proof they have held a steady job for a long time or the eviction was based on conditions in their life that no longer exist. The landlord would still be empowered to make the final decision about if the applicant is right for their property. They just have to provide information to the prospective tenant about why they are being denied and what the specific business interest reason is that the landlord has determined as a basis for denial. This process is already outlined in hud guidance and should be familiar to landlords. In fact nothing about the individual assessment process should be new. We have simply codified in more explicit and objective terms how to conduct an individual assessment and for what barriers. So, while it may look confusing to people who have not been a landlord before or who are unfamiliar with the fair housing act this is something everyone should know well and be doing anyway. We believe by codifying the process laid out in federal guidance we're helping educate landlords about what the fair housing act says and giving them a step by step process that if followed helps protect against discrimination claims. This is just good business practice. What does not exist now is any requirement that a landlord demonstrate they actually considered information an applicant gave them. So, we created the notice of denial to serve this purpose and on your screen is just an example of what that could look like. Hud's office of general guidance says, "thus where policy or practice that restricts access to housing has a disparate impact on individuals of a particular race, national or other protected class such policy or practice is unlawful under the fair housing act if not necessary to serve a substantial legitimate nondiscriminatory interest of the housing provider or if such interest could be served by another practice but has a less discriminatory effect". We're simply asking landlords to communicate the answer to three questions that follows hud guidance. One, what is the specific screening criteria barrier they are being denied for? Number 2, if supplemental evidence was provided, what part

April 3-4, 2019

did it play in this analysis? And 3, based on the first two answers what is the business interest nondiscriminatory reason for denying the application. This protects landlords from false claims of discrimination and gives tenants the information they need to either improve or acquire the types of evidence they need to overcome their barriers into housing with their next application. The length of time it would take a landlord to follow the individual assessment model and the advertising requirements are largely within their control. This is a timeline that demonstrates how quickly turnover can occur. Day one is when a landlord issues a notice to vacate or tenant issues a notice they are moving, this is typically from 30 to 90 day notice however there are 72 hour notices for eviction purposes and more rarely 24 hour notices for extreme circumstances. For this timeline we will assume a 72 hour notice. As soon as they know a unit will become available a landlord can immediately identify an application period and begin advertising. For a 72 hour notice that means screening may begin as soon as the unit is empty, but for longer notices screening can begin long before the unit is available, in either circumstance it takes time for a landlord to assess unit conditions, clean and make repairs for the next tenant. In fact our security deposit policy gives landlords up to a week to complete a final inspection although they can do it much quicker. Landlords can start screening the minute they receive the first application, assuming it's not an accessible unit which requires an eight hour preference window because the individual assessment model requires tenants to provide any evidence they want considered at the time they submit their applications, there is no additional time needed if they intend to deny and are mandated to do an assessment. What they are given is all required to use and assess. There are several screening companies locally who do a more manual process and they've told us they typically turn around applications in three business days. Maybe five days if it falls on a weekend. So there are a number of landlords who already have a lengthier screening process in place and there are a number of screening companies who are prepared to do this type of assessment. In the end it's entirely reasonable to expect to be able to screen within a three to five day window which is still only four to six days since the tenant moved out in this scenario once applications are accepted with a 72 hour notice that can happen before the unit is even ready for the next tenant to move in. There's nothing in the policy that requires landlords to wait for postmarked mail or that assessments would have to be conducted one at a time. Multiple applications can be screened at the same time as long as the approval or denial is issued in the order received. In fact if multiple applications are screened that's better for them because landlords are explicitly allowed by policy to put those approved on a waiting list. Then additional units open they don't have to advertise as long as the waiting list follows the order in which applications were received. These are the conditions of the low barrier criteria we are encouraging all landlords to voluntarily adopt. As you can see it is meant to represent what research and best practices tell us about what constitutes true risk in a potential tenant. The credit conditions focus on lowered amounts of debt and credit scores. Rental history focuses on establishing more recent patterns of behavior and criminal histories focus on judgments that have shown to not increase negative housing outcomes, you may also note that look back periods are based more on recidivism research as opposed to the even earlier look back outcomes of the recent housing study. The length of time it takes for a landlord to follow the low barrier model is even quicker than the assessment model, we expect applicants can be screened for acceptance or denial on the first day of the open application period or possibly next day if it's an accessible unit. In a 72 hour notice scenario this is only one or two days after move out and the unit is likely not even ready for the next tenant. State law currently requires landlords to only charge what is reasonable or what the screening company they use is charging. They must also return fees within two weeks if not used to screen an applicant however many do not follow this requirement because state law can be

April 3-4, 2019

misinterpreted. It takes an applicant an average of four paid fees before they are approved and that number is higher for people of color and average fees are \$40 to \$60 per adult but some are as high as \$100. We are recommending a nuanced approach to fees based on the feedback that the new policy may incentivize landlords to bring some of the assessment in-house. We have identified percentages that can be charged depending on the type of screening process the landlord adopts. We have also made explicit when fees must be returned. For landlords who use the lengthier assessment model only screening companies may have to increase their fees by \$20 or so or offer it as an additional service on a case-by-case basis. Since we know the average applicant pays for screening fees before they are accepted into housing we believe the fee schedule in combination with other parts of the policy like the first come first serve notice of denial information, notice of denial information, notice of rights and requirements, et cetera, we believe it will reduce the average fees paid by at least half. So, because we are reducing the number of fees paid this will not result in a net increased cost for applicants and will actually result in a decreased net cost for those who apply to units using a low barrier model. We're getting to the end. I promise. At least of me talking. We have included a few very important exemptions. First there are a number of ways in which resource providers and landlords have developed direct relationships and created agreements for placement preferences for vulnerable tenants. We do not want to interfere with those relationships as they serve the best interests of the tenants. Exemptions also include landlord and sublessors that share the units, units that are rented privately and any funding or loan requirements that mandates specific screening that would supersede parts of the policy in direct conflict with theirs.

Fish: Jamey I'm going to get in trouble with the sponsor, this is such an important screen, this goes to one of the questions that I had with your dispensation. Council set a goal of 2,000 units of permanent supportive housing. Council has policies regarding foster kids and intergenerational housing. We support providers to do refugee resettlement and domestic violence survivors go to the head of the line in certain cases. Would those potentially be covered under formal agreement that have a different set of rules than what we're currently proposing?

Duhamel: Yes. The intention is if there are specific formal arrangements between somebody trying to place vulnerable tenants into housing and somebody providing units for those vulnerable tenants that would -- they would be exempted from the policy as a whole.

Fish: Thank you.

Duhamel: Finally, the best part. I'm so excited to get to this moment. We wrapped up our development of this policy by conducting a beta test with affordable housing providers, market rate providers, legal advocate and resource advocates. We focused on case studies of real tenants used to conduct mock screenings that helped us identify any ways in which the policy was cumbersome or had legal or administrative issues. From those screenings we were able to make final adjustments to the policy, the most interesting part of the beta test was the data analysis. We were extremely lucky to contract with dr. Lisa bates, who is well known to the city and nationally for her research on displacement and racial justice, and dr. Bates is here to explain the results of that analysis as a conclusion to our presentation. Dr. Bates, it's time for me to be quiet.

Hardesty: Excuse me, mayor. Before dr. Bates speaks, I just wanted to say that if we all look angry it's because there's white noise beating down on us and causing a severe headache. It has nothing to do with anything that anybody is saying or anybody that's in the audience. I just want you to know that we are suffering in silence here because this is such an important issue.

Duhamel: I'm relieved to hear that. I wasn't sure, I was the one talking the whole time.

April 3-4, 2019

Wheeler: Also as presiding officer I'm the bearer of bad news. We are approximately halfway through today's work session and I understand we have five panels and we're not through the first panel yet, so I just want to put a time check out there.

Duhamel: Each of the panelist has been asked to keep their remarks to about five minutes moving forward. Ready?

Bates: Good afternoon. Thank you so much. As Jamey described my name is Lisa bates, I have a ph.d in city and regional planning with expertise in housing and policy economics, it was on that thesis which I was contracted by commissioner eudaly's office to provide some data analysis for what we described as a beta test to simulate outcomes of screening, that data test included a number of meetings with landlords and providers and property managers to think about individualized applications and also this larger data test which is what I'm going to describe today. Using the tenant data from the one app platform. Approximately 5800 tenant applications that were submitted as of January, this is an analysis of the non-income to rent ratio criteria in the policy so does not include the income to rent ratio because that of course would be very specific to a unit, a price, but this allows us to understand how other kinds of rental history experiences for applicants may affect their ability to gain housing. So just to give a general sense of this applicant data, this is not a statistically representative random sample beta set but a large database of tenant applicants that have a variety of characteristics that allow us to test for different kinds of tenant screening barriers. So there's a gender and racial diversity, there's a fairly wide income range including a substantial number of lower income households in the data set and we do have, if you'll advance the slide, a number of folks who have the kinds of challenges to housing access we are interested in, thinking about whether or not the policy proposal would change their ability to gain access to housing including housing choice vouchers, history of eviction filings, history of criminal justice system contact, or having no rental history at all reported. So sort of newer household formed with no rental history. There's also about a quarter of the folks in the database do not have a credit history that is recorded and have a mean credit score just over 600 but with a substantial number of folks less than 600. So just to give some visual representation here to see the difference between standard industry practice and the fair proposal, the folks who fall in between these two orange lines would be those captured by changed standards on eviction filings. To give a sense again in this data set of the number or proportion of people who have had contact with criminal justice system in terms of convictions, this is the number. It's a small number and most of those folks would fall into the over seven year range of past history. For credit scores again we have a pretty significant number of folks with under 600 credit score with 600 being a baseline in many of the industry standard operating procedures. Rental history again will be a barrier for a substantial number of people who do not have a reported rental history for whatever reason. So in terms of looking at these outcomes, essentially, what I've done is simulate the screening giving folks a yes, no, or indeterminant across four policies. This policy proposal, the standard screening provided by multi-family northwest, provided by another private industry group and one provided by central city concerned to represent affordable housing providers version. We looked at all tenants across all four policies and then tried to drill down on some specific groups of persons with issues or backgrounds flagged as particular concern. Again noting we do not have income to rent ratios here so these are folks passing the screening based on other kinds of rental history barriers and there are some indeterminant outcomes because we do not have full data for some issues. As an example speaking with Tyrone about the data, the information on a felony versus a misdemeanor conviction is not particularly reliable because of differences from state to state in terms of what activities are charged in what ways, so there's a number of people that end up in indeterminant category because their charge falls within a time span that is in the look back, but we don't know whether it's a

April 3-4, 2019

misdemeanor or a felony so that would be one example. So our high level analysis is that approximately 4,000 people would be approved on the criteria in the fair policy under this new proposal out of about 5900 people all together. There is a substantial shift in outcomes particularly for private market rentals screening policies. Here looking at the two private rental screening policies that we tested, there is a pretty significant shift from out rate denial into approval under the policy proposal. So if we look at what drives those different outcomes, it is largely credit history and rental history. So in taking a look through our conversations with the committee, the advisory group, I was able to assess and analyze the relationship between credit history and eviction filing and found no relationship statistically in this data set. For rental history, of course, if you have no months reported rental history, you don't have an eviction history, but that indicates the catch-22. How do you get a rental history if you don't already have a rental history if rental history is required to be screened? Those are the two most substantial drivers in terms of these numbers. We've talked a lot in the conversation about eviction and criminal justice contact history as issues of concern, but those are very small numbers relatively in the data set about 600 folks with an eviction history, just over 500 with a criminal justice history. So this shift is not largely driven by either of those characteristics, its largely driven by credit history criteria. It's also the case of note that both the market provider policies as written indicate there are opportunities for additional individualized screening that may be available under unclear circumstances based on the written policy. So this is an analysis taking at face value their baseline rules, but they have some pathways apparently available under some unclear circumstances that may allow more people to have access. The fair policy proposal in looking at outcomes looks most like and very similar to central city concern as an affordable housing provider's policy. So the kinds of practices of those providers would be similar to this policy. Overall from one-third to one half of the applicants with data in this data set are newly approved with the fair policy as compared to current industry standard operating procedure. We did drill down and look at groups of concern, again I will caution these are not very large numbers of subpopulations, but these are the data that we have and were able to use to understand what this market looks like. So if we look at the screening criteria for applicants who report using a voucher, housing choice voucher or commonly known as section 8, there is significant shift into an approval for folks who have vouchers. To be clear, having a voucher is not itself a criteria for the screening, but the other characteristics that people have regarding, for example, their credit score, that correlate highly with having a voucher which is for low-income folks are the things that block people with vouchers from these written screening policies. Second we looked at those tenant applicants with low to moderate incomes and, again, those same kinds of correlating characteristics around credit history, rental history, et cetera, allow many more of those households to shift into the approved category. For those with a criminal justice contact history, we have a substantial shift. There are still a number of folks -- and, again, this is out of 530 individuals who have a history of criminal justice contact in the database who are in an indeterminant category, but this allows access where there would have been essentially no access available baseline. And finally, to connect to the conversation around fair housing and discrimination, this policy provides substantially greater access for folks who identify as people of color in this database. Jamey described at some length the relationship of race with credit score as well as other economic indicators that are connected in differential treatment in terms of eviction and a criminal justice contact, ect that would all lead to a greater likelihood of a rejection in the current standard operating procedures. So, again, to sort of conclude our simulated test, increased access for somewhere between one-third and one half of renter applicants as compared to current industry standard operating procedures. The outcomes are similar to the kind of screening that happens with affordable housing and providers now. Folks who are, of course,

April 3-4, 2019

dedicated to providing access to folks with lower incomes and this policy would increase the acceptance rate on the criteria of rental history barriers for people of color, low income applicants and those with housing choice vouchers.

Eudaly: Thank you. That concludes our presentation. Colleagues, questions?

Wheeler: Commissioner Fish.

Fish: Jamey Duhamel I have a number of questions I'd like to pose to you and if you don't have an answer readily available, I'm happy to get an email or talk to you after this hearing. What is our best estimate of the number of rental units in the city of Portland? I had the number of 124,472 called from documents that we were given. Is that in the ballpark?

Duhamel: I think that's in the ballpark, yes.

Fish: Do we know off of that data what the distribution is as between small, medium and large landlords?

Duhamel: Unfortunately, we don't have a registration in the city of Portland. I don't know if the housing bureau has guesses around that, but we don't actually have any direct data.

Fish: What is the status of the landlord registry?

Duhamel: You would have to ask the housing bureau that question, I'm sorry or I can find it for you and provide it later.

Fish: So I have a couple questions which I'm going to put under the heading of what does success look like? In the first year of this program, what do you guesstimate will be the cost of administration on the city side?

Duhamel: We issued a directive to develop to get that analysis. Based on what the housing bureau has provided, they believe the delayed implementation plan could cost around \$500,000. That's largely because there is no registration process, they would need to direct mail and all landlords and tenants, they have a training plan, they have to turn forms -- they have to do interpret forms into multiple languages. There's a lot of work that needs to happen. So their guess is around \$500,000 for the delayed implementation plan and a little over \$400,000 annually to pay for two increased staff members. Their analysis suggests that the policy will require a great amount of interaction between the housing bureau and landlords and tenants as they learn the policy and adapt to the new regulations.

Fish: So with those numbers which I'll say roughly comes to a million dollars for this year of one time and on going. That puts a fair amount of pressure on the budget discussions which we are in the process of having the mayor comes out with his proposed budget in May. In terms of again what does success look like? If you are unsuccessful in getting the half million dollars and the \$400,000 annually in year one, does that effectively mean this would have to be delayed as to when it kicks in?

Duhamel: I want to clarify a little bit. It is my understanding based on the analysis it would not be a million dollars at once. It's \$500,000 for this budget year and then moving forward additional budget years, it would be over \$400,000. So it's not a million at once.

Fish: I'm going to be a pessimist for a moment. We have less than \$2 million of on-going money to carve up and probably when the dust settles somewhere around \$7 million in one time and we have a rather robust set of asks that the counsel put in. If you are unsuccessful in getting the additional resources you need to get this thing up and running, does that effectively push off the implementation date?

Duhamel: It could push off the implementation date, I think that there's nothing within this policy that requires a dollar amount. How we move forward with implementation is fully within our control and I think there's a wide variety of circumstances that we can or scenarios that we can come up with if we can't get the full amount as requested by the housing bureau, but if it requires, our recommendation is that we implement by October 1st, 2019, to give six months for training and information to be provided to landlords and

April 3-4, 2019

tenants. If we need to push that out to January 1st, that's certainly a consideration we can take up.

Fish: Couple other questions. How long do you anticipate it will take to develop administrative rules?

Duhamel: That would also be a question for the housing bureau.

Fish: Okay. And one of the features of this law is that a tenant that feels a grievance can go get a private attorney or get an attorney to bring an action for damages and can recover his or her attorney fees. What is your sense of the availability of lawyers to help enforce the terms of this law?

Duhamel: We've been working very closely with legal advocates who represent low income tenants and tenants at large. So the fair housing council is fully prepared, the legal aid and Oregon law center have been involved and understand the policy deeply. So we anticipate they will be ready and willing and available to assist tenants as these issues of conflict and clarification of policy present themselves. Did I answer your question?

Fish: Yeah. They are already pretty strained in terms of providing services to people. The question will be one of whether the private bar steps up and willing to take these cases. I see Allan Lazo nodding his head. Affirmatively nodding his head. And I don't know whether historically we've always been able to count on the private bar to take their fair share of these kinds of cases, but that would be the principle enforcement mechanism; correct?

Duhamel: Correct. Our long-term vision is we would be able to in-house enforcement of these policies. We think long-term it has better outcomes for tenants and for landlords if the city can take it out of the court system. Unfortunately, because we don't have a registration system and we also don't have a licensing program, we have no authority to enforce or issue fees or fines to the landlord industry as a whole. Right now it lives in the court system just like state landlord tenant law. We tried to find a good balance in the damages part of this policy that would disincentivize landlords from violating the policy and incentivize private attorneys and tenants to pursue their rights because it is often the case that for tenants, the time and cost and intimidation around going to court to pursue their rights is too much for them to bear. We tried to strike a balance.

Fish: My last question is looking nationally, what are some of the cities that have tried all or a part of this proposal and what can we learn from the record that they've had implementing similar proposals?

Duhamel: So the policy that we are presenting to you today does not exist in form anywhere else in the country. However there are two jurisdictions in which we took some inspiration, I would say. The first is the new Orleans public housing model where they have developed a pretty specific criteria nuanced kind of chart about when to do individualized assessments based on criminal history. So theirs is pretty nuanced and laid out, so if a crime of a certain type was committed at a certain time, you move on to assessment, if a different crime of a different type of a different time frame, you don't do an assessment. We decided not to take that complicated approach because we are trying to get private landlords to engage in a low-barrier criteria. In addition, Seattle a couple years ago tried to do a similar policy. In fact, a staff with central city concern was one of the folks who helped create that policy and she's been very informative in the development of this policy as well. They attempted a first come first serve policy that would not allow landlords to deny housing for particular criminal histories. That part of the policy as my understanding was overturned in their state court, I think the judgement was it was a takings of private property, it violated their state constitution for private property rights. Our state constitution, I believe, is interpreted differently and we intentionally built our policy to not fall into the same legal traps as the Seattle model.

Fish: Okay. Thank you.

Wheeler: Commissioner Fritz.

April 3-4, 2019

Fritz: Thank you all for your presentation and thank you for your work over many, many months, I recognize it's been a lot. Especially, Jamey Duhamel, thank you for your leadership on this. Just a clarifying question you said that this doesn't apply to units not available to the general public and I think you said units rented privately. What does that mean?

Duhamel: It means landlords can rent their property to whoever they want. So if they turn to their sister or her neighbor and say do you want my property they can do so. Whenever a landlord engages with the public is when this policy would be triggered. So if they issue any kind of advertisement whether that's a sign to the general public, whether that's on craigslist, if they are saying to the general public, anyone can apply we'll consider you that's publically advertising.

Fritz: So it's actually relevant to advertising. So if you don't advertise, you don't have to follow any of this policy?

Duhamel: If you try to rent by word of mouth, if you rent to your friends or family directly, correct.

Fritz: Thank you. That's helpful and Tyrone thank you for your presentation and for all your work. Did I hear you say correctly that 20% of properties are not managed by property management companies?

Pool: No, no. Actually, 60% of all of all housing is not fee managed, so its just mom and pop owned.

Fritz: 60%?

Pool: 60%. I was saying the 80/20 rule doesn't apply in-housing spaces.

Fritz: I'm glad I clarified. Has there been consideration of mom and pop dealings with some of the social service issues helping people out when they can't pay their rent? The criminal checks and stuff, You know you're taking drugs and I'm going to help you.

Pool: Can you repeat that question one more time?

Fritz: You gave examples of where property managers have been able to help people spread out payments over several months or the one who knows the parole officers and is able to tell whether.

Eudaly: That is completely irrelevant to this policy. We are not asking private market landlords to provide supportive services, the example Tyrone gave.

Pool: That's not what I was trying to convey. It was a miscommunication on that. All I was trying to convey was that in order for the policy to be successful, it has to have property management company buy in.

Fritz: What about the 60% that don't use property management company?

Pool: That's not what that was about. I was saying 80% of the market and 20% rule. The majority of the fee managed marketplace is spread out over a ton of small companies.

Fritz: I understand. Thank you. That's helpful. And my last question back to Jamey is the housing director going to be presenting today?

Duhamel: I do not believe so, no.

Fritz: So I think commissioner Fish's question several of the answers were that's the housing bureau's issue. When will we get that information?

Duhamel: I believe they are here in the room and available to answer questions directly, but they are not part of the invited testimony panels but they are here to answer questions.

Eudaly: We've also delayed the vote for one additional week so that council has plenty of time to have conversations.

Fritz: I filed an absence for that week. I'm out on city business.

Duhamel: For the 17th?

Fritz: Yes.

Wheeler: Commissioner Hardesty.

April 3-4, 2019

Hardesty: My question is how do people with a previous felony conviction rent properties today?

Duhamel: They don't. So there is a large number of people, justice involved individuals who cope through other mechanisms. They are either couch surfing, a few of them receive resources through southeast works. In fact, there is a representative of southeast works here who can probably answer more directly what people who are transitioning out of incarceration experience about getting into housing. It is a needle in a haystack and there is very little access for them.

Hardesty: Currently, do we have prohibitions against people convicted of sexual crimes from living anywhere in the city of Portland?

Duhamel: Do we have prohibitions? There's a wide latitude on what each individual landlord sets as their individual criteria. There's no standardization around that. I think there's a large number of landlords who have just direct bans on specific types of crimes they feel create an increased risk for tenancies. Sexual crimes I think is one of those particular ones that see out right bans across the board.

Hardesty: I'm asking these questions in a facetious way because I do know the answer. I know we have sex offenders living in every neighborhood right now and so I've gotten a lot of fear-based emails from people that if we passed these laws, all of a sudden our neighborhoods are going to be overflowing with people who are sex offenders or murderers and rapists and I just wanted to put on the record. I wanted the invited testimony put on the record that murderers and rapists and sex offenders are living in our neighborhoods today; is that correct?

Duhamel: They are, but they are living in ways where the neighborhood doesn't know. They are forced to kind of access housing in underground ways. So they are buying homes, they're living with friends and family. They are not --

Eudaly: Lease holders.

Hardesty: My last question has to do with -- my last question I just forgot. I'm having a headache and sitting under this white noise, it'll come back to me. Thank you, all, for your testimony. I'm greatly appreciative and I'm really appreciative of the hard work that you've done. And dr. Bates, you've been at this for a long time. You look like you are 12 but I know you've been doing this a long time.

Eudaly: It was the glamour shot we put in the powerpoint. I just want to follow up very briefly on the criminal history question. Different crimes come -- sorry, I'm speaking to you commissioner Hardesty. Different crimes come with different conditions of release and this policy would in no way supersede those conditions of release. If a condition is you can't live within 500 feet of a school or can't spend in time in an area where children are public, our policy does not supersede that whatsoever. What we have been hearing, there's no limit to how far a landlord can look back and I think the testimony I shared in my opening remarks is a good example of someone who committed a crime as a young person and has served their time, earned a master's degree, developed a credit score above 700 and regardless of how many years go by, that prior conviction is still being used against them. I personally know people who have had convictions that are decades old. We have plenty of community members who have cannabis convictions that would no longer be crimes and they are being screened out of the renter pool for no legitimate reason, no legitimate fact-based reason. It's simply fear and prejudice.

Duhamel: And I wanted to point out to the council if you don't mind as our final thing, we provided you supplemental materials and in there is a memo around our response to the question about should we be giving different consideration to offenders who committed extreme crimes in the past? There's a wide variety of reasoning about why it's not a good idea to separate and segregate those criminal offenders and by types of offense. And I want to put on the record the Vera institute of justice makes a compelling argument that we

April 3-4, 2019

are all safer as a community and as neighborhoods when we invest in formally incarcerated adult stability because when they can access the basic needs of life like housing and jobs, the opportunities for them to reoffend or the incentives for them to reoffend drop dramatically, but it is incumbent upon us to make sure they are stable so the neighborhoods as a whole are safer.

Hardesty: Thank you for that. And thank you, commissioner Eudaly. As a former state legislator who was there when measure 11 passed and understand that in this state, young people get convicted for sex offenses if there's a three-year difference in the age. There's a lot of changes we must make to make our criminal justice system more fair. So I really appreciate the work that you've done in your due diligence. Thank you so much.

Eudaly: Thank you. We did hear pretty compelling testimony last night at our budget hearing from a young man who had spent 7.5 years in prison due to measure 11 offense and the person I shared testimony from has just encountered one barrier after another to housing and employment. We are setting people up for failure when they come back into community therefore setting our communities up for greater harm and like I said, it's such a thorny issue. We cannot be soft through policy making alone, but it's something we can't turn our backs on.

Wheeler: Very good. I just have a couple questions and I just want to level set from my own perspective. You mentioned Jamey this is your 33rd draft. First of all, I admire your tenacity, but I want to be honest. As I look at this it is very complicated for me and I'm going to need time to really digest this and understand the testimony and go away and have a number of conversations. So I just want to be very clear about that as I ask questions and as people wonder maybe why I'm sitting here more silently than usual. It's because I'm trying hard to understand all the nuances of this. I had one question for Mr. Pool and again I admire your leadership and courage you took in being an entrepreneur and I'm cheering for you. Thanks for coming back to city hall. I have something you said haunted me a little bit. You said something to the effect that management companies are not set up to manage these criteria. What did you mean by that?

Pool: Yes. I think that was misinterpreted. I know you said it didn't really fall into line. What I was trying to convey is that after doing research outside of data, actually working with management companies that were taking on these renters that need different types of supports, the majority of management companies don't have these solutions in play. So my fear is that to make sure that -- one thing is these management companies to get renters in the door and if that's success to you then this policy will do that perfectly. The only fear I see with the policy is that if they get in the door to management companies that are not set up to take on their unique characteristics, you will have problems. When you see what management companies are doing that are doing this very well and you look at the average management company, you will find that there are huge discrepancies on what they offer and what the renters need and management companies are doing it well. So, that was my only fear that I wanted to bring up cause I wanted to show both sides, yes the policy will do very well with access, but if there are not, the management companies play a huge role in the success of a renter. You just have to understand that if you send rent burden families into a property, if you send any different types that they are not already taking then they have to adjust to make sure that family is successful it is not a unilateral thing that takes place, that's all I was trying to communicate.

Wheeler: And I appreciate that. That is actually a question I have been that we don't need to answer today, but as I listen to on-going testimony and we have the opportunity to digest this, I appreciate dr. Bates analysis and her clarity with regard to the assumptions and the potential incomplete nature of some of the data sets that went into it. I appreciate that you were clear on that point. I intend -- I actually agree that if we lower the criteria on the front, the question is actually not just about the landlords, our question is about the

April 3-4, 2019

tenants and I want to hear about their relative likelihood of success. If we lower the barriers to entry, I want to know about their success down the road. My concern would be at the outset that if people are able to access the units, which is great, we should all applaud that, but the question is then do they have the income level and the support structure they need to actually stay in that unit or are we intentionally putting people into a position where we are effectively setting them up to fail? And there are consequences for failure in this model, if people are not successful in those units and they are evicted under our relo ordinance which I supported and I continue to support, they evicted for a cause. That means they would no longer be eligible for relo and they would have an eviction on the record which makes it harder the next time they want to rent a unit. That's something I'm putting out there as something I'm interested in and my usual budget blanket note I appreciate commissioner Fish raising the question. I remind folks we only have \$1.7 million in on-going and about \$7 million in one time only, we have lots of priorities, not the least of which the projects we told the housing bureau we expect them to execute on like the rental registration system. We could be using local data if we had a fully functional rental registration system with the data collection, but we do not have that yet. So, we're relying on data from other places to be able to inform our decisions here and I just want to put a marker out there that it is a priority for me as a housing commissioner to make good on the promises we've already made. I'm concerned if we go down this road and not be clear about our budget situation, we might be setting up a situation where people have expectations about our ability to deliver on a new system that we in fact won't fund or may not fund unless we rearrange our priorities as a city council. My usual wet blanket statement, I'm not saying its specific to this, I say this in many council hearings on many subjects that we have limited resources going forward in the housing bureau.

Hardesty: One more question. Do we have any data on how many tenants are cost burdened today? I know the community alliance of tenants is in the audience and I suspect they are going to be testifying soon. Is that a question I should hold? Are they part of the invited testimony today?

*****: [inaudible].

Hardesty: Okay. I will take my question back and wait for the hearing. What I believe and what I've seen is that many people already are paying much more than 30% of their income for rent today. So it's not like this proposal will over burden people who are already overburdened. So I'm looking forward to getting that real data.

Wheeler: Commissioner Fish.

Fish: Jamey, I have one last question for you. We're hearing from a lot of people in the community about this and I want to give you a chance to respond to some of the skeptics out there that are worried we may be overreaching and it may be that a year from now we learned despite our best intentions, we've made the situation worse or we've created other barriers or it's not working very well. So what is your plan to do a checkup on this legislation? Who would have that oversight role? And what would be the council's role?

Duhamel: Thank you for the question, commissioner Fish. We had always intended this policy to be a living document. It doesn't exist anywhere else in the country. We are leading the way and taking some pretty bold steps to address discrimination, we should be proud of that, but what it means is that we don't necessarily have all the answers today. This is the best case scenario that we know based on research and best practice. What our intention has always been is the housing bureau would be given administrative rule making to adjust the policy as needed or commissions like the rental services commission would be tasked with the opportunity to evaluate the policy, offer suggestions, and adaptations as they go. We are certainly open if any of the commissioners want to make a suggestion, a formal suggestion that there's an annual report or biannual report, that is

April 3-4, 2019

entirely up to you, but we believe the housing bureau will have the ability and the authority to make adjustments to the policy as they determine if unintended consequences occur.

Eudaly: So before I introduce --

Wheeler: Could I ask one more question? It's a quick question. I want to make sure I understand this. I think I do. Vouchers, snap and the like, is that or is that not included in the income?

Pool: That is included in income.

Wheeler: Does that raise any concerns?

Duhamel: Can you clarify your question?

Wheeler: Are federal snap food vouchers qualified --

Eudaly: Considered money like? Yes.

Wheeler: So you cannot spend that on rent. You are using that as food.

Eudaly: But it increases your available income.

Duhamel: The way the policy is written now, it doesn't take into account additional food stamps and those supplementary resources.

Wheeler: It does not include that?

Duhamel: It does not.

Wheeler: Okay. Thank you. Commissioner Eudaly.

Eudaly: I'm reading from Tyrone that people can include --

Pool: When you are applying to a property, that all counts as income.

Wheeler: Oh, it is included?

Pool: When you apply to a property.

Wheeler: So the final answer is it is included in the income calculation.

Pool: Yes, to every single management company in Oregon.

Wheeler: Got it now.

Eudaly: I believe with a voucher, you would take the value of that voucher off the total rent and then you would base the income to rent ratio on the remaining balance.

Pool: Yes. Would be based on the remaining portion.

Eudaly: Before we move on to the next panel, I just want to thank all of you for your amazing work. Dr. Bates, I might have to go back to school just to take classes from you.

Wheeler: She'll be a hard teacher.

Eudaly: Jamey, I'm so proud of you and I'm really looking forward for you getting to work on something else. Tyrone, you bring such incredible insight to this conversation and what you are doing is just mind blowingly innovative. I do want to repeat what I said earlier, though. You brought up Mo who owns Stark Firs who is amazing landlord. He is working with second chance tenants. He is working with people placing these tenants. It's really important for us to distinguish people a landlord like Mo and the rest of the private market. We are not asking private market landlords to take on tenants that require supportive services. We're just not. Let me finish. That would be a substantial change in their business model and would not be a reasonable accommodation. What I want to make sure everyone understands is 50% of renters in Portland are spending over 30% of their income on housing costs currently and sorry to steal your thunder, Katrina, but half of them are spending 50% or more. That is roughly 125,000 people, I think, give or take a few, who live in cost burden households. They are stable by a enlarge in their housing because they are prioritizing rent and I was one of those tenants for many, many years and a few years of spending over 50% of my income. So I would be an interesting case study for this policy because I'm now someone who earns well over median family income who could not rent from a property management company because my credit score is too low because of the really hard choices I've had to make in the several years leading up to my employment by the city of Portland to keep a roof over my head. So I can speak to this personally and I want to reassure everyone in the room, we are not asking private market landlords to

April 3-4, 2019

become supportive housing providers. So, I want to call up our next panel, we have Katrina Holland from community alliance of tenants. Allan Lazo from fair housing council of Oregon and Debra Imse from multi family northwest. Please limit your testimony to five minutes, less if possible so we can get out of here around the time we anticipated and we're going to begin with Katrina. Welcome.

Katrina Holland: Good afternoon. Got to push the button.

Fish: Karla was asking if she should put people on a five-minute clock.

Holland: Please don't.

Eudaly: You know I love that buzzer. We could have used one last night.

Holland: Okay. Good afternoon. For the record, my name is Katrina Holland, I have the honor and privilege of serving as executive director for community alliance on tenants, a renters rights organization that's been fighting for balance to the landlord tenant relationship for the last 22 almost 23 years. As a participant in crafting this policy, I am excited today to sit here during fair housing month and know that after almost a decade of bringing up concerns about housing via addressing private market screening practices and security deposits, we are finally having a robust conversation about what those steps forward look like. So thank you, commissioner Eudaly, for your leadership and thank you, council members for making this conversation possible. First and foremost I want to address a few misconceptions about this policy. Number one, this policy is not intended to solve for the millions of reasons and causes for socioeconomic inequality. The solutions to these problems are complex and have been discussed for generations to no avail. Knowing that these solutions cannot begin to manifest tomorrow, we must do the best we can to address the damages of racism, otherisms and socioeconomic inequality today as people are barred from housing access today in a crisis in these bases. This policy is designed to make discriminatory, intentional and unintentional screening practices harder to do and get away with. This policy is designed to encourage transparency in the screening and security deposit processes mandating open and structured conversation between landlords and tenants and this policy is designed to increase housing access to fair housing protected classes the beta test has demonstrated that have time and again been proven to have less access to private market housing for which market rate and affordable housing development will not meet the need in the near future. Number two, this policy does not limit a landlord's ability to screen people with criminal histories as we've heard over and over, this is a twisted fear mongering tactic that has been used to scare people into thinking they are unsafe. People have gone solo as to label existing residents in an email that we got from one of our tenants as quote, unquote, "future targets of domestic violence and sexual assault". For everyone who is here today who received a robo call or email stating this assertion, it is factually untrue. This policy outlines a careful and intentional process for how screening of folks with criminal histories are to be screened which is a mandate of federal law and guidance as of 2016. The truth of the matter is individualized assessments have been a guidance given from the federal government for the last several years. So, no, city council is not voting to limit the ability of landlords to screen people with criminal histories nor mandate approval of their applications. If the city council were doing that as Jamey stated earlier they would be violating the law. These are lies and fear mongering tactics at their ugliest that prey upon stereotypes and misconceptions of members of our community based on skin color and other appearance characteristics. So please people who have gotten those emails and phone calls, do not believe the hype. The truth of the matter is, you can have someone with a criminal history living next to you today and you wouldn't even know it. The policy is designed to address and curb discriminatory practices that have disproportionately affected communities of color for many, many years due to the criminal justice system. This policy will -- number 3, this policy will place people in harm's way asking the private

April 3-4, 2019

market to rent to people who only make two times the monthly rent. The reality is that the majority of Portland residents are renters or almost the majority. The majority of these renters are rent burdened. Over half of those who are rent burdened are paying over half of their income on rent according to recent data, in other words, they are extremely rent burdened. To commissioner Eudaly's point earlier, private market landlords are already providing this housing to these people without the support. People are already living this reality both in private market and in the affordable housing market. So let's talk numbers to your question. According to the 2017 five year acs estimates, 46.6% of households which we know is an under count in Portland are renters, so that is approximately 115,949 people. Of that number, approximately 110,426 households were computed for rent burden. 52.5% of renters are rent burdened or 57,974 renters. 25% are extremely rent burdened or about 27,607 renters. In June 2018, 457 feds were filed in Multnomah county court house approximately 80.

Hardesty: What was that acronym, what does that mean?

Holland: Forcible entry and detainer, so basically evictions in the court house. Approximately 84% of those were for nonpayment of rent or about 384 cases. If we assume each person was extremely rent burdened, that is 1.4% of extremely rent burdened renters in the market now. If we assume they are all rent burdened, that is only .67 of these people that have faced eviction for nonpayment of rent. In other words, the volume of folks being run through the evictions court system for non-payment of rent doesn't even come close to the number of people who are already extremely rent burdened or characterized as regularly rent burdened. This assumption comes from a myth that low income people can't handle their budgets when, in fact, thousands of people can handle their budgets. People with low to moderate incomes have been making these hard choices for years and in one case we know of for decades. This policy is designed to attempt to increase housing access for families who are rent burdened instead of segregating them into certain corners of our city or out of the city entirely which is the case now and fair housing concern. This isn't about a phone or a car or even a loan, this is a basic human need. This is about a commitment that the city has made to becoming a city committed to housing first. So why should the majority of our housing market be left out of that commitment? Number four, this policy will limit landlord's ability to choose who they want to live in their homes. As Jamey beautifully stated, this policy is designed to balance out the power dynamics between landlord and tenant. When a landlord makes the choice to make the property available to the public, there should be a set of rules for engagement. As it currently stands and as fair housing testing reports demonstrate, housing discrimination runs rampant for folks of varying national origins and races. There are to many loopholes property owners can use to screen someone out just because they choose to play the roles of national security officers, judge, jury and executioners and/or loan officers. The policy outlines a process by which property managers must screen perspective tenants if they choose more restrictive criteria than the safe harbor standard the policy outlines. The choice is still theirs, they must be transparent in their decision making and make known to the tenant or as we say show receipts for choosing to deny someone access to a home. This is not a limitation, this is increasing transparency. A practice that both tenants and property managers will benefit from. Number five, this policy is not good because it doesn't create any more units. It does not create units but it does create data access and choice for many people currently barred for many units in our market. We know a woman who has moved six times in the last two years. Each time she has been led burdened. Each time she was preparing to move she was threatened with homelessness due to a lack of housing choice. She said this policy gives her hope because it will increase her chances of finding a place to live instead of potentially facing homelessness due to less choices. She has never had an fed filed against her for

April 3-4, 2019

nonpayment of rent. I also want to point out an amazing feat of this long and arduous process. This is one of the few times during policy making process that research has been conducted as to the possible effects of the policy that dr. Bates explained earlier today. We do have a hint into the future kinds of access this kind of policy will provide for many members of our community and the results are staggering, they blew our minds. While not a representative sample and with some limitations, it does speak to the effectiveness of this policy and achieving what it was intended to do and they're better than we imagined, then we imagined at cat. I also want to mention the myriad of policies that had been passed in the state, in the country -- excuse me, in the county and in the city that has not had any implementation dollars attached to them. We should not believe this should prevent the council from passing the policy in its attempt to address housing discrimination and economic and racial segregation. We do know that the status quo does not work despite our best efforts to invest in housing access, affordable housing development, vouchers, et cetera. We cannot meet the volume of need that exists and based on that as well as the fair housing standards and as the city that falls under fair housing standards, we must pass this policy that addresses the private market. So city of Portland is at a cross roads. Are we going to continue to allow these loopholes to perpetuate layered racial and economic segregation? Are we going to continue to operate a status quo when we know it does not work? Or are we going to try something different? I have never, ever and I'm sure way more experienced people than me have never seen a policy work perfectly in its first try, but we have always seen regret for an action. We're living with regret right now, so let's not continue to make that mistake with this policy by not passing it. I am confident that we've done due diligence over this last year and-a-half to consider all perspectives to tweak and tweak again and retweak and invite opposing perspectives and consider implications, research potential impacts and consider equity considerations. It is fair, it is balanced and it is a good step forward and we look forward to seeing this policy pass.

Wheeler: Thank you.

Allan Lazo: Good afternoon, mayor and council members. My name is Allan Lazo, I'm the executive director at the fair housing council of Oregon. Our mission at the fair housing council of Oregon is end housing discrimination and ensure equal access to housing throughout the state of Oregon. I'm going to do a couple things, first I want to read a statement that was passed by our board and is an organizational statement, but I also want to address some of the ways that our testing was characterized earlier and make sure we were clear about how that works. First of all, this is a statement about the rental screening criteria and this is based on earlier versions, so there are specifics here I want to tie to the current ordinance also. So the importance of screening criteria in the rental housing process in its intersection with fair housing cannot be overstated. Screening criteria are the literal measures by which an applicant's ability to be a good renter are judged. Similarly screening criteria also help ensure the safety and peaceful enjoyment of housing for existing tenant and protect the legitimate business interest of housing providers. Those should be the only purpose such criteria serve. However several criteria often used in the rental screening process can create equity barriers for many members of protected classes. Those most likely to experience impacts from equity barriers and screen criteria include communities of color, those perceived to be from another country other than the u.s. and people with disabilities. The fair housing council of Oregon believes that principle among those equity barriers is the use of criminal history in the rental screening process. This concern is echoed by the federal department of housing and urban development April 2016 guidance on the use of criminal history in the screening process. Noting the disparate impact on black men and Latinos who are disproportionately impacted by criminal of justice system throughout the country. Fhco further believes that any successful proposed screening criteria must include an individualized assessment of an

April 3-4, 2019

applicant's criminal history prior to any adverse action in the rental screening process. As such, we support the inclusion of this process in the proposed draft screening criteria ordinance. This was based on the iteration that was dated October 29th of 2018 probably in the draft 20s range. Specifically fhco supports the inclusion of individualized assessment of criminal history as outlined in that draft as section g sub-b and in the current ordinance as section e sub-1, sub-a. As well as the individualized assessment process that's outlined in that previous draft section h and in the current ordinance as section e sub 4. Fhco also believes there are several other fair housing related elements that are critical to the success of any proposed screening criteria. Among those are acceptance of alternative forms of identification beyond the social security number, formally section e now in the current ordinance as section d sub 1, the ability of the landlord to screen all occupants of a household for criminal history and pattern in rental history of hostile, unsafe or harassing behavior formerly section c, sub-c and in the current ordinance as section b sub 4-sub, a as well as clear standards when rental assistance is provided. Formerly section f sub-c, sub 1 through 3, now in the ordinance as section b sub-3 sub-c, sub1 through 3. The use of screen criteria in a rental housing process should protect the interest of applicants, existing tenants and housing providers. We believe and support a process that involves all stakeholders in establishing screening criteria that meet the needs and support the interests of all of these groups. So thank you. And I want to go back and talk about the testing the fair housing council of Oregon conducted. I just want to clarify that that testing shows is differential treatment of testers in that process. I'm not sure we should characterize it as a means to change what screening criteria exists. What I would say about the way testing works is we are looking to see does one person get treated differently than the person who comes behind them? So it's regardless of what the screening criteria are, are people being treated differently as an indication that discrimination or at least differential treatment may exist? Again in the work that we did in the city of Portland over the last 10 years has been audit testing that tells us about the trends in the marketplace and with the number of tests we performed during those time periods aren't statistically significant numbers so we could say the percentage out of them can be a little difficult to do, but it really does help us identify patterns in how differential treatment and discrimination may be used, but then again it may not matter what those screening criteria is, its very rare. We would need to do that secret shopper testing if there were people out there saying we were going to deny you based on your race or your color or your national origin. It's much more subtle and that's what we're looking for. That occurs regardless of what the screening criteria are. Thank you and I'm happy to answer questions and address concerns after the presentations.

Wheeler: Thank you.

Debra Imse: Good afternoon, mayor and commissioners. My name is Debra Imse and I'm the executive director for multi family northwest. Multi family northwest is a non-profit traded organization representing individuals, families and businesses that provide more than 250,000 rental homes throughout Oregon and more than 30,000 of those are in the city of Portland. While we share commissioner eudaly's desire to reduce barriers to housing, the current 11-page proposal where we have received more than 25 versions since the process began is extremely complicated and contains numerous provisions which are unclear in terms of understanding and implementation. Although this remains true for all of our members, the greatest impact in terms of cost and implementation will be shouldered by providers of affordable housing. While there were non-profit housing providers that participated in the beta testing, those were largely social service oriented organizations with dual missions of housing and supportive services. By the nature of their good work, these organizations already have screening criteria similar to or less restrictive than the low barrier screening criteria recommended in commissioner eudaly's proposal

April 3-4, 2019

and as such, would not be impacted. However, a vast number of affordable communities which house tens or possibly hundreds of thousands of people do not operate this way and are simply offering affordable housing to residents who would otherwise be priced out of the market. These providers are not currently prepared with the resources that it will take to implement these proposals. Early analysis indicates that, for example, a provider with 600 affordable units will see an increase in screening-related costs of \$60,000 a year. These costs will mean cuts in other program areas and possible reduction in-housing stock. This analysis does not include anyone issuing a notice of denial which will need a high level of legal expertise to the complexity of the proposal resulting in the need to consult attorneys. These additional resources will have to come from vital areas such as resident services, ground maintenance, capital improvements basically stripping residents of the very things that help them maintain and enjoy their tenancies. The additional costs associated with the security deposit recommendations have not yet been determined, but will again provide an administrative burden that fees affordable community's lack the resources to administer. I would like to add that these proposals come immediately after the passage of rent control sb 608 on the state level and the city's relocation ordinance. Rental providers are struggling just to implement and follow the new rules. If the law is implemented immediately or in short-term, it would provide thousands of housing providers including affordable housing providers the need to expend more money on legal services because they will not have the time to modify their forms, their policies, their procedures or to train their staff. We support the goal of increasing access to rental housing for all Oregonians however, complicated policies will result in disinvestment of rental properties rather than finding ways to increase supply. Seattle for example is now showing significant softening in rents after substantial increases in rental stock moving to make housing more affordable and more available for all. If we do not have investment in the city to put more units on the market, regulation of housing providers won't solve these issues. There have been very good discussions regarding barriers. We believe that there is certainly more work to do to create a more equitable access to housing. However, with the complexity of this proposal coupled with the many consequences it could create, we implore you to assemble a broader group to work collaboratively to ensure smaller rental providers do not leave the city due to regulations they can't implement and affordable housing providers are not forced to reduce the vital services that help residents stay in their homes. Thank you for your time today.

Wheeler: Thank you.

Eudaly: Thank you, everyone. I'm going to move on to our third panel. We have Nickole Cheron, city of Portland. Our ada title 2 and disability equity manager, Hannah Holloway from the urban league, Jessica Greenly from affinity property management and Becky Straus from Oregon law center. Everyone can come up and we will go in the order I just announced starting with Ms. Cheron and please, everyone, before you begin your testimony, state your name for the record.

Nickole Cheron, Office of Equity and Human Rights: Nickole Cheron with the office of equity and human rights. I want to highlight some of the areas of the policy that I'm really excited about and helped Jamey work on. When I worked at what is now called civic life, the number one call that I got from people from the disability community was the lack of affordable and accessible housing. We have tried over my 13 years of being here to try to get more things in policy to help mitigate that and we're just not being successful. When Jamey brought this to pcod to vet it in the workshop, I saw an opportunity to maybe use this policy to increase access. So one of the big disconnects is that while we have certain fair housing laws that require certain elements of accessible housing, we have nothing that says those units have to be reserved for people who need them. So there's no mechanism to make sure that people who need the units are in the units. So with this policy, what

April 3-4, 2019

we've been able to do is if a unit is going on the market that has accessibility features, the a landlord would do to advertise that so it would be clear to people what accessibility features were available. On top of that there is now provisions that would say that if someone in the first 8 hour period that the unit was available applied who had a disability who needed those features and say they were the last person in that 8-hour frame. This policy would say we're going to bump them up to the top because we want to see people with disabilities be in the units that are there for them. The other piece of the policy that really helps us is the income limit. A lot of people with disabilities live on a fixed income, but they have income sources that aren't necessarily things on paper. So with this doubling of the income, it allows more people to use other resources to say I can't afford this housing, this is how I would do it and we know when people with disabilities get in a housing that works for them, they are 50% more likely to stay in that housing over ten years because the lack of accessible housing in the country. I do want to say that we actually had a lot of other things that we had initially put in the policy and because of a lot of push back, we really lowered all of those things down to the two primary things that I spoke about, but I do think that we have to start addressing this somewhere and I think this is a really good start. Thank you.

Eudaly: Thank you Nikole and I just want to briefly say that this is another challenge that I can personally attest to having a son who uses a wheelchair. Being a low income cost burden renter, I didn't have other housing options. I paid to install a 36 foot ramp on the rental house that I'm in and time and time again when I went to look at other units, I simply couldn't make them work for my son due to accessibility needs and we just have a gross under availability of accessible units. Commissioner Hardesty, did you have a question?

Hardesty: Thank you. I just wanted -- I was hoping you would remind people five minutes each so we could get everybody in before we left.

Eudaly: All right. Next up is Becky Straus who has to leave early. Thank you for accommodating her.

Becky Straus: Thank you for accommodating that schedule mayor Wheeler, commissioners. My name is Becky Straus, I'm a staff attorney with the Oregon law center. The Oregon law center is a non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest legal quality legal services. Thank you for the opportunity to testify today in support of these proposals to address inequities in tenant screening practices as well as collection and refund of security deposits. These policy changes would benefit our clients. I echo and won't repeat all the comments made in support of these policies that we heard today. I do want to put an emphasis on our client community and how these policies might benefit them, in particular, low income families and renters. The vast majority of our clients have incomes at or below the poverty level. They are hard working people and they struggle to provide the necessities for themselves and their families helping them maintain safe affordable places to live is a critical part of our work. As rental vacancy rates plummeted and housing become less and less affordable, our clients are struggling to meet these needs. Some of them are homeless, some of them homeownership is simply out of reach. Many barriers contribute to these situations, but a couple of them are your focus today and are important to address. Too often, applicants for rental housing are shut out due to screening policies that penalize applicants for issues in their background that bear no rational relationship to their ability to be a good tenant. While facially neutral the criteria statistically have a desperate impact on communities of color, people with disabilities. The criteria perpetuate inequity and housing and undermine fair housing principles. I see the two tracks of the screening criteria policy as addressing these two pieces. Track 1 addressing primarily this idea that the council can make a statement about what is rational and relevant to a tenant screening. Track 2 an acknowledgement to fair housing principles and that landlords can

April 3-4, 2019

adopt whatever criteria they choose so long as they follow what would be outlined as a more detailed pathway to complying with fair housing laws, I think at the crux that's what the screening criteria policy does and it's very reasonable and would benefit our clients. In regard to security deposits, we have seen move-in requirements upwards of four times the rent for some of our clients and countless cases of wrongful withholding of deposits after move out. The lack of legal clarity around when a landlord can charge a tenant for damage after move out enables this type of abuse and allows for landlords to hold tenants responsible for unaddressed repairs or routine turn over between tenancies. The unfair charges follow our clients and the outstanding balance can expose them to things like collection actions or repeated denials for housing. Low income renters simply cannot compete amidst this landscape. The good news and what we've heard today is there are things we can do to address these barriers and improve access. These policy proposals on screening and security deposits take important steps toward a more equitable housing market. The screening criteria policy encourages landlords to evaluate tenants in the context of their entire relevant background including the systemic barriers that historically disadvantage communities of color. Further more, the policy acknowledges that currently low income renters are likely to be severally rent burdened already paying more than 50% of their income on housing and this policy prioritizes their access to housing with a sensible recommendation for adjusting income to rent ratio requirements. The security deposit policy provides greater clarity to landlords and tenants regarding collection withholding and return of security deposits. Both of these policies would positively impact housing access and stability for our clients and for these reasons we urge your support. Thank you for the conversation and deliberation on them.

Wheeler: Thank you.

Hannah Holloway: Good afternoon mayor Wheeler and commissioners, for the record my name is Hannah Holloway, I'm here on behalf of the urban league of Portland in support of these policies. The Urban League of Portland is a non-profit civil rights direct service and advocacy organization that serves all of Oregon. Since 2015 we've operated housing program that now serves 450 households annually through a combination of eviction prevention, permanent supportive housing and rapid rehousing services. Our rapid rehousing program now exclusively serves members of the reentry population. We found a prior conviction was the most common barrier to housing for folks calling in to our housing hotline. The housing team works with people to clear past and outstanding debt they can find gainful employment to raise income ratio and more throughout wrap around services, but a criminal conviction is the one thing we typically cannot change for people. It is a scarlet letter that follows people around for the rest of their lives. Keeping them out of housing no matter the nature of their conviction or how much time has lapsed. Landlords do deny for anything from low level offenses to convictions for crimes that are no longer illegal. Without a legitimate safety or business reason to do so, however, these denials only strengthen discrimination and segregation in our housing market. Hud agrees with us, as you've heard. Citing the over criminalization of black and Latinx communities its 2016 disparate impact guidance caution providers that blanket denials based on criminal history had a disparate impact on applicants of color in violation of the fair housing act. This guidance gave credence to what black renters have long known that status quo screening practices violate our rights as members of protected classes. Yet today three years since that guidance released and four years since the supreme court ruling, discriminatory practices and blanket screens are still common. The policy before you today the screening policy helps Portland landlords fulfill legal obligations to fair housing. It also creates safe harbor standards that landlords can apply if they prefer more legal certainty then a subjective assessment like an individualized assessment allows. These standards that realistic legal look back periods as well as extend to the other elements of applicant's

April 3-4, 2019

backgrounds that correlate with race and where we often see discrimination. The new income standards give every Portlander greater access to more housing. The cost of the average rental unit is out of step with median income and people are already severely cost burdened as you've heard today. As the 2018 state of housing report found, the average black, native, Hawaiian and pacific islander and single mother households cannot afford rent in any neighborhood of Portland without dedicating over a third of their income. Higher income requirements effectively screen out all of these populations from our city all together. We don't want anyone to be cost burdened, of course, we do want to make sure we have some ability to make the tough budgeting decisions like dedicating over a third of our income required to stay housed in the city of Portland. The new 2 to 2.5 income standards in this policy do that and confront the myth that low income folks lack the skills for responsible money management. The legal look back periods established new research base standards that allow people to eventually access housing which we know is a critical element of successful reentry. The first process while not perfect does minimize the discrimination that does happens when landlords are allowed to cherry pick their preferred tenants out of a vast pile. The new rental history standards also mean that landlords cannot consider no cause evictions which as we know have disproportionately been used against tenants of color as well. So, using that to further deny future housing opportunities again, reinforcing the racial discrimination and segregation in our housing market. The urban league has endorsed this policy even though we think it should go further. We have endorsed this policy because of the research proving it will increase access because it codifies much of what landlords should already be doing to fulfill their legal non discriminatory obligations and because of what it will mean for the people currently served by the urban leagues housing program and what it could have meant for the 400+ families we served last year and the year before in terms of accessing housing sooner, living on the streets and in our shelter system for less time. I'd like to thank commissioner Eudaly for championing this policy and to Jamey for her dedication to a very long development and engagement process for which the urban league is happy to inform this policy from the outside. Further involvement over the year in change I can say with confidence that this ordinance before you today reflects the very best expertise and compromise from city staff, community advocates, landlords and for housing attorneys, affordable and market rate providers and the community partners who all informed its contents. Housing is essential, we truly and radically believe that at the urban league. We believe everyone deserves housing even those that still will be screened out under this new policy. Everyone deserves to sleep indoors and Portland would be a better, safer, stronger city if this were the case, but it is withheld from too many in our city for out dated and arbitrary reasons that have nothing to do with a tenant's true risk or readiness to rent and everything to do with discrimination and internalism towards our low-income neighbors. This policy expresses our city value, the housing is essential additional right, not just through words but in policy and practice. Thank you.

Eudaly: Thank you.

Wheeler: Thank you.

Jessica Greenly: Mayor, commissioners, thank you so much hearing from me today. My name is Jessica Greenly and I work for affinity property management. Like many of the panel members before you today, I also serve on the rental services commission and had the opportunity to watch this policy develop over the course of the past year. Like Jamey said there's 33 versions and I know she's worked very hard to try to incorporate the feedback she's received, but I feel like there's several opportunities that still exist particularly within the screening policy itself to reduce the amount of administrative burden and cost associated with implementing the policy. On its face right now, the exhibit that you have is 33 pages long and it's quite complex as Tyrone mentioned earlier, there are a

April 3-4, 2019

diverse group of property managers of all different skill levels in the system and when rolling out good public policy, you want it to be something people can comply with and understand on its face. There have been simpler versions of this that have been introduced as alternative proposals at various points in time. Particularly of note in here, right now in the current system, somebody can submit an application, receive their screening results and move into an apartment in one day. In fact one of our communities in northeast Portland, 46% of the applicants that have been approved for their homes do so. With this in and of itself, you have a confusing premise on the outside just from the advertisement stand point where we are going to be in a position where we have to explain to renters that yes we can take your application but we can't count it for 72 hours because the open application period doesn't start then and then you have to wait an additional 8 hours to find out if yours is the first one in place for this unit. First come first served is often practiced like larger companies like as stated previously as is ours and is the most common practice on applications, but in that position that will be confusing to keep track of the time clock on that 72 hours for both our employees in the community as well as the residents applying for that housing choice. You are going to have to keep track of the exact date and time that you are then allowed to submit an application in order to ensure your spot. It creates another level of -- or a sense of you are sense of urgency. Could feel like an additional barrier to access that housing in and of itself. I think that is a relatively easy fix in your policy to keep the basic premise of this. That being said, there are other opportunities within this as well to make adjustments. Again, I know that Jamey has heard me talk multiple times about this. There's several confusing components of this as far as the non governmental i.d. What does that necessarily entail? What combination are you using? Is it employee id badge? If its an employee i.d badge do you have to take it if somebody is self-employed as well? How do you get that proof necessarily in there? My point in stating this is this is not fully baked yet. As an ordinance they are on the premise of the surface of it, then yes, this is something that furthers access to housing and is important for our city. A lot of these provisions already exist in hud and if there were more education programs available to landlords they would understand the compliance factors they are already required to complete in order to provide some of the same provisions that exist within this. I just would love to get further look into the actual detail because we have to comply with the letter of the law not the intent behind it and the penalties for noncompliance in this are steep. There's also not a reviling party provision within this which can lend itself to frivolous lawsuits that you are going to have to defend increasing the overall legal cost which increases the cost of housing in general because you have to be able to provide for the budget of operating that housing itself. So, you are going to have to plan for those circumstances. The other item which will be very cost prohibitive in the security deposit screening is the requirement to develop the depreciation schedule on the on set of move in, you have to understand that all of those schedules would have to be maintained throughout the course of the life of that department. You have replacement of appliances for example in my own life somebody replaced a ceiling fan in my apartment recently. We would then have to track that \$50 part that just got fixed in there during the length of the tenancy, understand restart the depreciation schedule and keep all of that on hand at all times versus being able to keep the maintenance records on file. You are constantly going to be adjusting that depreciation schedule that is included in the rental agreement by the time the end of tenancy and the need to distribute that information adds to the actual work that takes place at the property increasing labor costs. I know I'm rambling here and so I apologize public speaking is not my forte. One of the other points I wanted to bring back up is there had been conversation about how do people with felonies obtain housing. There is that existing appeals process that is available to people by hud, if they are out right denied, we have to provide them a notice that they have the opportunity

April 3-4, 2019

to appeal now and get that individual assessment. It then does not disrupt the work flow of everyone else who may qualify for those units, but then still gives them that opportunity to access that housing and in that appeal's process, they actually hold the unit at that point in time. So I'd love the opportunity to spend some more time with you on an individual basis to go over some of the details in this that I think, again, there are opportunities to reduce the administrative costs associated with implementing an ordinance like this if you would allow me that time at a future time.

Eudaly: Thank you.

Wheeler

Wheeler: Commissioner Hardesty.

Hardesty: Thank you mayor, we have community members today who don't have access to government ids. What is your process today to help them get into housing?

Greenly: So usually, it's a combination of resources but with the way this is outlined, it's very vague.

Hardesty: That wasn't my question. My question was basic. Today we have community members who do not have government-issued ids. Are your housing units accessible to them today? If so, what is the process to allow them access to those housing units?

Greenly: They may have to provide a birth certificate or something with proof of date of birth, some other id that we can use for screening purposes. I would say the way this is worded is what the challenge is. It's vague and allows us to be able to -- go ahead.

Hardesty: I was going to say my dad was born a long time ago and the hospital he was born in burned down so he does not have his birth certificate. Today in Oregon if he wanted to get a driver's license and he doesn't live in Oregon and 90 something, so we would want him to live and we wouldn't want him to be driving anyway here, but my point is that based on Oregon law, he would not be eligible to get an Oregon id. So if he just happened to be out there trying to get housing, I would like to know how you would help him get housing?

Greenly: Don't you think that responsibility lies in the public sector to then be able to provide access to those forms of being able to get that id or to utilize public resources to support those individuals? You're trying to ask somebody who may only own one or two housing units to make that determination that are much more complex.

Hardesty: Excuse me. My question is really a basic one and you are choosing not to answer my question and that's okay if you don't have the answer. I'd appreciate it better if you tell me you don't have the answer and I'll ask somebody that has the answer. Cause it was a straight forward question and didn't need all that gray area.

Wheeler: Could I ask -- I have a hard out at 5:00. There's still a quorum and I will absolutely make sure I review the record. I want to put a marker down. When people come here and testify, they deserve to be treated with respect and I said that right up front. I don't care if people are for this or against it, people here deserve to be treated with respect. I'm grateful that people take time off from work. Hannah, thank you. Jessica, thank you. And thank you, Jessica, for serving on the commission. I asked you to do that. You stood up to do that. Thank you.

Hardesty: I asked a specific question. Was that disrespectful? [applause]

Eudaly: So I'm in a little bit of a quandary. I have five people left here, we have three minutes they've been sitting here the whole time. Can you give me 15 minutes?

Fritz: I will give you 15 minutes.

Wheeler: Sure. You bet.

Eudaly: All right. I'm going to call up all five and I want you in the order I'm calling you and you're going to have to limit to 3 minutes each and I am going to ask Karla to run the timer. I apologize for that, but hopefully some of what you have to say has already been said.

Wheeler: We also accept written testimony, at anytime, emails are always great.

April 3-4, 2019

Eudaly: Andy miller from human solutions, Lisa BonnerBrown from central city concern. Christian Bryant from irc property management and then the two remaining people are June Schumann from new Portlanders policy commission and Linda Hastings from southeast works. Welcome, everyone. Andy, kick us off while everyone else gets settled.

Andy Miller: Okay, I'm going to try to truncate my testimony given the hour of the day if that's ok, mayor, members of the council, for the record my name is Andy Miller, I am executive director of human solutions. We were partner in east Portland and east Multnomah county in collective response to the homeless and housing crisis and we also help provide increased economic security for the diverse communities living in east Multnomah county. I'm here today to speak from our perspective both as a provider of services and as an owner and operator of affordable housing and affect the landlords. We really have a dual role in this and a bit of a dual perspective, but I'll try to bring those together and do it all now in two and-a-half minutes. From our service provider perspective, we see the impact of the current screening practices. Our shelters and housing programs support families and individuals experiencing homelessness. We use rental assistance from local, state and federal sources to leverage partnerships with the private market landlords and we see everyday that folks are stuck in our shelters long-term. They are stuck in our housing programs unable to find housing because of the double jeopardy affect in effect of the criminal justice system. They are punished once for the ascendants they serve for their offense, they are punished a second time in an on-going way and that sentence continues to serve as a barrier to both housing and employment and we think that this measure sets a reasonable new bar particularly with the low barrier criteria that are very similar to what we use as affordable housing provider to provide clear access and also clear rules of the road for how renters will come up against the screening criteria. I'm going to flip over to how we see this as a landlord and a affordable housing provider. As we shared with the commissioner's office during the process, myself and many of our colleagues already do use selection criteria that are less restrictive than what this policy would require. In fact, we are required by our public funders to use income to rent ratio of 1.5 to 1. I don't know how they do it, but they do it and they pretty regularly pay their rent every month with some exceptions, so it's possible. I think some of our reservations lie on the complexity of the policy and our hope in supporting this policy is through the rule making period, through the budget process, the roll-out process, the city can ensure this is an implementable policy. The last comment I have to make is really not about the policy, but it's about the intent of the policy and how we want to partner with you to achieve that intent. I appreciate I'm out of time, I'm going to say something real fast. We know this policy will continue to screen folks out. They don't have housing options, our publicly funded affordable housing system should be their first option. We are not funded wholly and sustainably to provide the services and the risk mitigation that's needed to serve the population we want to serve. We want to partner with you, work with you and work with the housing bureau to ensure that we are adequately funded because everybody needs a place to live.

Eudaly: Thank you, Ms. BonnerBrown.

Lisa BonnerBrown: Hi. Good afternoon, mayor and members of the Portland state council.

Eudaly: Can you speak into the mic?

BonnerBrown: My name is Lisa BonnerBrown thank you commissioner Eudaly for the invitation to speak today. It is my honor to be here today. I'm the housing specialist at central city concern for flip the script reentry program. Flip the script is a program for individuals that have barriers to employment and housing -- excuse me, with housing for the community from prison. I am overjoyed in front of this commission today. It is my role as a housing specialist to support flip the script clients as they re-enter society to obtain

April 3-4, 2019

housing. It is important for you to understand my clients are automatically denied each time that we apply for housing. Each individual case can be disappointing even if appeals are denied for the smallest of criminal charges no matter how old the criminal charge is. In my work denial has become part of the application process. I'm expecting denial when I apply and it's really sad. Myself and my clients must prepare for a denial as well as an uphill battle no matter how well they've been doing since their release. I prepare a packet of reasonable accommodation or an appeal letter. The packet consists of letters from recommendations from Multnomah county community justice programs, parole officers, alcohol drug programs, certificates of completions of the programs mandated by the court. Rent well programs, all these documents represent a lot of work these people are doing when they get out and they enter our program and these letters of recommendations should carry weight in consideration for a rental application. For instance, I have a client right now that's been denied six times. His charge is unauthorized use of a motor vehicle. A coworker of mine he had a client applied in the same complex. He had multiple identity thefts and he got accepted. I don't understand that. Landlords have a tendency to put our ex-offenders in a box. To date my clients are spending \$200 a week on application fees. Application fees are a big business landlords here in Portland. When the rarity of applications are approved, my clients are being required to pay a higher deposit. We pay \$3300 for one client for a unit where rent is less than \$1,000 a month. The time has come for landlords to change their perspectives renting to individuals who have turned their lives around. Housing is a remedy to mental health and many other issues in our community. Please consider the proposal before you today for individuals who are committed to changing their lives for having a safe place to live. We are a city that has reputation of believing in our citizens, the quality fairness for all. Please vote yes. Thank you.

Eudaly: Thank you. It looks like Christian Bryant isn't present. So, we'll move on to June Schumann.

June Schumann: Good afternoon, mayor and commissioners. My name is June Arima Schumann. I am an appointed member of the new Portlanders policy commission. Today I'm speaking in support for the housing screening criteria policy commission on behalf of the new Portlanders policy commission, new Portlanders policy commission has been in contact with Jamey Duhamel, commissioner Eudaly's housing policy advisor and we have been keeping abreast of the policy and its updates and sharing our concerns and recommended solutions. Our communities have shared these concerns regarding their housing. Number one, the immigrant and refugee communities suffered the hardest from the ripple effect of burdensome and inordinate rent increases in no cause eviction notices often due to language and cultural barriers, these sudden changes in their housing create unnecessary displacement, stress, trauma and disruption to families because of these sudden -- new Portlanders policy commission, new Portlanders families often experience discrimination in the application and selection process in the form of racism, high application fees and/or landlord unresponsiveness to renter's inquiries. These experiences further complicated what would normally be a fair and objective process. For these reasons, mpcc supports the screening criteria policy proposal as we believe it will offer a clearer more transparent communication process between renter and landlord as well as equitable and dignified access to housing. In addition, we specifically support that these following changes in the screening policy allowing for different forms of identification beyond government-issued id because immigrants and refugees often are in process immigration issues, for example, other status changes. This allows permit immigrant communities to use other forms of officially issued ids they possess. Lowering the income to rent ratio to two times the current monthly rent which would allow families greater rental options and opportunity to remain closer to their chosen area of residence. Providing for an individualized assessment that accounts for the applicant as a whole person. No applicant

April 3-4, 2019

should be denied housing without this approach. This will reduce -- I have one more. This will reduce the stigmatize and/or discriminatory practices. Lastly, asking a landlord to set an open application period would support immigrant and refugee communities in overcoming current application barriers and successfully applying for housing. Thank you.

Eudaly: Thank you. And finally, Linda Hastings from southeast works.

Linda Hastings: Good afternoon, mayor and honorable commissioners. Thank you for the opportunity to speak. My name is Linda Hastings and I'm the justice coordinator at southeast works. Since 1997 southeast works has been serving justice-involved individuals in the lents area of southeast Portland also called bellamy flats. Last year, southeast works served 8,600 individuals looking for work, education, training who assessed our services 23,000 times. Almost 30% of the 8600 we served self attested to having former justice involvement. After 22 years of working with justice involved individuals, we know that stable housing is the foundation of successful reentry from prison. Unfortunately, many formerly incarcerated people struggle to find stable places to live. A big part of the work focuses on assisting individuals released from jail or prison to reintegrate back into the community. Part of the integration is the ability to find clean and safe affordable housing. We know that the transition from prison to the community is full of challenges. In doing our work, we know that before formerly incarcerated people can address health problems, find stable jobs or learn new skills, they need to have a place to live. This is one of the most frustrating experience working with our customers. They are able to get certification, secure decent jobs, apprenticeships, cdl training and solid placement and they make good wages and benefit, however, they cannot secure housing. Their prior backgrounds are held against them and landlords are reluctant to allow them to rent units. Discrimination and combined with affordable housing shortages continues to drive the exclusion of formerly incarcerated people from the housing market. A big part of the problem is that property owners have the ability to implement their own screening criteria to determine if an applicant merits housing. A process that relies on criminal record checks as a primary source of information. This means landlords have the ability to punish people with criminal records even after their sentence is over. They have served their time and need to move on to create a crime free and pro-social life for themselves and the communities. Housing is a big part of the city and can assist by developing policies that address and correct the unfairness. Thank you.

Eudaly: Thank you. And thank you for getting us in three minutes sooner than my colleagues promised to be here. Closing remarks?

Fritz: Commissioner Schumann I just have a question. Did the new Portlanders policy commission discuss the fact immigrants and refugees are less likely to have computers and cellphones so the first in first served might not result in more housing being rented to immigrant and refugees, did the commission talk about that at all?

Schumann: I'm not sure that I know precisely the answer to your question, but I think it may be one of those among many other issues that interfere in-housing access. I will raise it with the other people on our commission and have them look into more precise response if you want us too.

Fritz: There wasn't much discussion at the commission about that issue? In connection with this policy, was there any discussion at the commission about that issue?

Schumann: No. I'm not aware of that, no.

Eudaly: I can answer that. That's why we have the three-day advertising rule to allow people that have language barriers the chance to get assistance with filling out the application.

Fritz: You have the issue then of once the time starts, then you ever been to be able to quickly get in to be first in.

April 3-4, 2019

Eudaly: I'm not sure how we would solve for what you are talking about. We've done our best to account for that challenge.

Hardesty: Let me just say I greatly appreciate the questions. I hope nobody felt like you were attacking a commissioner Fritz because you asked a direct question. I think it's important we were able to ask specific questions so we all have a better understanding of what's taking place in this building. So I thank you.

Eudaly: Thank you.

Hardesty: And thank you, all, for being here. Greatly appreciated.

Eudaly: So thanks, again, everyone for being here. We will return tomorrow at 2:00 for open public testimony.

Wheeler: Very good. Thank you, everyone. We are adjourned.

At 5:14 p.m. Council recessed.

April 3-4, 2019

Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

APRIL 04, 2019

2:00 PM

Wheeler: This is the april 4th afternoon session of the Portland city council. Karla, please call the roll. [roll call taken]

Fish: Here. **Hardesty:** Here. **Eudaly:** Here. **Fritz:** Here. **Wheeler:** Here.

Wheeler: We'll turn it over to legal counsel. Good afternoon.

*******:** Good afternoon welcome to Portland city council. City council represents all Portlanders and meets to do the city's business. The presiding officer preserves order and decorum during meetings so everyone can feel welcome, comfortable, respected and safe. To participate in council meetings you may sign up in advance with the clerk's office for communications to briefly speak about a subject. You may also sign up for public testimony on resolutions or the first readings of ordinances. Your testimony should address the matter being considered at the time. If it does not you may be ruled out of order. When testifying please state your name for the record. Your address is not necessary. Please disclose if you are a lobbyist. If you're representing an organization, please identify it. The presiding officer determines length of testimony. Individuals generally have three minutes to testify unless otherwise stated. When you have 30 seconds left, a yellow light goes on. When your time is done, a red light goes on. If you are in the audience and would like to show support for something said please feel free to do so with a thumbs up. If you want to express you do not support something, feel free to do thumbs down. Please remain seated unless entering or exiting. If you are filming the proceedings please do not use bright lights or disrupt the meeting. Disruptive conduct such as shouting or interrupting testimony or council deliberations will not be allowed. If there are disruptions a warning will be given that further disruption may result in the person being ejected for the remainder of the meeting. After being ejected a person who fails to leave is subject to arrest for trespass. Thank you for helping your fellow Portlanders feel welcome, comfortable, respected and safe.

Wheeler: Yesterday we heard items 294 and 295. We heard testimony on those items. We continued those to today for public testimony. To be clear neither of these are emergency items so we won't actually be taking a vote today. We'll be hearing public testimony and then taking a vote at a later date. With that I'll turn it over to commissioner eudaly.

Eudaly: Thank you, mayor. Good afternoon, everyone.

Moore-Love: It is a new session. I should read the title.

Wheeler: Go for it. Why not?

Item 294 and 295.

Eudaly: hello, everyone. Thank you for taking time out of your day to be here. As the mayor explained, yesterday we heard full presentation on our fair access in renting proposal. We heard from -- we had invited testimony from people who were actively involved in creating that policy or advising us. Most of them were supporters. Some were not. I know that many of you didn't have the opportunity to attend that session or to watch it online, so I want to take a couple minutes to catch you up and provide helpful information that may guide your participation today. First, we heard from many community experts about the complex nature of providing housing in this city and how lack of standardized screening creates an environment where discrimination is prevalent but almost impossible to prove. We also heard testimony about how the landlord industry has not evolved to treat

April 3-4, 2019

tenants as complex humans with a variety of circumstances but rather as algorithms of risk. The most compelling testimony in that regard came from Tyrone Poole, founder and owner of One Up Oregon. He laid a marker down for property companies to start thinking differently about how they may treat tenants who may experience difficulties in their lives and to become more acquainted with them as people. He demonstrated through data that the barriers of access to housing are real and while our policy dramatically increases access to housing, it won't increase access for everyone. I'm going to repeat something I said yesterday. We're not asking private market lapped lords to become supportive housing providers. We're not suggesting that people who cannot succeed independently in housing without supportive services should be required housing to them. Second, I want to dispel some myths. If any of you are here, I thought I had an assistant -- here we go. If any of you are here because you received an advertisement similar to this -- I need you to know that the information you have received is wholly inaccurate. It is offensive and it's intended to scare tenants and landlords away from supporting reforms that make us all safer. I'm a renter. A woman. A mother. A policy maker and a survivor of violent crime. I would never propose regulations that made our community less safe. Here's what you need to know. We cannot dictate any specific screening criteria that prevents a landlord from denying an applicant. Our proposal does not remove any requirement to screen for criminal history or any other barrier. Rather, our proposal offers landlords a choice between two options. Option 1. They can voluntarily choose to adopt the low barrier set of criteria outlined in the code. This criteria is based on data that supports a more accurate and equitable assessment of what constitutes risk in an applicant's history. It allows landlords to screen for all barriers including criminal history but puts research based parameters around what the landlord would agree not to deny housing for including misdemeanor offenses that occurred longer than three years ago and felony offenses that occurred more than seven years ago. I encourage each of you to look into the research we provided to look into this. Where is Jamie? What I didn't mention, because so many people weren't able to be here yesterday or see the session online, my office has created an FAQ, and provided additional supporting documents. You can get one in my office, you can get one from Jamie. Jamie is available to answer any questions you may have throughout this hearing. We want to hear from everyone, supporters and opponents, but we want to hear on the real issues at hand, not testimony based on fear mongering by landlord lobbyists. The second option if the landlord doesn't want to use low barrier criteria they can set whatever criteria they want but must adopt the individualized assessments model instead. That is a best practice recommended by fair housing federal guide answer. What that means is that if they intend to deny an applicant for any of the criteria, landlords must allow applicant to provide evidence that they have mitigated or improved any of the housing barriers such as low credit score, criminal history, or prior eviction. That they are being denied for. The landlord will still be empowered to make the final decision about whether the applicant is right for their property. They just have to provide information to the applicant about why they are being denied and what the specific nondiscriminatory business interests reason is that the landlord has determined a basis for denial. This process is already outlined in federal guidance as I mentioned, support for fair housing act and should be similar to familiar to many landlords. The second item I would like to address is there are other reforms in the package that will help tenants help decrease barriers to housing for renters. We have lowered the income ratio to two times the rent so they won't be denied because their wages have not kept up with dramatic increases in rents. We also changed how landlords can assess the income of applicants who have rent subsidies or vouchers to make it less likely tenants will have to give the vouchers back when they fail to find housing that's affordable to them. We provided a preference policy for applicants that require accessible units. We opened the door to a wide array of

April 3-4, 2019

official identification. We set caps on the amount landlords can charge for a security deposit. We set new standards on what they can charge for items broken or damage during tenancy and have dramatically increased the amount of information your landlords will be required to give in a number of different circumstances. In other words we brought this proposal to help, not hurt. I want to encourage everyone here to testify accurately and as we mentioned we have the faq that should resolve some of the confusion that's been fomented in the community. Finally, I want to address my colleagues. I realize that we are asking you to contemplate a complex proposal that you did not spend the last two years of your life meticulously working through. I understand the people's fierce are compelling and I ask you to carefully scrutinize what you hear today in light of what you heard yesterday. What we are proposing can lead the way in this country toward greater housing access, which is a basic need, a human right, a finite resource, and something that we are obligated to provide access to. With that I will turn it back over to the mayor.

Wheeler: Very good. We have a little over 60 people signed up to testify today. I gave the commissioner an option, commissioner eudaly, the option was we limit testimony to two minutes and keep the the list open or allow three minutes and closed list. She opted for the latter. Karla will close the list at this point. We will allow three minutes for testimony. We only need your name for the record. We don't need your address unless you choose to give that. When you come up to the microphones, the microphones move around about six inches is the right distance. Please leave the microphones on once they are on just leave them on for the next person. You will see a yellow light come on when you have 30 seconds left to testify. The red light will come on indicating your time is up. So please be respectful of that. Don't make me the microphone police today. Let's all be respectful of the fact that there's lots of other people who will want to testify behind you. We have a long-standing tradition in this chamber that people with small children or people with disabilities or other extenuating circumstances should be allowed to go first. If that applies to you if you could see Karla. Karla is our very able clerk here. She will move you to the front of the list. With that, Karla, please call the first three.

Eudaly: Mayor, i'm sorry, I have to read a couple minor amendments before testimony begins so that the public can include them in their responses.

Wheeler: Commissioner eudaly.

Eudaly: I thank my colleague commissioner Fritz for sending helpful language clarifications to include in our policy proposal. The two amendments I offer are intended to make the policy more understandable. Just as a reminder I offered two clarifying amendments yesterday so what i'm presenting today will be considered eudaly amendments 3 and 4. Eudaly 3, in the screening criteria policy amend section d.1.b, to say current -- registration receipt card. That's a mouthful. Eudaly number 4, in the screening criteria policy amend section e1 a6 and 7 to include the language excluding court mandated prohibitions that are present on the property for which the applicant has applied. That is simply to clarify if an applicant has a prior conviction on their record and were released with specific conditions of where they can and cannot live, that our policy does not supersede that. The conditions would prevail. Thank you.

Wheeler: I'll second -- we'll keep those on the table along with the first two amendments which we proposed yesterday. Karla, name the first three, please.

Wheeler: Good afternoon. Welcome. Thanks for being here.

Moore-Love: I forgot to mention if anyone needs to come up first please come and let me know.

Wheeler: Good afternoon.

Jessie Dhillon: Good afternoon. I'm jesse dillon, i'm a landlord very concerned about the future of property management and price of housing in Portland and surrounding area. I apologize i'll probably talk fast, I have a lot of material to cover. The proposed ordinance is

April 3-4, 2019

not necessary. Government fulfills the role of doing for the people what they cannot do by themselves. I do not see this mission being fulfilled by the city council with regards to this ordinance. As written it will lead to higher rental rates in Portland. There is poor written language that leaves industry professionals like myself frankly confused. I'll keep it short but most of the ordinance requirements are either federal or state law or currently best practices in the industry. I refer to the impact statement prepared by Jamie Duhamel from the city's website. Outcome establishes first come first serve for applicant processing. It's already covered in the Oregon state law ORS 90.295. Section 6. Unless the applicant agrees otherwise in writing a landlord may not require a screening charge when rental units are available at that time that no rental units are available at the time or will be available within reasonable time frame. If a landlord requires payment of an applicant screening but fills the vacant unit before screening or does not conduct a screening of the applicant for any reason the landlord must refund the applicant screening charge to the applicant within a reasonable time. Outcome number 3, requires preference for applicants with mobility challenges to be matched with units that are ADA-compliant. The civil rights act of 1968 and fair housing act prohibit steering. That means that landlords' hands are tied. We cannot tell a person that is mobility challenged that they are better off in a mobility challenged apartment. We can't do it. It's illegal. If a tenant sues us for steering them it costs the landlord \$10,000 per instance. Number 4, allows for many different forms of identification beyond government issued I.D.s. The federal trade commission has put out a directive titled fighting I.D. Theft a how to guide for businesses. In it it asks businesses to make sure that they have a picture government issued I.D. When doing business. The average cost if there were a fire in any of my apartment homes is about \$100,000 to restore. When I have an applicant that comes in with a Microsoft Word typed letter saying that they are Joe Smith or John Doe or whomever I'm not going to rent to them because it's too risky for me to put them in my \$100,000 unit. Number 5.

Fritz: We will take additional testimony in writing. We won't be voting today.

Dhillon: Okay, thank you.

Wheeler: If someone just has one sheet of paper they are working from and choose to leave it with you can we get copies distributed to all of us?

Moore-Love: Certainly. I'll get those to you.

Wheeler: If people didn't bring enough for all of us, if you give it to the clerk she will get it to us. Good afternoon.

Clyde Holland: Good afternoon. I'm Clyde Holland. I prepared a letter which you should be given a copy of. I gave it to the clerk. We fully support rental housing. We also support affordable housing. In each of the projects which we have developed in Portland the three that are going we have 20% set aside for affordable housing. Notwithstanding that looking at the fair criteria we have some grave concerns. First, HUD, Fannie Mae and Freddie Mac all require that we screen three times the rent in order to be in compliance with their financing. To mandate a criteria that is lower than that will put landlords in default on their mortgages. In order to attract institutional equity to be able to build new projects in Portland and thereby provide provide additional housing, we are required to screen three times income in order to access institutional equity. To look at the compliance aspects of the very confusing pages that have gone here, our estimate is it will take one person per 100 units to review and deal with the compliance and the challenges. That will raise rents over time on Portlanders approximately \$65 per unit per month. The cost of the claims that the first testimony had is also significant. When trying to address this individual assessment the risk of claim that a landlord didn't handle things appropriately is extreme. That risk is estimated at \$25 per unit per month. So in order to just comply with the regulations we're looking at approximately \$100 per unit per month, which over the 125,000 renters in Portland will cost about \$125 million a year to provide from a

April 3-4, 2019

compliance standpoint. Lowering the credit if that is required will substantially increase the credit losses for tenants. That increase in losses will have to be passed on in order to qualify for a new rental unit. Several aspects from a separate standpoint. The policy layering effects of inclusionary zoning, of tenant relocation, and registration and now these have substantially lowered the ability for us to access debt and equity. It's cost the city of Portland about \$5 billion of investment in housing. We're missing about 12,000 units. We only have nine to 15 months worth of work left for pre-iz housing and the significant drop-off there's no anticipation of coming. I have included a letter and an article on japan which said no rent increases since 2000. The policies there from that standpoint I would ask to be done. In total we ask that you submit this for an economic analysis so that you can look at real impacts on Portlanders because we're concerned that the impacts are going to substantially hurt, not help, the problem.

Hardesty: Excuse me, what is your definition of affordable housing? Can you tell me what income somebody would need to afford the affordable housing units that you referred to?

Holland: Yes, ma'am. We have set 20% of our projects at 80% area median income.

Hardesty: Area median income is 72,500. That would be around 55, 57 they would need to afford to live there.

Holland: I don't have the specifics. They are different projects in different areas so they vary but that's the calculation. I trust your judgment.

Hardesty: I'm not that quick at math. Appreciate that.

Wheeler: Thank you. Good afternoon.

Coya Crespin: Good afternoon. Thank you for your time. I'm koia crespin in support of the fair access in renting ordinance. I currently work at community alliance of tenants as the Portland metro community organizer. I work with tenants daily who are unable to find housing. This is directly due to the current inequality of the wild west style screening criteria that is currently used by landlords. Tenants who don't have proper identification are completely shut out. I have family members who are experiencing discrimination after serving their time in prison or jail only to come out and face recriminalization. When they search for housing. Members of society who have paid their debt only they are not seen that way. This system is not viable for the most impacted members of society. I have been getting emails from tenants receiving emails from landlords talking about this very ordinance. These landlords are using scare tactics in these emails that they sent to their tenants to try to compel their current tenants to testify against this ordinance. I can forward you those emails I have been getting. Currently I find that disrespectful and disgusting. Currently I myself am a single working mother. As a tenant I consider myself the backbone of my landlord's investment. When I was no cause evicted out of my home six years ago I could not find a place due to income requirements and I was working 40 hours a week plus. I tried to get a cosigner. My cosigner would have needed to make five times the rent to cosign for me. This system of shutting out low income people can no longer continue. I would also like to mention the inequality of this hearing. A suggestion would be to give more ample lead time for working tenant families to be able to attend these hearings. As well as holding evening sessions to make attendance possible for low income most impacted working families. Thank you for supporting the fair access in renting ordinance. This is a much needed and over due step towards a more balanced housing policy in Portland. Thank you so much.

Wheeler: Thank you. Next three, please.

Wheeler: Good afternoon.

Yvette Maranoski: My name is yvette marantz. I'm here in support of this proposal. I ask that you support it as well. It's fair to -- if a person applies and they qualify they should be housed. That's there. It's also fair if they have an i.d. That works, it's functional, it's fair to accept that if it's valid. It's fair to not have too high of a bar of income that's unreasonable.

April 3-4, 2019

You know, that will discriminate against people. That's not fair. So I don't support doing that. It's to allow the landlord the flexibility it's still their choice to look at criteria for credit history. History of paying rent. There's no reason why it shouldn't be counted. They don't have to but they are given the choice. That's very minimal. I wanted to say that. And my little story is that I approached the housing situation and the whole process was so adversarial and difficult that I didn't even try. I stayed homeless for ten years raising a child. That wasn't easy either. So it really is a difficult process, and it really needs to change. I want to point out something that a few things that some numbers that -- I don't have the numbers, but some facts about that are not having to do with fannie mae or dollar signs or anything like that. But there is a reality that the danger is -- the real danger is in people who are stressed out from all of the rental process and everything, the wrap-around stress. People who are born predisposed to dying of a heart attack, you know, because of trauma that happened generations ago. You know, that's the danger right there. People are dying of that and the doctors will document that as a heart attack. They won't document it as the 20 years of trauma that or 20 generations. They won't document that. But that's the reality that people are dying of right now. Right now. It's not a made up thing.

Maranoski: Your time is done. Sorry.

Wheeler: Thank you for being here. Good afternoon.

Janet Newcomb: Hello. I'm Janet Newcomb, I have been a landlord for many years. I have 19 rentals in Portland. Yesterday Tyrone Poole of one app testified 60% of rentals in Portland are smaller mom and pop operations such as myself. By voting in these proposed laws you'll be driving many of us away from Portland. I think you underestimate how many units will be lost. I for one will be looking to sell 18 of my 19 units here. The proposals are cumbersome and will cost us all time and money. This will result in higher rents for the tenants. We cannot be expected to absorb the costs for acting as social workers. We as landlords expect to be able to verify who is going to live in our units. It is not the fault of the landlord if someone does not have the proper government issued i.d., which most of us require. Yesterday one of your invited speakers voiced her concern on this issue. She was then bullied to the point of tears by councilor Hardesty. Shame on you. I cannot emphasize enough how important it is to be able to screen all the prospective tenants and not just a designated head of household. I need to know who I have living in my unit. As an example if three people move in and a month later the designated head of household moves out I would have two people living there that I know nothing about. Are they sex offenders? Are they murderers? Do either of them work? Do they make enough to pay the rent? I won't know. I want to provide a safe environment for my tenants. I can't do that if I don't know who is residing in my buildings. Your intent to remove the security measures that I have in place will not benefit the tenants. Your proposal states that I will not be able to turn down someone for a credit score of 500. You say a credit score does not indicate ability to pay although my decision is never made solely on credit score it may play a vital role in denial of my tenant if they have charge off after charge off for consumer debt. I look at the reason for the low score and make allowances for certain things such as student debt and medical bills. You are now removing my ability to turn down someone who simply is not responsible enough to pay their bills. I own rentals in South Carolina. My evictions there always involve tenants with low credit scores. You mentioned yesterday that a policy like this does not exist anywhere in the U.S. Don't you think that there might be a reason for that? You have made this hearing about disparate impact and prejudice. From my perspective it looks like prejudice is against the owners of rental properties. You're not categorizing cleaning as normal wear and tear and we will now not be able to charge for this cleaning. Dirt is not wear and tear. It's simply laziness on the part of the tenant.

Wheeler: Thank you. Good afternoon.

April 3-4, 2019

Mary Sipe: Good afternoon. I'm Mary Sipe. Commissioner Eudaly, thank you for bringing this proposal forward. Thank you for scheduling this special session dedicated strictly to public testimony. It was a great idea. Do it again. I strongly support this proposal. Yesterday's presentation was complete and comprehensive. Kudos to all of the staff and volunteers who worked on it. Jamey Duhamel's presentation was possibly the best staff presentation I have seen. Great work, Janey. I figured out that I have spent 56 of my 71 years on this earth as a renter. 16 of those were living with my parents who rented. So I think that makes me a bit of an expert on this subject. While I understand some of the concerns of landlords about administrative challenges with this proposal I believe it's appropriate to require some level of social responsibility on the part of housing providers. I'm confident that their concerns can be addressed. Renter and landlord rights and protection have evolved very slowly in our country and in this state. I remember vividly in the 1980s I was a single parent how difficult it was to find a home that would rent to people with children. In 1988 or '89 the law changed and landlords could no longer refuse to rent to people with children. Some of you may not remember that restriction. I remember hearing how devastating this new law would be to landlords. Here we are 30 years later we have all survived. The affordable section 42 income restricted building where I live changed ownership last year. One of the changes in eligibility that the new owner implemented was that being convicted of a felony is an automatic rejection. It wasn't before. Also if an applicant has more than \$1,000 in delinquent debt it's an automatic rejection. When a person has been convicted of a felony and served their time and paid their debt to society they should not continue to be punished and denied employment and housing. How can they ever be expected to get their life back on track with these types of barriers? James my showed in her presentation how credit history is not a valid tool to predict if an applicant is likely to pay rent. Rejecting because they have \$1,000 in delinquent debt is ludicrous, especially in low-income housing. When someone experiences a financial crisis and have experienced three of them in my lifetime, they pay their rent before they pay their credit cards. As wages flatten and cost of higher education rises and corporate sponsored pension plans cease to exist, we're going to see more and more people in low paying jobs who can never afford to become homeowners. They will end up retiring with social security as their only source of income. The need for affordable, fair access to housing is going to grow and we need to provide fair housing to a growing part of our population. I support this proposal.

Wheeler: Thank you. Next three, please.

Dan Hayes: I'm Dan Hayes, owner of rental properties and someone who serves landlords. We fundamentally believe that fair access to safe housing is a right. All landlords that I know, myself included, want their units filled, filled consistently and the reason we screen is to give our clients and ourselves and our tenants the best chance for success. I'm asking you to vote no on this overreaching and complex proposal. I want to be clear I'm not asking you to vote no on improving the standards that landlords must follow for screening tenants. For 20 years if you operate a boat in the state of Oregon you have to take a basic safety course. I have been surprised that a landlord can manage a rental property, screen tenants with very little requirement for education. Also find it surprising that one of the best things that Portland does is provide a one-day landlord training class each year. In fact my entire staff goes each year. Might surprise everyone in the room to know that class has not been scheduled this year. I think that's sad. I would ask you to vote no but say yes to establishing standards that ensure fair access through education as well as policy. Go back. It's taken a year and a half because it's complicated. It's hard to do. I'm asking to send the team back an incredible amount of work has been done but send them back. Simplify the proposal. Give those 60% of self-managing landlords a chance to learn how to be better landlords and support them in that way. Then implement your policy. Give you

April 3-4, 2019

time to find the money. It will give you time to offer more solutions from people in the industry. I would ask you also to consider not believe me but consider the possibility of the complexity you have introduced into this industry between february and end of may, I will have spoken to in excess of 1,000 realtors through a continuing education credit requirement. I speak on landlord law. I can tell you the number one thing I hear from realtors or businesses that they are getting from landlords that simply no longer want to provide housing. We're not keeping up with the demand today. I don't believe you know just how severe this supply will be if you continue to introduce complexity without providing training and solutions on how to execute your policy. Even in the light of rent control, I believe Portland will become one the most expensive cities to rent in. Of my 26 rental properties, 100% are in Portland and i'm confident that the successful business model because of it. Thank you.

Wheeler: Colleagues, I have had a request from the audience. The request is this. Can we request that folks not stand up during testimony? I'm not able to see the closed captioning or the commissioners. Is that something we can live with today? So if you hear somebody that is saying something you strongly agree with just give a really big thumbs up. I promise we'll see it. If you can't stand what they are saying, thumbs down. I get a lot of those personally. I don't mind. Instead of standing if we could do that to respect the folks in the audience who need to see the closed captioning we appreciate it. Good afternoon.

Henry Kramer: For the the record i'm henry kramer. I live in the king neighborhood of northeast Portland as a homeowner and small landlord I strongly support the fair standards. I rented two rooms in my home for the past five years immediately before that I served for several years as a property manager in the same neighborhood. In that time I have screened and rented to nearly a dozen people based on that experience I believe these reforms will support stable housing for tenants without causing undue hardship to landlords. This proposal is plainly about putting Portland on the side of people of color and other middle class and working class people. Right now the landlords are allowed to discriminate in a wide variety of unnecessary ways and erect needless financial barriers to entry for prospective tenants. That's immoral. It's evidence of a deeply broken housing system and is fixable without adding any serious burden, any real burden, to fair, eth cam landlords. These will help ensure nobody is denied a home because they were victims of mass incarceration or predatory capitalism and guarantee -- against low income people and people of color. These should not be controversial ideas in the city of Portland. I have had many great tenants, a few iffy ones, each personal history had no meaningful bearing on their conduct as renters. There were good, reliable tenants who lived hard lives and could barely make ends meet but always paid the rent on time and spotty tenants with long time well paying jobs and pristine paths who regularly break things and trash the house and pay late. The types of invasive background investigations concerned allowed would not have helped me predict who would be good and bad. Honestly relying on those investigations would have mostly misled me. If it's possible at all to predict the quality of a tenant there's nothing a landlord would need to know that is not permissible under the low barrier evaluation standard. People will fear monger in bad faith about the new mild limitations on discrimination. Those opponents will prey on the misconceptions they hope you have about people with criminal convictions or weak credit. They hope you don't know that old convictions have no connection to rental out comes after seven years much no predictor of future criminal behavior. They hope you won't think about families who declared bankruptcy because they fell victim to predatory lending. If we're being truly candid the big landlords hope you don't know anyone with felony convictions or bankrupted sees. You know the vast majority are rebuilding or have rebuilt their lives after a catastrophic event. A long time tenant of mine served time for a nonviolence event a time back. He used his time after prison to do community organizing, to start a family. Denying

April 3-4, 2019

him rent is insane to me. As for the security deposit reforms they are so obviously mild as to warrant any comments but you should definitely enact them.

Wheeler: Thank you. Good afternoon.

Marih Alyn-Claire: Good afternoon, mayor wheeler, Portland city council members. I'm marih alyn-claire, renter and tenant advocate. I appreciate the work that has been put forth into the fair proposal. I support many of its basic elements allowing different forms of identification, lowering the income rent ratio to two times the rent, security deposit caps, the anti-discrimination look-back periods for criminal histories which really impacts people of color. Parameters for changing screening fees and returning fees if applications are not processed are essential money savers. The step 1 in it i.d. And income requirements are simple and straightforward. I would like simplicity. One significant issue for me, however, about the proposal is step 2, which is focused mainly on department and credit history as primary first measurements for assessing a tenant's worthiness for housing. I wondered why history as the main measurement was not foremost. Not credit and debt load, even the landlords at the rental services commission meeting agreed we don't care about your macy's card, they said. We want to know if you're going to pay the rent on time. It's astounding to me how the category didn't even make the list. For long term renters like myself with 10, 20, 30 plus years of solid rent payment history this is our credit rating. For four years renters have endured rent gouging burdened with paying 50 to 80% of their income for rent then having to run up balances on credit cards to pay for groceries, medicine, daycare, multiple moves after being evicted several times. This has happened to me. Still we're having to qualify over and over again risking disqualification over debt as a means of survival before the very industry that has profited from our misery. For renters, these types of indignities equal injustice compounded. Not all representers require heavy screening. We need to simplify and tailor the process to the special needs of the various types of renters. My second concern is the proposal's complexity. I realize this is the first step attempting to standardize the application process requiring transparency, notification of why applicants are declined. These are noble objectives important for bringing about more equitable housing opportunities for renters who have historically been locked out. However, creating a new vehicle from scratch is hard. Often mechanics require more time to perfect. Therefore I would rather we take the time to pare down the complexity from 30 to 15 pages, fine tune and simplify the content. It has to be enforceable. Therefore eliminate the gaps in enforcement. Make sure we have sufficient financial resources to carry it out. I appreciate you. Thank you.

Wheeler: Thank all three of you. Appreciate it. Next three.

Mike Westling: Good afternoon. I'm mike westling. My wife and I own a single rental property in Portland, it's a triplex in montavilla. To be accurate we own 50%. My brother-in-law and his wife own the other 50%. There's a mom and pop landlord in Portland we're it. I don't take this investment lightly. This is a huge financial decision for my family. Something that we hope will help to pay for our kids' college someday if that's what they choose to do. At the same time it's really important we recognize that anyone in the position of owning a rental property benefits from serious financial privilege at a time when many in our community face serious financial challenges even if they are working full-time. When we bought our rental property two of the units were vacant. One was in rough shape so we did major renovation. We made a large investment in new flooring, counter tops, appliances. I did much of the work myself. When it was ready we put it on the market and worked with the first people who submitted an application. It was a couple with two kids looking for a larger apartment. Our unit has three bedrooms and three bathrooms so works well for families or roommates. When we ran the credit report we found they had very poor credit and a bankruptcy but when we checked with their references we learned they always paid their rent on time and have been great tenants. They are great tenants. I'll be really clear.

April 3-4, 2019

These proposed screening rules are absolutely not a burden. They actually align with how responsible landlords and property managers should treat applicants anyway. I also have no problem with the nondiscrimination requirements regarding criminal history. Just because someone committed crime in the past does not mark them for the rest of their lives. People wonder why so many people are experiencing homelessness and one of the major reasons that is people who have almost any kind of criminal activity in their past cannot find a place to work or a place to live. That is a real public safety concern that we should be addressing. At the end of the day I'm not going to be selling this property just because I have to consider a wider pool of tenants. Thank you for considering these new rental screening rules. They will increase opportunity and fairness for tenants and are not a huge burden for small landlords, plus it's just the right thing to do.

Wheeler: Thank you. Good afternoon.

Allie Sayer: Good afternoon. Mayor, commissioners, thank you for the opportunity to testify today in support of fair access in renting ordinance. I'm Allie Sayer, a renter residing in southeast Portland. The city of Portland has been aware for years that we have a massive problem with discrimination in housing especially against Portlanders of color. Discrimination as Commissioner Eudaly said is almost impossible to prove often and its victims are frequently unaware that it's taking place. As a lesbian I personally prefer the Westborough Baptist Church style overt bigotry over the homophobia found in Portland because at least the Baptist Church is overt. Portland's racism, sexism and homophobia are draped in a blanket of faux progressivism. The fair ordinance tenant screening criteria are a rare opportunity for Portland to take concrete steps towards addressing racism and other forms of bigotry in our current practices. I could imagine I wrote but we have heard many objecting to that characterization. However, the solution to addressing racism is not objecting to being called a racist. It's working towards ending racism. We all have unconscious biases and having objective screening criteria will reduce the influence those biases have. Security deposit reform is also badly needed. I just moved out of a rental house with a deposit of \$2,000. My house mate and I gave the landlord the keys back a week early because he wanted to have new tenants move in the day after our lease ended. He mentioned a couple landscape things he wanted it to do before moveout which we did. When we did the walk through he said everything looked fine so I was pretty surprised when a month later he deducted \$500 or 20% of our deposit for yard work, gutter cleaning and dump fees. If we had been told there was a problem we could have mediated it in that week for much cheaper but the fact is under current law the language around security deposits is incredibly vague and unclear and my housemate and I have no idea if we'll get the rest of our deposit back. To add insult to injury I worked right by the house and I know no landscaping was actually done. My story is one of thousands of examples of Portlanders who have had their security deposits stolen by their landlords. Portland City Council has a chance to pass an ordinance clarifying Oregon's vague language and make it much less likely for deposits to be stolen in the future. Please protect vulnerable renters and pass the ordinance.

Wheeler: Good afternoon.

Iain MacKenzie: I'm Iain Mackenzie, I'm here to support the fair act the ordinance. Also last night I listened to most of the invited testimony. I'm glad I did. It gave me a much better understanding how much work has gone into these policies and how many good reforms are included. There is so much to support but I would like to talk about how it affects people with criminal histories. There's a growing recognition that America incarcerates far too many of its people for far too long and disproportionately affects people of color. This will take sustained effort to change. One of the few good things to come out of the Portland was a first step 5:00. The fact that that passed with overwhelming bipartisan support shows we're ready to move away from the fear mongering of the past. Like many I have

April 3-4, 2019

friends and family members that have served time in jail. I think of them when I think even if someone caused real harm to others they shouldn't be punished for the rest of their lives for the worst thing they have ever done. Once someone has completed their sentence they need to be successful in finding housing as we all do otherwise they are in a cycle where they can't move on and that has negative consequences for everyone. Last November I hosted an election night party in my home. We were all excited when it became obvious amendment 4 passed in florida. 65% of florida voters said the right to vote should be restored to someone with a felony conviction once their sentence is completed. The voters said in effect you've done your time. You're welcome back to society. If I have one hope for Portland is our city council can at least as progressive as the voters of florida. [laughter] with that thought I urge you to vote yes on fair.

Wheeler: Thanks all three of you. Next three, please. Good afternoon.

Marc Rogers: Good afternoon.

Wheeler: Would you like to start? Thank you.

Marc Rogers: Mayor wheeler, council members, i'm mark rogers. I have owned rental property in the city of Portland for over 30 years. We manage our own properties. We have assume the risk and liability associated with being a rental property provider. From personal experience I also understand the plight of tenants with credit challenges and criminal backgrounds. My deceased brother was a convicted sex offender. When released from jail our family struggled to secure housing for him and his family. Property owners and tenants are stakeholders in this process and deserve to be served in a way that provide protections for both. I see the city of Portland as not only being the enemy that drives policy to make this happen but a key stakeholder in the process. Commissioner hardesty commented yesterday we need to partner with the city and tenants to move this forward. In my mind when we talk about partnering that means everybody takes responsibility. Certainly property owners and tenants have. What I don't see is where the city of Portland has any skin in the game. You provide no tools or instructions for either side once implemented that has an opportunity for success. Commissioner Fish stated his concern was implementing a policy that puts tenants at a higher risk of failure. It has an opportunity to create a wider door however are the systems in place to promote their success and success of landlords in serving them. This could cause more fallout of already vulnerable tenants and small landlords. I propose to have responsibility and skin the game the city figures out how to take an intermediary role between property owners and tenants. You would help tenants go through a process or certification for lack of better word where the city becomes a cosponsor signor. If tenants fail to comply the city would be responsible to make the property owners whole. The city could also help tenants without proper i.d. Verify identification and provide rental i.d. Card that value dates their identity for property owners. Mr. Poole stated yesterday stated 70% could have gained acceptance with a cosigner. We all have the responsibility to in my mind this scenario provides everyone is taking on risk and liability. If we're going to partner to bring reform we all need to bring something to the table of value to make it happen. Thank you for your time.

Wheeler: Thank you. Good afternoon.

Sue Scott: Hi. I'm sue scott. Most of the commissioners I see here today came into office as activists and I applaud that. If we can make a difference in the community we should. However you you're commissioners charged with listening to all citizens, not just those who have supported the issues that brought you here today. It's your duty to represent a balance of your citizenry. Everyone's vote, everyone's voice, everyone's view should count and perspectives respected and give just weight. Over the past several months I have attended and testified at the handful of public hearings related to landlord tent and the regulations and senate bill 608. What I saw with sb608 was after all the public input that was there, the new regulation was passed exactly as is. There wasn't a change in a

April 3-4, 2019

comma or period. To me that doesn't sound like representation. That's collaborative or representative of both sides. The best solutions as we know happen when both sides give a little. Yesterday's hearing sounded more like the same attitude from the city. Nothing will change from the current proposals is my speculation. Objections were cut off, some speakers were berated and one made to cry. While the commissioner gave deference to supporters and took ample time to tell their own personal stories of their experiences they would delete time from other speakers. Donald trump would be proud. One of the most frequent criticism I have heard regarding how this process has moved forward is the city has not listened to a broad spectrum of those affected by the regulations. In particular rental providers. Last year multifamily northwest received a grant from the well respected and community-oriented foundation, the maya memorial trust. Their work was to lower barriers for tenants. They planned to roll out this collaborative work this year. But the city has ignored that and chosen instead I think to railroad through their own agendas. There are other solutions too that I think can work and help with but they being ignored. Social impact investors are putting together projects with affordable units without public funding. That should be a standing ovation. Instead nothing is -- there's nothing going on with that. Rental providers must have a seat at the table for solutions to be equitable and reasonable. 60% of providers are a small investors. Small investors are the ones whose livelihood and future retirement depend on good relationships with tenants. If the big companies are the ones that have caused the problem they can afford to follow the new rules and adjust rents accordingly and they will be especially happy with the 10.3%. If you want more big property management companies in Oregon who never bend a rule for a tenant or a circumstance then carry on. Everyone loses including your tenants.

Wheeler: Thank you.

Madeline Kovacs: Good afternoon. I'm madeleine kavaes. I'm testifying as a senior outreach associate with sight line institute and resident of north Portland in support of the fair access ordinance. Those of of you who heard they testify before have all heard about the need for zoning reform, building more housing and need to better support nonprofits working to deliver affordable housing in Portland but removing barriers by zoning reform and increasing support for affordable housing is incomplete without also addressing barriers to fairly accessing housing. We must work to remove a wide range of barriers that together will begin to make headway and begin to address the scale of our housing crisis. There does not have to be in city's intent for a policy to have discriminatory impact and we know the impact here. The same people who suffer from discriminatory land use and financial policies in housing also frequently suffer from discrimination in application and screening criteria. This happens whether intentional or not. We have a chance to din mantle a clear barrier to housing for impacted communities and we should take it. If you have heard me testify before you also know I wouldn't be here in such staunch support if I thought it would have significant impact on housing supply or owners' ability to fill their buildings with tenants. I believe these concerns in this case are out sized compared where the actual content of the policy. In this case landlords may have to do more leg work and a few people may be deterred from becoming landlords. That's okay. As you heard previously, pretty unlikely. It's also not an unfair burden to ask that people do more leg work to maintain their business. It is unfair not to reassess policies we know result intentionally or in the in disproportionate impacts on people with little to no legal financial recourse. The fair policy is thoughtful and tailored to address discrete problems. We have good information about what the policy will do. Beta testing demonstrated that clearly. If you care about justice there's no reason that you should vote no today. Yes we need to ensure that we won't make our underlying housing shortage worse and put upward pressure on prices but we must also take measures that will benefit people experiencing housing insecurity and, yes, discrimination. This is a very clear yes today. Thank you.

April 3-4, 2019

Wheeler: Thank you, all three of you. Thank you. Good afternoon.

Kathy Rogers: My name is Kathy Rogers. My husband and I provide affordable housing. We have a property in Hawthorne and our units rent for an average of \$850 a month. So we are the type of unit providers that the city of Portland is looking for. We have provided one unit free of charge to a tenant for now nine years who would otherwise be homeless. So we're not evil landlords. We're caring people who are trying to make ends meet in a locally run small business. Typically the applicants that come into the building often come with a backpack and they are ready to move in right away. We do screening quickly. We take one applicant at a time. We don't charge screening fees if we already have somebody pending. We are usually able to give somebody an answer within a couple of hours and they often move in the same day. This ordinance, though well intended, would change all that. I think to the detriment of both property owners and tenants. The increased time frames, the documentation, the required reporting, the depreciation schedules, it's completely unrealistic. Mr. Poole from one app yesterday pointed out in his testimony that small property management companies will have a difficult time implementing this ordinance. Well, if a small company has a problem implementing it, think about an owner manager, of which I learned yesterday provides 60% of the units in the city of Portland. We have full-time jobs. We manage our apartment units on top of that. I don't have a staff of people to do this. There was also much discussion yesterday about tenants being able to afford rent with only income of twice the rent. I can tell you that if a tenant has income of twice the rent but has a clean credit history, I would rent to them all day long. Now if a tenant comes in with only twice the income in rent -- twice the rent income and has a troublesome credit history and ongoing credit problems I can tell you from personal experience that tenant is going to have a very difficult time paying rent. When a tenant can't pay their rent, we rarely evict them. As they were talking yesterday. We don't go through that process. We try to do it the friendly way. We allow the tenant to break their lease, move out, find an affordable property, but make no mistake, we take that financial hit. We lose the rent for a month or oftentimes more. As I said, we're not evil people. We care about our tenants. I believe that we are representative of the vast majority of the owner managers out there. I urge you to vote no on this proposal in its current form. I urge you to consider the ramifications for all people involved.

Wheeler: Thank you. Appreciate it very much. Good afternoon.

Seth Leavens: I'm Seth Leavens. I'm a retired electrician. I have acquired over the years three apartment houses, little apartment houses. I have worked that direction all my life. I have two tenants been with me 30 years, half over ten years, probably average of eight years on a turnover. Our goal has always been good neighbors because I'm the manager somehow I'm discovering that my good neighbor policy is in error. I'm a little confused. I'm incredibly impressed that everyone has been able to read and understand all this. I read it numerous times. I actually never was able to read all of it. Very complicated. I just opened up the one sentence just thought I would stick with this to figure it out. A landlord may only screen heads of households, co-applicants that are not responsible for paying rent may be screened for criminal and rental history only for violation notices issued to the household for conduct and compliance within the last year and demonstrate they created a hostile, unsafe or harassing environment or the terms engaged in discriminatory conduct. Whew:

Eudaly: State law. I'm sorry.

Leavens: Yeah. I prefer to read electric code than this. [laughter] I have been in construction my whole life. I met a diversity of people. I have been in the service of the started out in the shipyards. So it's been a long road. The guys in the shipyards, ex cons said Oregon was a good place to do time. They don't want to do it in the south. The prison is pretty tough down there. I met a diversity of people. Some of those ex-criminals are not quite as successful rehabilitating or modifying their behavior. Talking about modifying

April 3-4, 2019

behavior I don't try to modify their behavior because it's something i'm not licensed to do or don't know how. This thing about I think -- I know there's good and bad criminals how that works out, but commissioner eudaly talked about two years history. I'm seeing one year history here looking back at the criminal history. I guess it's my experience in life that makes me concerned that not all of this is good. I hope you take a second look at it.

Wheeler: Thank you.

Moore-Love: There a sarah wines in the room? Sarah? I'll call her again if she makes it.

Wheeler: Good afternoon.

Mary Beth Steele Hutchinson: Hi. I have a problem with my vocal cords so I recorded my testimony in advance. It's five minutes or 4:59 and my husband wants to give me his time. I wanted permission to play it, please.

Wheeler: In this case, yes. Thank you.

Hutchinson: Thank you. I'm having minor technical difficulties here.

Wheeler: We often accommodate people with certain circumstances. We'll start over here. Go ahead.

Hutchinson: Thank you.

Mike Feves: Good afternoon. Yes. Mayor wheeler, members of the council, i'm michael feves. My family has provided housing in Portland to Portland residents for over 100 years. Owe buildings are older and we provide housing to mostly lower- and middle-income people. Many of our residents are first time renters or new to the job market. We have some residents who have been with us over 30 years and are now on fixed income. We strive to keep our rents affordable, but it seems every action that this city council takes only drives our costs up. It used to be that legal costs were negligible, less than a tenth of a percent of our income. But since you passed the relocation assistance law we have seen our legal costs quadruple. This does not include cost for additional management time to document and prepare for a for-cause eviction. The proposed ordinances before you will drive up management and legal costs even further. I support the goal of making housing more accessible to more people, but I urge you to take a step back. Slow this process down. Carefully consider the unforeseen negative impacts that these ordinances may have. Many aspects of the ordinances are unwise and dangerous. For example, it's likely that the low barrier to entry will ultimately result in more evictions for nonpayment of rent. The tenant will be left with a judicial record that will prevent them from renting housing at all for many years. Another example concerns the limitation of credit screening to head of household. If the designated head of household moves out remaining tenants may not be able to pay the rent and they will be subject to a blemish on their rent history. In some cases, the two times rent, or 2.5 times rent makes no sense. For example, under the ordinance as currently written, if an applicant has a section 8 voucher that covers all the rent and we had so some that do that they would not have to show any income at all. How are they going to pay for food, clothing and medicine? This is an expensive ordinance. By the city's preliminary estimate, it will cost half a million dollars to implement and upwards of \$400,000 a year to administer. I suspect those numbers will go up once the actual numbers come in. I expect also that this will cost our company upwards of 1% of gross rent. That probably will go up if I actually sat down to look at the labor involved. More importantly, every time you make it more difficult to manage and provide housing in this city, you drive the cost of housing up. In addition, I believe that these ordinances will reduce housing supply in the long run. They are one more obstacle to development of new housing in the city. Many develop remembers going elsewhere where restrictions and legal costs are less. The only thing worse than not taking action is to take the wrong action.

Wheeler: Thank you. Thank you for being here. Good afternoon.

Hutchinson: This is what I recorded this morning. [audio not understandable] For almost twenty years I have been a landlord in Portland. I can't believe you expect people to work

April 3-4, 2019

for free because people need housing. People need food too but you're not punishing the restaurants.

Wheeler: Thank you. Appreciate it. Good afternoon.

Wheeler: I'm sorry, you already spoke. [laughter] it was really good the first time. Next three, please.

Moore-Love: We're on number 22.

Wheeler: You can stand by for a minute. Good afternoon.

DiAndre Robinson: Good afternoon. Mayor, members of the city council, i'm diandre robinson. I'm housing specialist for the city of Portland. I wanted to be as professional as possible but I need to get a little personal. Somebody said like a bug. If you're a black man, that's one of the worst things you can call somebody. Since a lot of people hear love background checks let me give one on myself. I'm a graduate of temple university. I have a 3.5 average. I have never been incarcerated and never been kicked out of my own apartment. Speaking of incarcerations my older brother had been. Without him I would never be where I am now. He's with me right now. It in Portland right now. It's hard for him to do things like rent, get jobs, stuff like that. So again, this wasn't written on my paper, but I wanted to say that for the record. So again i'm diandre robinson. I'm here to vote yes for the fair ordinance. Again i'm a housing specialist at the urban league of Portland. My mission is to help the african-american community find housing for themselves. If this ordinance passes this could help more participants find stabilized housing and help them find great living situations. Please vote yes on this fair screening ordinance. Thank you, mayor and commissioners.

Wheeler: Thank you. Good afternoon, sir.

Keith Scholz: Yes, good afternoon mayor wheeler and councilors. I'm keith scholz. I'm a 65-year-old native Oregonian. I have lived in the Portland metro area for 45 years. I have rented apartments for that whole time but i'm now homeless. Thanks to the people I have volunteered with for ten years I have a roof over my head, but my first eviction came in 2017, the day after relo passed. Since it was in gresham I had no recourse. I found a place a few blocks away from my former residence but on a section 8 voucher and there was a glitch in the paperwork and I got my first lockout by the county sheriff's department. Three weeks before I moved into my new place. They found out that I help out a few homeless people and give them a place to shower and just get off the streets for a few hours, and they didn't really like that too well, so then that prompted the complex to install a camera outside my apartment for other reasons but they were able to monitor everyone who came into my apartment. They wouldn't renew my lease, so because of all that. I began searching but was denied because of the previous eviction. The one in 2017. Each time was another 40 or so dollars. I was able to stay until january 19th when I got the second lockout. I have two evictions in two years and I think I should correct that. I have two evictions in 45 years. Thank you.

Wheeler: Thank you for being here. Good afternoon.

Steven Marks: I'm steven marks. My company is Portland historic properties. We own 41 rental units in two buildings in the inner city. Specifically in mt. Tabor. At yesterday's work session I learned that 40% of rental units in Portland are managed by property management companies and 60% are owned and managed by the little guys like me. If you take away one thing from my testimony, let it be this. If this bill passes Portland will lose hundreds of landlords like me who simply lack the capacity to navigate the systems and procedures this bill creates. We will give in and hire management companies to do this work. There are so many complexities and big words in this bill that the fear of being sued for triple damages and attorney fees will require us to hire companies to do this professionally. The ultimate irony here is that if the bill passes rents will rise. The cost of hiring professional help, of paying for lawyers and potentially dealing with lawsuits will be

April 3-4, 2019

passed along to our renters for landlords like me and there are a lot of us out there who really care about keeping rents affordable, that hurts. Random thoughts from yesterday's work session. The income to rent ratio in the bill is illusory. It only considers pre-tax income. Using post tax income which represents reality, the ratio is a recipe for failure for renters and landlords. The bill is predicated on the idea that landlord discretion is a bad thing, that is not true. Discretion in choosing tenants creates flexibility when you remove discretion you get inflexible screening criteria which automatically excludes the classes of renters we have heard from. Discrimination, the real enemy is economic discrimination. Most of the problems we heard about yesterday stemmed from folks who just can't afford housing, and this bill doesn't do one thing to address that problem. By raising rents it will exacerbate it. There is a simpler fix to the problem of renting to applicants with criminal histories. Create a protected class for that group as you would any other protected class under fha guidelines. If you are really inclined to try this model, why not try it on government assisted housing first and see if it works? I hope each of you will read the bundle of letters I submitted on the record and delivered to your offices from my tenants. I sincerely believe that the vast majority of renters in Portland do not support this bill.

Wheeler: Thank you. Thanks all three of you. Next three, please. And good afternoon.

Warren Stubblefield: Good afternoon, mayor wheeler, city commissioners. I'm warren stubblefield. I'm in favor of the screening audience. I'm representing the urban league because i'm a tenant of the urban league. I have lived homeless. I have lived homeless for over 16 years. I have just recently obtained a place four months ago. I tried and tried to get a place to stay. I was turned down. It was just horrible. What it did in my life it created depression. That depression is the enemy of success. It led to alcohol, it led to destruction. I have been clean and sober over two years. It destroyed my life of not having nowhere to stay. It makes a difference when you have security. Then you can find identity, you can find purpose. I was a suffering black individual out there with nowhere to stay living in streets, sleeping in port-a-potties. It was disastrous of course and led to self-medication. Now that I changed I hate to see anybody else go through what I have been through. It makes a difference when you are able to rent. It makes a difference when you have that right to feel like somebody. It breaks your heart when you know that you're going to sleep outside, when you have nowhere to go, when you can't afford -- i'm saved now. I want to see somebody else be saved. I'm hoping that you consider voting in favor of this because it can save lives. That's the biggest issue. Hue humanity. It's not just about my color our your color or their color, it's about helping one another and I believe in this ordinance. I believe it will help. I believe it will change somebody and save somebody's life because I was there and I do have a clear understanding of what it is to live on the streets, what it is not to be able to afford some housing. Not even get an opportunity to get it with a criminal background. Thank you very much for giving me opportunity to express how I feel about it. Thank you very much.

Wheeler: Thank you. Good afternoon.

Maria Hernandez Segoviano: Good afternoon, mayor. For the record i'm maria hernandez-segoviano, policy and advocacy manager at opal. I'm here to indicate strong support for this ordinance before you. First of all I want to take a second to thank all community members who are in the audience who are here today in support of this housing rights and justice. We know there are a lot of individuals in this community and members that truly want it but couldn't be here. Not only because they didn't want it and they decided not to be here but many of them are too busy working two jobs to afford their rent to begin with. Others who are directly impacted by the lack of affordable safe housing are not here because they can't afford to take time off work. Then there are those who have been pushed farther away off the fringes from this city hall itself that planning to be here would have been a nightmare who would take care of their children or they can't

April 3-4, 2019

afford the multiple trips in transit. They know who they are. Yellow stickers. Opal works on transportation, housing and helping our communities representing our members who live on or are on intersection of being transit riders and renters, who due to their economic status, visibility, age or legal status are denied the basic human rights such as housing. It is clear the question of who gets to live where and why is rooted in economic, social and racial injustice and therefore this ordinance makes it clear it is time for justice. Renters especially those low income and communities of color face multiple charges in finding stable, safe and affordable housing. Housing is the greatest expense in household budgets. as a former farm worker myself it always amazes me to hear from simply affording to live somewhere you have to earn between 55 and \$60,000 to live here when the average income of farm workers annually is 26,000. So that just in framework was really, really disheartening. Additionally, people with criminal records suffer from pervasive discrimination in many areas of life including employment, housing eligibility. Disproportionately affect african-american who are more likely to have criminal history. An African male is incarcerated more than six times as often as a white man. We're in a housing crisis where more than 47% of renters make up the city population. We must remove barriers to access and create the type of policies to help those most impacted by the issue. The proposed ordinance could give hundreds their shot to access the city of Portland. The ordinance is also a fair and I ask you in fact urge you to please pass this ordinance today.

Wheeler: Thank you. Good afternoon.

Chris Nguyen: Mayor, commissioners, thank you for taking the time to hear me. I want to start with a couple of concerns about the proposal, the ordinance as written. This ordinance creates -- i'm chris nguyen. It creates needlessly complex process. The subject of which is the fair housing catch 22. Property owners are going to find it difficult to comply with subjectivity individualized assessment. While not appearing at odds with the fair housing tested objective screening practices in place. Perhaps more troublesome is the potential that this ordinance creates for renters to overextends themselves. This ordinance will encourage renters to spend 50% of their income on housing creating a city mandated subprime renting crisis for lack of better term. This predatory policy will lead to a marked increase in feds and damage to credit and rental histories. When considers the many competing priorities for city funds and time I encourage city council to also understand there are stringent fair housing laws in place and the ethical and professional property managers intensely observe these laws. Contrary to narrative built to support this ordinance there are housing options available to everyone regardless of history. I do want to close with two personal notes. My stepfather was convicted of felony possession with intent to distribute and served two years in Mississippi state penitentiary. He moved to Portland in 2018. While there were some doors closed to him he was able to find suitable housing within 15 days. Another concern that I have is based on a personal experience. In the 1980s my parents lived in an apartment community in Metairie, Louisiana. My mom is white. My dad is a refugee immigrant from vietnam. A skinhead white supremacist emblazoned in swastikas became our neighbor. One day when my dad came home with groceries this man flung a beer bottle at his head, knocking him down the stairs. He called him names and proceeded to beat him up. My mom contacted the police and this man was arrested. She found out that he had already served time for felony battery. Aggravated battery. I just think that perhaps if that community had proper screening in place, maybe my father wouldn't have been victim of a hate crime.

Wheeler: Thank you. Thanks all three of you. Next three, please.

Felipe Hernandez: Hola. [speaking in foreign language] good afternoon, members of the city council. I'm here representing the cully housing action team. Thank you for your time and your attention. I'm going to read you a letter signed by the members of the cully

April 3-4, 2019

housing team. Dear Portland city council. The cully housing action team is a grass roots group of renters, mobile home park residents and homeowners in the cully neighborhood. We work together to advance affordable housing, anti-displacement and tenants rights goals. We strongly support the fair access and renting ordinance and call on you to adopt it. We believe this will greatly improve access to housing for people of color, low income people, people living with disabilities and other members of our community who face systemic barriers in the existing rental market. In September 2018 chap members worked together to generate a list of challenges we face in accessing rental housing along with proposed solutions. Please see the attach document that was just distributed behind the letter. We are very pleased to see that many of these issues that we raised are addressed by the fair policy. We believe this is an important step forward for renters in Portland. please vote yes to adopt this policy. Sincerely, members of the cully housing action team.

Wheeler: Thank you. Good afternoon.

Andrea Debnam: Good afternoon. Thank you, Mayor Wheeler and City Commissioners. I'm Andrea Debnam offering support for this ordinance. I'm also here on behalf of the Portland Community Reinvestment Initiatives known as PCRI. It's a nonprofit community development corporation, has been a provider of affordable housing and associated services in North and Northeast Portland for over 1,000 low to moderate income families for over 25 years. While our portfolio is diverse we have a large percentage of black households. We know historical issues have not been favorable much of which we're unfortunately still grappling today. As a culturally specific competent organization we know firsthand the barriers that exist for black and low-income people and have intentionally created an eligibility process to accommodate what we know historically has kept this community from accessing housing. Much if not most of what has been proposed alliance with PCRI's current screening practices while a good number of our properties are publicly subsidized and come with pre-determined set of requirements that must be adhered to there are a significant number of homes privately managed by PCRI setting our own guidelines. Just to name a few convictions we're very intentional about not letting someone's criminal history prohibit them from being housed. A few have successfully become residents with no issues maintaining their housing. Income as a matter of fact we only require 1.5 times monthly income and while we understand everyone can't do that I think setting a lower limit is helpful and important in getting low income families housing. Credit scoring, we pull credit reports as part of our screening process, but it's not our practice that credit scores determine an applicant's ability to pay rent. We're primarily looking at previous rental history but even then that's not a reason to deny them. While applicants may have had unfortunate circumstances, providing a certificate of completion is acceptable. In our best efforts to ensure we give every applicant the best opportunity to become housed we make sure we offer them an opportunity if they have been denied an opportunity to appeal that decision. We encourage people to get letters of recommendation from social service agencies, character references, support letters or simply encouraging them to be their own advocate. Oftentimes we have had people really just tell us why they deserve to be housed and why they deserve another opportunity really can be sufficient. Thank you for your time and consideration.

Wheeler: Thank you. Good afternoon.

Bill Stevenson: Good afternoon, Mayor, members of the council. My wife and I own a seven-unit apartment in North Portland and for nearly 14 years have been providing affordable housing long before it became today's great need. I challenge anyone to identify any tenant past or present who has been treated unfairly or in need of the provisions contained in today's agenda items. As a former legislator in the Oregon House and Senate and former Oregon Labor Commissioner I understand and appreciate your role in balancing public and private interests. But there is no balance in this package. We'll need to bet no

April 3-4, 2019

representative of multifamily northwest or any similar group took part in putting it together. In all my time of public service I have never seen a bigger more misguided ball of red tape rolling around in search of a problem. These items paint with a broad brush and say all housing providers are not to be trusted to treat tenants fairly or operate responsibly. We think there are many small operators like us who for years have been providing affordable housing who would be severely impacted by 294 and 295. How many? You don't know. You're flying blind as inventory is due april 15th. Estimates 60% but those are estimates. You may not know how many though it seems prudent to know. These provisions are a major incentive to stop doing what we do. Rather than inflicting this why not identify problems. For example, create a city tenant complaint office. You, the city, investigate the complaint. If it has merit, subject the offender to penalties. If not, why penalize everyone absent need? This could be a part of a will much less expensive an the bureaucracy envisioned to administer 294 and 295 based on cost figures provided yesterday. Incidentally those fusion should be shared with the public. 294 and 295 represent a full scale assault on housing providers especially small affordable housing operators. They tell us you think you rather than we know better how to do our work. It smacks of big brother or in this instance big sister. Their adoption would result in decreased housing, affordable housing as many owners including we, seriously consider moving their equities to more receptive less hostile locales than the city of Portland. 294 and 295 should be revised significantly and if not rejected.

Wheeler: Thank you both. Next three, please. Good afternoon. Would you like to start?

Max Smith: Sure. Good afternoon, mr. Mayor, commissioners. I'm max smith, team lead of the affordable housing at the urban league of Portland. I work with individuals formerly chronically homeless. Our program we follow a housing first model which means we screen in rather than screen out based on their level of vulnerability. We're proud of the work we do but unfortunately the need for equal access exceeds availability. Passing this ordinance is a step in the right direction toward combating chronic homelessness and forming a more equitable framework for people in need of housing otherwise screened out by landlords and particularly communities of color. Thank you.

Wheeler: Thank you. Good afternoon.

Nancy Greiff: Good afternoon, mayor, commissioners. I'm nancy greiff. I'm 66 years old. I'm retired. But before I retired one of the things I did was teach listening. The first thing I want to say is getting to watch, thank you for listening. I can usually spot it when someone is not and you are. So thanks for that. That wasn't part of my planned remarks, just striking to me that you were really listening. I'm always mediator trained to see both sides of an issue. I totally agree with the goals of these two ordinances. I have lived a number of places in the country. Portland is the least diverse place I have ever lived. I miss the diversity. I miss the mix of neighbors I had in new mexico, for instance. Like in sellwood my neighborhood is not very diverse. I would like to see more diversity. Am still going to urge you to vote no and go back to the drawing board because I think as they stand now they are going to create higher prices and less diversity. I have been a tenant more than a landlord in my life but I have been fortunate enough to be a landlord of a single half of a duplex twice in my life. As an aside I never kept a penny of my tenants' security deposit with either of those properties. As an aside I go over and plant flowers so it looks pretty for them. I really love being a landlord. I try to do a good job. If this is passed, I will take my property off the market and let it just sit and appreciate. I'll be afraid to even sell it to somebody who might rent it out. There are two little girls next door. There's screening for head of household but as many pointed out anybody else in the house the screening only goes back a year. I'm not going to put somebody whose background is a mystery next to those little girls or across the street from the two little boys on that block. That's a major concern. Whether the concern is right or wrong I think that's going to be the perception.

April 3-4, 2019

Perception counts for a lot. I have a ph.d, the other thing I did was study economics. Perception drives prices as much as anything. Prices are going to go up. There will be more evictions with this two time income because of the fact that we all pay taxes, we all pay for food. There may not be absolute flood but there will be more. Prices will go up. Landlords will perceive that they need to raise prices to cover their risk and costs in advance of any catastrophe. I can't afford to have a lawyer do a walk-through with me. I'm just small potatoes. I'm hoping you vote no on both of these. Go back to the drawing board and thanks for your time.

Wheeler: Thank you. Good afternoon.

Cheryl Dalton: Good afternoon. I'm Cheryl Dalton. I hope you will not vote for this screening criteria as it is written. I have been listening to all the folks and a lot of really good testimony, and I do question why so many people that are working full-time are not qualifying for housing vouchers. I want to know what we're doing to help people on a broader scale and to level the playing field. With the way I see it, there's a lot -- a burden on very few people. I think we want to really work for common ground and ask the industry experts for their input. The head of household portion is troubling. I do also worry about nefarious behavior occurring under that kind of, you know, little blanket there. It would be so easy for that person to leave without us knowing. The two times -- saying that people qualify just at two times and we know that the two times is based on gross and after taxes it's very possible that over half of what this person is making is just going to rent. What happens with the one little emergency? I think we want to build people up, not break them down. And the way to build people up is by finding common ground and I think housing vouchers is one of those ways that we can really build people up, give them choices. Where they want to live. Rent control is really going to put people in very divided circumstances. We're going to see a bigger divide now between the haves and the have nots. Do you get the industry experts coming in and providing some direction for you? I mean I feel like this is one-sided and we're not getting, you know, all points of view in this legislation being passed, not just this one but ones that have been passed recently. So I think for the betterment of our future, we really need to have everybody come together.

Wheeler: Thank you. Thanks all three of you.

Eudaly: If I could clarify a couple things that keep coming up that are incorrect, I'm just going to assume there's confusion. First, I want to make clear you can see in our presentation yesterday the extensive engagement we did with housing providers both affordable housing providers and private market providers. Jamie, my director of policy, met with the entire membership of multifamily northwest two times for four hours each or total? Four hours total. They spent a year debating our policy in the rental services commission, and they participated in the beta test. In fact several changes we have made came directly from their recommendations. So while they don't ultimately support our policy they were very, very heavily and meaningfully engaged. As far as the confusion about heads of household versus nonheads of household, I made an amendment yesterday to correct some confusing language. I want to be clear about that. Nonheads of household would be screened and nonheads of households do not get to stay in the unit when the head of household leaves. They are not legal leaseholders, and they can also be required to sign conduct agreements. We heavily vetted this with our attorneys. We wanted to make sure landlords would not be burdened trying to evict people they did not rent to in the first place. The question about the income requirement, when we require three times the income, three times the amount of rent, we're talking about gross income. So it wouldn't be reasonable to require net income on one side and gross on the other. I agree that it's not an ideal way for tenants to live but the reality is many of your tenants live like that currently because their rents have gone up over 60% in the last decade. So I said this yesterday, I'll say it again, I don't know why it's acceptable to prevent people from

April 3-4, 2019

accessing housing because they don't make three times the rent. But except those who do into your household and proceed to cost burden them while they are there. You're already housing the kind of people who are most likely to make it through our low barrier screening. They just became cost burdened and lost credit score points because of the cost burdening that has happened to them since. I think those are the main things that came up that I wanted to correct because I can understand concerns about them, and they are simply not part of the policy. Thank you.

Hardesty: Thank you, mayor. Thank you, commissioner eudaly. I think i'll take this opportunity to also address this perception that asking direct questions is somehow bullying people. I asked very specific questions and I expect people to be very specific in their answers and I have been a policy maker and activist long enough to know when people are evading my question. So I do not appreciate being called a bully. I don't like bullies. I do not tolerate bullying behavior. However, I am an african-american woman who speaks directly and I will continue to do so and I will not be silenced.

Wheeler: Next three, please. Good afternoon. Would you like to start?

Lauren Everett: Sure. I'm lauren everett here to share a story about helping my terminally ill mother apply for an apartment when she was about to lose her housing last summer. This is a story how lack of criteria led to discrimination. After a friend saw a for rent sign and met the owner's wife and toured the unit. I filled out an application for my mom and I submitted later that day. Since she was retired and on social security I included bank statements to show she had substantial savings and would be able to pay the rent. I also provided all the other documentation that was requested. The owner's wife did not process the application or give me any information about screening criteria. Telling me that was her husband's job. The application was in their possession for a full week at which point I was informed they were going to host an open house. As a tenant advocate I thought this was strange but I came during the appointed time as requested and met the owner. During this time he voiced concern about the cost of rent impacting her savings, which was more than ample for the two-year lease period he was requesting. Multiple times he also expressed concern about her age. She was 77. And her presumed physical condition, which I never gave him any details about. Worrying if she fell on the stairs he would be legally responsible. I assured him no one wanted her to be in an unsafe situation, least of all me. Our conversation concluded with him informing me that a lawyer couple was flying in from sweden to view the are is dense and it was between the two parties and he would let me know next day. Again no specific income or savings requirements were given at this time. The next day the owner's wife called me to tell me they had rented to the lawyer couple which was very upsetting for me. When asked why she said they had a large combined income and were surfers, which apparently her husband had some affinity for. My mother spent the next several last months of her life at her friend's house. If we had policy like what is being proposed today she would have been in her own home and able to keep her beloved cats. This process was arbitrary, subjective and discriminatory. Additionally, I have many years of experience in office administration including h.r. On boarding with background checks and I don't see how the extra steps in this ordinance would entail a large volume of work as people claim. To claim that is really pretty disingenuous. Our system is broken. Please vote yes.

Doug Klotz: I know you usually see me testifying about board of housing. But we need these changes so more people with get into the housing that we have now and housing we'll have in the future. I support this proposal. I realize some landlords are concerned about the rules here. I talked to a couple of different friends of mine who are small landlords in Portland. These are both folks who have rented in the past to tenants who would not qualify as their incomes were too low but they still wanted to have that flexibility. They're concerned about having flexibilities to make that determination under the new

April 3-4, 2019

rules. But in the end they both felt that they could live with these regulations and make them work. Given that we have heard that 60% of the units are run by small landlords or that's the estimate I hope the city will reopen the workshops they had on how to be a landlord when the ordinance is ready to go so you can get a lot of people trained and continue to have these trainings in subsequent years. They have discontinued recently. This will help a lot of people who have had difficulty finding housing and have suffered from discrimination in finding housing. Thank you commissioner for bringing this forward and thank you to all of the commissioners for supporting this.

Seth Denlinger: Good afternoon my name is seth denlinger. I have a masters degree from Portland public schools, I have not been able to purchase a home in the community I have worked in. I've rented for 14 years in the same unit and paid my rent on the 1st of the month for 14 years straight. My landlord is now selling their property and my home I understand that, I can respect that. I do not know what my housing future looks like or the housing cost. At a showing yesterday that we agreed to a woman walked through the back door, she asked to take a video, I asked if I could say no. She wasn't expecting no, this angered her, she asked for photos. I said the photos were online already. She said she represented a potential new landlord and how we interacted with her would be relayed to them. She threatened my livelihood and home within 60 seconds of entering my home on a day I was still paying rent. This is the behavior of a land barren. On my doorstep I heard two men speaking loudly. One of them testified here today. I did not hear these statements. It was better for social media now they have more information. If housing is a basic right then why don't you build your own house. These tenants move in and they don't move out, I don't see them offering more when the market goes up. My landlord raised my rent \$300 a month two years ago which grew to \$340 a month this year. By the time my pay schedule equalizes with this increase the price will rise again. I would much rather have a land partner than a landlord. My father was connected to ten felonies for taking bets for car dealers. It ruined his life. He could not be reabsorbed into society. He died in abject poverty addicted to opioids for ten bets. Who in this room hasn't placed a bet on sports? If you can't find joy in giving people a home, find a new business. I work, I want a simple life, housing is a basic human right. In my classroom all our welcome. Thank you.

Wheeler: Thank you both. Next three, please.

Raul Pseciado Mendez: Hello commissioners and mayor wheeler. For the record my name is raul preciado mendez and also for the record I am a registered lobbyist. I am here to briefly talk about our organization and also to ask that you support the rental screening criteria ordinance. It's a culturally specific nonprofit that provides education and services to youth, adult, and families. The latino community and other historically marginalized folks in our city would benefit from this policy change. This would help produce barrier stable housing to many in our community. Our mission is to positively impact and transform the lives of latin youth, families, and communities. We provide leadership development opportunities and many other programs in service with that mission. Among those many services we offer housing, family stability, and case management support for low income families. These folks often have a number of serious barriers defining stable housing beyond their income. Language, documentation, and racial discrimination all play a significant role in preventing many people from accessing homes that are stable in their community. We believe in the empowerment, leadership development, and active engagement of latino people and decisions that effect their lives as well as the rest of the community. That work requires helping these families remain stable and finding ways out of poverty. Having a safe and sustainable place to live is a key part of that work. In our experience working on a number of policy issues unless equity protections are explicitly written into law the discretion of individuals can lead to bias and discrimination. This is something done unconsciously many times but having a criteria specifically spelled out

April 3-4, 2019

would reduce these incidents. Make it so tenants and landlords both know exactly what the rules are for determining eligibility for their unit. Additionally having rules as to how landlords can handle security deposits will mean the tenants can have a consistent understanding of what is owed to them when they leave a unit. This makes much of our financial planning and the work we do possible and budgeting more predictable and reduce the risk of landlords keeping deposits arbitrarily. We would like to reiterate our support for the ordinance and thank you so much for your time.

Wheeler: Thank you.

Debbie Cabrales: My name is debbie gonzalez. I'm here to give testimony on how this law would impact my work and our organization. Latino network provides different programs to low income families. Many of these families are transitioning out of houselessness, are houseless or there are other barriers preventing them from being stable. This ordinance would have a major impact on the families with whom we serve. We serve over 8,000 families in our organization per year. Many of those families take part in our housing stability programs. Our eviction team alone stabilized more than 800 people. Our programs help people find housing, creates budgets and plans for people to achieve financial stability. This is all made more difficult by the rental market in our city making it easier for people to understand their rights as tenants would have a major impact on our ability to rehouse people. We have had numerous clients who either cannot access housing or become trapped in a lease that doesn't meet their needs. We have had multiple clients in our program with credit issues. We often help pay for many of our program participants security deposits. Although we provide this important support there are folks in our community who cannot access programs like ours. It is important to acknowledge that people see their deposit as something they expect and hope to get back. Often times landlords will withhold security deposits unfairly. A family who I was working with had issues renting an apartment due to not making three times the amount of rent while he was the only one working due to having a sick wife and having three children that he needed to take care of. If it wasn't for us advocating for the family so they could be able to rent the apartment the family would have been denied meaning they would have continued to be homeless. We see many people who face similar circumstances in our work. It is important for us to have the necessary information to provide to our clients when we help advocate for them. Further more we think having consistent screening criteria would have a positive impact on our work overall. I would like to thank you for your time in this important matter.

Wheeler: Thank you.

Tony Jordan: Good afternoon my name is tony jordan. I am here to support free access renting. I'm no longer a renter, I have a mortgage. And I don't believe when I bought my house I had a criminal background check necessary. I'm often up here testifying for more supply for housing. And I think that is important that we need to make it easier to build more housing in all neighborhoods of all types. But it's also, excuse me, I know seth back there. And very moving. I think it's necessary to look at this holistically. Yes and is the philosophy here. This is one piece of a puzzle. We need to increase more housing and we need to increase access to that housing. And I think that this is important to support and I don't think it's going to be the end of the world for landlords if they choose to sell their homes someone else will purchase their home and there will be rentals. They will continue, I am pretty confident of that. I have seen many of my colleagues who are working on increasing the housing supply here and I don't think they would be supporting this if they thought this was going to crater the supply of housing in the city. I also think as I mentioned seth is my neighbor. I'm concerned about his situation. And the other testimony i've heard from people is moving. And I think when you look at who's harmed currently this is an emergency and it needs to be fixed. People who own multiple homes need a little less consideration at times than people who own no homes.

April 3-4, 2019

Wheeler: Good afternoon would you like to start please.

Sheena Sisk: I will start, yes. My name is sheena sisk. But today i'm testifying for my childhood friend who's currently serving a ten year sentence at a federal prison. My friend is a 28-year-old low income man and native american and I know because I know him how much his mental health has been effected simply because he is a native american and the toll that generational trauma takes. As a kid he took care of his single mom after his abusive dad left them. As an adult he suffers from severe depression and alcoholism. Everything came to a head for him one week when he lost his job and his fiance within a couple of days and he just lost it and drank himself into a black hole, got into a car and killed another person. In prison everyday he feels deep guilt for what he's done for the tragedy that he's caused to this family that has now lost their father. But regardless of his own trauma and how that has played out in his behavior he takes full responsibility for what he's done. When friends offer to send him books he requests self-help books because the prison doesn't offer him the psychological treatment that he needs to heal. When he calls me the only thing he cares about is how i'm doing even though I know that his depression is spiraling while he continues to serve his sentence. He also leads the prison's drum circle where he aids in the healing of his fellow native American friends. He wants nothing more than to heal himself and settle down with a family. My friend has a heart of gold. Anyone would be lucky to have him as a roommate or a neighbor. He's hilarious, he's caring, and he's sensitive, and he's deeply honest. I can think of like 12 men in my life who should be in jail and I would much rather have him in our community. Okay. I know it requires almost no work in exchange for a lot of free money, and this is a property in los angeles where tenants have a lot more rights. If landlords aren't willing or able to do a little more work to differentiate between people with a criminal history who pose a threat to the community versus people who could actually add to the community then I hope that they will sell their property.

Wheeler: Thank you. Good afternoon. Would you like to go next?

Cora Elizabeth Mason: My name is cora mason. And I didn't write down my testimony because I decided at the last minute to come. And so I have kind of it's going to weave back and forth. When I moved out from the last apartment I lived in there's a long cleaning list that was really unreasonable like behind the refrigerator, under the oven, and then one of the blinds, and they weren't new blinds when I went in there. She charged \$1,300 for one blind. And I mean it was not fancy okay. Anyway so she took most of my deposit, right. So then I moved in to this new place and I have my daughter who's done her job since 1995 and she makes a pretty good salary, over \$100,000 a year. And she cosigned for me. And they said oh it didn't really add up. She wasn't really qualified but they want ahead and took it okay. So then later on I move to change cosigners. So I change cosigners and her income was under \$100,000. Of course my daughter is black and the second cosigner was white so I don't know if that had anything to do but I tend to think so. The other thing I noticed where I live now is they want a cosigner so that they can jack the prices up. Like they'll charge you for the water. Like they add this person cosigns as a tenant. And then make you pay a whole bunch of money for water, like \$200 a month for water. They make them pay for the garage and the sewer. They add the charges in as if there were five people there when there's only four people there. So you end up having to pay for the cosigner to be there when they don't live there. Anyway I think that that was bad. And I wanted you to know about it. And I do like this ordnance that's coming up. It's a good one and I think it's very protective of the people of Portland. And I think that you should all move forward on it.

Wheeler: Thank you.

Randy Reese: Good afternoon mayor and city council. My name is randy reese. My story starts back on october 1, 2010. I was released from federal prison from a class c felony.

April 3-4, 2019

No drugs were involved on that, believe me. And I arrived up here. And mind you at the time I was in a wheelchair. A manuel wheelchair. And I found that I could stay with a city team missionaries at the time which is a drug rehab place for \$5 a night. No problem, as a matter of fact I donated \$125 to them beside my nightly fee that I paid there. But I tried going out and looking for apartments. And most of the apartment landlords would laugh at me. They see in a chair and they wouldn't even take me out to an apartment to look at. A few did but very few would because I was in a wheelchair. And when I told them that I was an ex-con, I was released without any paper follow up and there was no probationary period. I was just flat released. And when I told this one guy, one landlord that yeah I am an ex-felon, that's past history. He goes, ha go some place else. I go why. I am a decent person. And he told me that I had three strikes against me. One, no rental history. Two, the apartment complex was not set up for ada compatible people. And three, I was a felon. So I might as well leave the area and go some place else. And I thought this was rather crude and rude. I finally got an apartment paying \$400 a month for a little one room apartment. No biggy. I established my rental history, paid every month faithfully. And after a year's time I started looking again and I found a house that was ada accessible, I was in a wheelchair still. And the gentleman wanted me to move right in. Well that's like slam bam thank you ma'am. I'm in no problem. He didn't check my background history or anything. Okay. He kicked me out after five years time and now is renting the house for \$2,300.

Wheeler: Good afternoon, would you like to start please?

Sammy Black: Good afternoon commissioners. My name is sammy black. I'm a lifelong renter, a father, university professor. I'm here to voice strong support for the fair access and renting proposal. Thank you for bringing this forward. I remember in the spring of '16 when you were a candidate. When you were a candidate for mayor and after meeting with a panel of tenants and housing advocates announced a tenant bill of rights. One of the three pillars in the document was the right to rent which spelled out the moral obligation of the city which made sure people had access to housing and made sure people weren't being turned away for discriminatory reasons that have little to do with the perspective tenant's ability to be a good steward of their home. Meanwhile a growing body of evidence demonstrates that just such forms of discrimination are all too common. Some of this data was presented at yesterday's hearing. I'm not interested in litigating the individual morality of landlords. I am interested in interrogating the morality of a system that rewards those who already have so much at the expense of those who have so little. I'm here to challenge the sacred cow of private property and collection of rents regardless of consequences. A growing number of people are waking up from the american dream, a narrative that necessarily flattens the enormous differences between us when it comes to access of resources and social privilege. The narrative that with a bit of pluck you too can be a landlord and exploit an underclass of tenants that have no choice but to cough up enough to keep a roof over their head. I say all of this to frame the issue, this is not radical. We're considering mild reforms here that will begin to address unenforced discrimination and security deposit abuse. To the landlord earlier your tenant will still get the privilege of paying into your child's college fund. I would like to address a narrative that was raised yesterday by some of the commissioners about the implementation of this and the cost and about timing and can we just do this next year because the budget can't support it. Timing matters. Justice delayed is justice denied. As dr. Bates told us yesterday the testimony shows that upward of 50% of applicants who would have been

Margot Black: My name is margot black. I'm an organizer with Portland tenants united. I have like ten pieces of paper with notes on them because I can't decide where to start or what to say. But i'm compelled to share one of my own stories that I don't think i've shared with council before and that is about my mother who is acutely psychotic and mentally ill and has been my whole life. She has been in and out of jail and prison and mental

April 3-4, 2019

hospitals and is currently federally incarcerated and that is her housing plan which is a story that is too long to tell right now. Growing up when she wasn't incarcerated or hospitalized she lived with me and my sister in the house that my grandmother owned. This is complicated because my mother is mentally ill and that is a supportive housing situation. But what I want to say is that she has committed multiple crimes some of them violent including attempted aggravated murder of a police officer. And if you ran her background check you would see that it is empty. She has not been convicted of any of those charges because she is mentally ill. She's not a super pleasant person, I don't really want her as my neighbor but the point is as Joann made yesterday, we're already living next door to these folks. And frankly we should. Even though I wouldn't, my mom is a little bit honorary I don't think she should be in jail or prison because she can't find anywhere else to live. In fact in the last 20 years since my grandmother passed away the only two times that she has committed crimes that have led to incarceration were both because she was about to be imminently evicted from her private rental housing because she had lost her job and income to pay the rent and was actually out trying to find money to pay the rent. So I want to underline Jaime's point yesterday that getting folks like my mother and others who are vulnerable into stable housing is the best for them and the best for the rest of us as well. And they already live next door to us and the fear mongering associated with background checks as if the criminal justice system catches all of the bad guys and gives us a perfect prescription for who should and shouldn't live in this city is something I reject. And along those same lines I need to really push back on the paternalism from landlords about low income renters somehow needing more support from landlords who are sufficiently equipped to support them in like helping them pay their bills. So they're not the heroes they were made out to be. But more importantly being low income doesn't mean that you're irresponsible and it doesn't mean that we need you to help us figure out how to pay our bills and budget. We just need a place to live and letting us have the dignity of knowing that we can pay our bills is a good start.

Wheeler: Thank you very much. Good afternoon.

Tiana Thrower: Good afternoon, can you hear me? My name is Tiana Thrower. And I work for Urban League of Portland. I handle all discrimination cases. I work with tenant rights. I have many clients that I get on a daily that are faced with discrimination and being turned away because of their background charges 10 to 15 years ago and they're still in this hurdle of homelessness and on the streets. As one gentleman said earlier sleeping in porta potties. We have so many developments and apartments here that it makes no sense that people can't get over a hurdle or mistake that they made previously, and it continues to be held over their head. I always tell them it's time to realize that it's okay to make a mistake. We have all made them and this screening criteria is ridiculous to me. It makes no sense and I'm hoping that by you guys passing this this will allow all of these individuals in our community. Many of us who may be here today and family members that we may have obtain stable housing. Stable housing leads to stable jobs, stable families and it goes on. Instability leads to the kids growing up and they're in these same barriers. We have to overcome these, I vote yes and I hope everyone is behind me on that.

Wheeler: Thanks all three.

Jenny Lee: My name is Jenny Lee and I'm the advocacy director at the I'm here to testify in strong support of fair access and renting as priority for our coalition's members. These items would give Portlanders increased access to more units by addressing barriers that disproportionately impact communities of color. If we want Portland to be a city where everyone has a safe and stable place to call home, a city where everyone including our communities of color are welcome we must address access to rental housing on the private market. CCC is a consistent advocate for more affordable housing. We believe in more housing supply overall. But increasing our quantity of housing will not make a

April 3-4, 2019

difference unless we increase access so that the people who need them the most are able to live there. The barriers that these items address are for folks of color that have been created as a result of social and economic injustices that have stripped people of color of income, wealth, and opportunity. This includes our economic system, our housing policies, and our criminal justice system. These fairer policies will help to mitigate those, and their passage is needed so that families of color will have full opportunity to live in our city. We have a better chance of keeping our communities of color intact and creating inclusive neighborhoods. Without fairer screening criteria what kind of city will we become when we begin screening out communities entirely. I don't believe that that is the Portland that any of us want. Changing our housing policies will not fix the harms of racism. It will end our history and the ongoing impact of legalized and de facto legislation of redlining or racist legislation. But it will give families the shot at a better life. It will help represent our city in all its diversity. Our laws and ordinances are a statement of our values and here in Portland we value inclusion, we value equity, and we value fairness. And we need to insure that we have proposals for housing that represent and reflect these values. So thank you again for the opportunity to testify in support.

Wheeler: Thank you.

Kathleen Casson: Good afternoon, my name is Kathy Casson and I'm a small landlord with a few properties. When I first saw the proposal last fall I finally came to the conclusion that I couldn't administer them myself as a small landlord. And I've been a landlord for over 30 years. And at the outset I didn't really know enough to screen tenants and so it truly was first come first serve. And I know from experience how that worked out. And I did eventually learn to screen tenants. I support fair housing laws, I encourage new landlords who I have mentored to do so and to understand the inability to tell who's a good tenant by arbitrary measures. I've helped a tenant who is a victim of domestic abuse. I work hard to do a good job for my tenants. And I pay people who work at my properties a living wage. This proposal will have a disproportionate effect on small landlords. Some tenant advocates believe we should not have small landlords and perhaps this proposal is a step in that direction. In my experience small landlords offer housing such as single family or duplexes that might be less likely to be offered by a large management company that this measure would favor. Small landlords are less likely to continually raise the rents and more likely to consider the financial capability of their tenants in my experience. The screening proposal will because of its complexity not make housing cheaper. The cost of housing is a pressing concern. And as a result of this proposal I needed to I felt I needed to hire a property manager who started January 1st. This costs me now 7% of gross rents. The rate of charges I found were between 7% and 10%. And this is inevitably going to push up rents to cover this. And that's not even covering the costs of compliance that it might be incurred. There's nothing in this regulation that will provide support for small landlords that work in the populations that have not qualified in the prior screening. So there's many landlords that are in my position I believe and shifting to corporate management would be a big change for Portland. And I encourage rethinking this proposal and including input from the many small landlords in Portland. Thank you.

Wheeler: Thank you. Good afternoon.

Jolene Aiken: Good afternoon mayor and commissioners. My name is Jolene Aiken I work with the Urban League of Portland. I work as a housing specialist and I specifically work with the reentry population. So right now I'm working with African American males and females who have been formerly incarcerated and had are working on getting back into the community. Many of my participants are enrolled in or have graduated from chemical dependence treatment facilities and finding stable housing continues to be a struggle for them. I would like to tell you about one of my participants who couldn't be with us today. I wanted to share his story. He's an African American male who has a criminal history

April 3-4, 2019

related to his chemical dependency. He was convicted in 2001 and later in 2009 he completed a treatment facility program at depaul treatment facility. And he has been clean and arrest free since then. But he is currently homeless due to a no cause eviction from last year and continued increase of rent and moving costs as well as his criminal history that dates back for more than ten years. If this ordinance passes this could help get our participant out of the Portland shelter system. Please vote yes on fair screen ordinance is thank you for speaking with me today.

Wheeler: Thank you. Thanks all three. Would you like to start for us please?

John Sheley: My name is John Sheley. And I think this bill is evil mostly because I have not seen any provisions about economic compensations to landlords such as myself. And I ask you guys to vote against this because my family came to the country represented on that flag, we came here seeking economic freedom, not being told how to run our business. And the fundamental theory around here seems to be that landlords by their very nature are evil and that's not the case. We like our tenants we take care of them and when they can't pay the rent on time we work with them. The only thing this bill is going to do is drive up costs and then force us to move out, sell our house, at the very least it's actually aiming to hurt the tenants that you guys propose to help. Again I ask you guys to vote against this and preserve the dream that our family came here for. That's all I had to say to you. He can go.

Wheeler: Thank you. Good afternoon.

Billy Grippo: Good afternoon, thanks mayor and commissioners. My name is Billy Grippo I'm a housing provider and a real estate broker. So I get to see a lot of perspectives as well as the consequences of some of these regulations. I grew up in housing my entire life. My father was incarcerated when I was six years old and he was in state prison for ten years. So I know a little bit about this stuff first hand. While this proposal well intended it's going to hurt the residents as well as housing providers. I'm all for fair housing and access but I do oppose this proposal. I have to say debating for four hours over a two year period with one of the biggest affordable housing providers in Portland does not institute a -- constitute a collaborative effort. We have fair housing laws, I say please enforce them. Yesterday I fit into that 60% of mom and pop landlords that gentleman described. I've been a citizen of Portland since 1992 and a housing provider for just as long. We have tenants for 27 years and counting he's low income, retired, and a person of color. He's also outlasted my marriage. It's because I'm fair and reasonable but also because I carefully screen them for income, credit, and previous rental references. There's a lot of data points. So we don't live in a vacuum. If somebody has all 4 or 5 of those points where they have missed bills, charge offs, evictions, I would love to find the person that had a 700 credit score but maybe missed payments, it's like yeah we can work. Credit is relevant. I've helped many become first time homeowners and I take great pride and losing very few of them to another landlord. When it comes to a criminal there are many different crimes and misdemeanors, they are not all created equal. So we have to look at that. We can't just pile everybody up in the same pile like some of the proposals. Some don't. Like I've had one that was arson, it's like no, you're not going to be on my property. The administrative burden denial. I'd have to seek an attorney. When it comes to income verification low income, low credit thresholds create insecurity for tenants. What good is it if they can buy a Ford but they're in a Mercedes, they're going to get it taken away. As the mayor pointed out yesterday that's not going to be helpful. As you pointed out yesterday holding up that labyrinth of what you can do is confusing even to somebody highly intelligent and a legal mind. I just feel that this proposal, please vote no.

Wheeler: Thank you. Good afternoon.

Barrett Ross: Good afternoon, mayor and commissioners. My name is Barrett Ross. I'm a member of Portland Tenants United a registered lobbying group. I'd like to preface my

April 3-4, 2019

personal experience by saying I can't imagine the situation I would be in if on top of everything else I had to face racial discrimination. We know that one in four landlords in Portland are racially discriminatory according to the fair housing council. I moved into a place in march 2014, lived there for three years, and I was wanting to rent an apartment in Portland but I had given up hope. So for almost two years now i've been living in a motor home frequently parked on the street and dealing with police harassment. Fortunately I recently secured a parking spot thanks to commissioner eudaly's initiative. Thank you. Last time I applied to an apartment was in 2016 before I was technically homeless. I applied at the beverly grove apartments in the gateway district and the manager barbara martin blatantly violated Oregon law by rejecting my application on the basis that I was arrested on drug charges as a teenager. I have never been convicted of a crime and when I called her out she says Oregon law doesn't matter because the management property is based in california. She then sent me a letter saying nothing about the drug charges and claiming I was rejected because of my income even though I had a coapplicant who was also employed at the time. I emailed the fair housing council they told me the maximum damages I could recover was \$50. With such inadequate penalties that effectively legalizes discrimination. Anyway both of mrs. Martin's excuse for denying my application would be null under these reforms. I'm a union carpenter, I want to help rebuild this city. I deserve an opportunity to live in this city and I urge you counselors to do the right king? Pass this ordnance.

Wheeler: Thank you. Thanks to all three of you. Please go ahead.

Maria Sworske: My name is maria sworske, i'm a renting property owner with seven units in Portland. I'm also a realtor specializing in rental properties. I belong to organizations for both. I'm hearing of so many mom and pop owners leaving the business, in other words selling due to increasingly restrictive rules. Those houses are being bought by homeowners not other people willing to rent them out. Several of my Portland clients have sold their rental properties and others have told me they're getting ready to because it's just too difficult, risky, and costly to provide rental housing here. Some of them were second chance rental property providers helping those fresh out of recovery by providing them low cost, low barrier housing, gone. This is detrimental to the housing supply of rental housing. On a positive note this is a win, it's job security for property owners and managers. As a result of recently pass and had proposed legislation i'm now raising rents when I otherwise wouldn't have in order to build my legal defense fund or cover property management. I will continue to raise rents every year to the max to cover these new expenses. If I go with management that increases my expenses by over \$1,000 per unit per year average. If I continue to manage myself and hire legal help that figure could be 2 to 3 times that. The renters have been benefitting by more than market rate by me self-managing and not raising rents much. Now they will pay. I'm worried because some of them will suffer financially. I have relationships with those who work for me and I care about them. So this is tough. I go out of my way to provide affordable housing for these people and now I no longer can. Regarding screening criteria some of us mom and pop rental property providers are not equipped to handle people with problems who drain our resources and our management intensive. Screening criteria needs to be left up to us. I'm not using it to discriminate and no one else I know is. That would be bad business practices and violate the already existing fair housing laws. I'm using it to protect myself and the neighboring residents. Being a mom and pop I do have the ability to make an informed decision about accepting an applicant with a weakness in their qualifying. I cover myself by asking for an additional deposit amount, having someone write a letter on their behalf or by having them write or sign a letter about their situation and how they will insure it won't be a problem if I rent to them, but no more. It's too risky to take chances on

April 3-4, 2019

marginally qualified applicants. Stop killing off the mom and pop rental property owners. We are who this population needs. We are who the diverse rental population needs.

Wheeler: Thank you.

Hardesty: How many units do you have?

Sworske: I have seven in Portland and three in Gresham.

Hardesty: Thank you.

Mike Iterra: Good afternoon. I am reading testimony for someone who could not be here today and my name is mike and i'm reading for cynthia fulsom. She writes I would like my story to be shared. My children and I needed to flee domestic violence back in december 2017. I left my own apartment where I had been living for 24 months and moved in with my mother. That living situation basement unhealthy and we had to leave. This was three days before last christmas. We had nowhere to go as I had been unsuccessful in finding an apartment prior to leaving my mother's house. We ended up going to stay in a home that was unsafe for us for three days until I could find somewhere else. At this point in time I was approved for a rental subsidy assistance with community action of Washington county. So she had to move out of the community. I couldn't find anywhere else for us to go and we ended up going to a motel thanks to a little financial help from a couple of friends. Money ran out and we had to leave after four days. Next we went to stay with a distant relative in a very small one bedroom apartment for two weeks where we slept on the floor until we received a notice from their landlord stating we had been there too long, we had to leave. We had absolutely nowhere to go at all except for the streets or another motel. So I was able to come up with enough money for four days at a motel and we were there. After those four days we were out in the cold until a supposed friend offered to bring us to one of his friends house to stay for a few days. We were brought to an abandoned house where there was no food and this friend became aggressive and abusive towards me and my children. We were scared and I wasn't able to find anyone else to help us until the following day when my parent mentor came to pick us up. Again we had to leave all of our belongings behind as everything would not fit in her vehicle. She took us to another motel where I was able to stay for one night. The next morning she picked us up and gave us a ride to a motel closer to the city and more affordable. This goes on. I know I won't have enough time to complete her testimony but this is what we're looking at when the barriers to rent are so high that people who really need a place and they need it now can't find it. So thank you for your time.

Wheeler: Thank you. Good afternoon.

Edith Gillis: I was asked to read that testimony and another testimony for some people, tenants who are afraid of retaliation. It's very dangerous to be speaking up here. The existing program as it is does not do what you purport and all these arguments against fair are invalid for the following reason. Credit reports are not reliable. For years I had the top number score of all three agencies and an available credit of 1 of 5 credit cards, just one credit card was \$85,000 but that's ridiculous since my income was under \$10,000 gross per year for a household of four. I paid for a six bedroom home before that with an urban fund with a bad credit score. And that was ruined by my husband. I care for wealthy elderly people who don't invest or spend wisely whom I wouldn't rent to since they spend more outside of their housing and are foolish and have cognitive impairments. My husband took over my perfect credit score and my investments and he would pass the credit checks, I wouldn't rent to him. A criminal check would not have protected landlords from fraudulent psychopath abusive husband who bragged about former women in his life ending up dead. In person sense of him would not have screened out a charming manipulative psychopath trusted by others to their regret and loss. Our anxiety as his crime victims could have excluded us unfairly. We already live and rent next to people who are abusers, rapists, thieves, and liars. The existing system does not protect us. We don't need 1/3 of our

April 3-4, 2019

income set aside for rent because some of us have very expensive medical expenses or raise our own food, don't have tv, don't have fingernail, fancy stuff. Long list I can't give you time for. But all of my 12 previous landlords didn't want me to leave and said i'd been the best they'd ever had. Fair helps all of us. Please unanimously pass fair.

Wheeler: Thank you all three of you. Good afternoon.

Soren Impey: Good afternoon. Thank you for letting me testify mayor and commissioners. My name is soren impey. I am a lifelong renter and I have rented a small apartment in southeast Portland for many years. When I applied for this apartment I was one of around a dozen applicants. We were all clustered around waiting for the landlord to come. So I saw how the process works. And it was clear to me that the landlord was conducting an socioeconomic beauty contest. I won this disgusting contest and my job status and my race almost certainly rigged it in my favor. And this is a dehumanizing way to allocate shelter where human beings are reduced to their socioeconomic status or even race and this is the lived experience of far too many tenants in Portland. The quote the Oregonian in 2015 undercover testing determined that landlords gave preference to white applicants. Those figures add credence to Portland's first ever audit released in 2011 which officials eventually dismissed as unreliable. The 2011 report found that latino and black renters faced differential treatment in 32 of 50 tests or 64%. I have also witnessed discrimination against tenants with families. And my complex of around 14 apartments, I have never seen a family rent even though it's in a cul-de-sac in a very family friendly neighborhood. And this is just disgusting. So I urge you to begin to address Portland's legacy of classist and racist housing discrimination by voting for the fair ordinance. Thank you.

Wheeler: Thank you. It looks like you got the last word. So commissioner, eudaly, why don't you lay out the process ahead for us.

Eudaly: So we will not take a vote today. This is not an emergency ordinance. We had planned on bringing the item back for amendments, discussion, and a vote two weeks from now. But commissioner Fritz will be absent so we have to find another date. I don't believe that has happened yet, am I correct?

Moore-Love: Not for a time certain yet, I don't have one scheduled.

Eudaly: Shall we do that now?

Moore-Love: Do you want to go to the 24th then of april?

Eudaly: Will everyone be here?

Moore-Love: I show everybody in, yes.

Eudaly: Yes, please.

Wheeler: That's the 24th?

Moore-Love: Right.

Eudaly: Yeah. And because there will be amendments I think we will have public --

Fish: Excuse me, is the 24th a wednesday?

Moore-Love: Yes.

Fish: Any chance we could bump it to a thursday afternoon?

Eudaly: The 2:00 p.m. Is available. There's nothing else scheduled.

Fish: There's often so many things we're dealing with on the agenda. Thank you. Thursday 2:00 p.m.

Moore-Love: 2:00 p.m. Time certain? April 25th?

Wheeler: So I know I have a commitment at 4:00 p.m. Do we think we can do it in two hours? Why don't we do this, why don't we go ahead and schedule it and if we need to fix it, we'll all work together our offices will work together to fix it. But let's go ahead and hold that date. So this would be a continuation then of both items 294 and 295 to time certain 2:00 p.m. On april 25th and do I also need to disclose legal counsel that the record is at this point closed?

Farley: Yes.

April 3-4, 2019

Wheeler: Okay and the record is also closed. But if people bring amendments back we'll take it up from there as to whether or not there's public testimony required at that time.

Eudaly: I just want to thank everyone for being here and thank my colleagues. These hearings it feels a little anticlimactic not to be voting today or in the very near future but we knew there would be some conversations and perhaps some final amendments and we want to give everyone an opportunity to give their input so we can be prepared to come back with a final, final package.

Hardesty: Thank you, mayor. I want to take this opportunity to really appreciate commissioner eudaly and her staff for the incredible work they have done and the outreach they did to insure that we heard from every segment of the community. And I want to applaud you for your vision and I look forward to working with you to make this something that we can be proud of. Thank you so much. Appreciate it.

Eudaly: Thank you.

Wheeler: Very good. Thank you everyone who came today and testified. We are adjourned.

At 5:00 p.m. Council adjourned.