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CITY OF  
**PORTLAND, OREGON**

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**OFFICIAL  
MINUTES**

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A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **8<sup>th</sup> DAY OF APRIL, 2020** AT 9:30 A.M.

THOSE PRESENT VIA TELECONFERENCE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fritz and Hardesty, 4.

Under Portland City Code and state law, the City Council is holding this meeting electronically. All members of council are attending remotely by phone and the City has made several avenues available for the public to listen to the audio broadcast of this meeting. The meeting is available to the public on the City's YouTube Channel, eGov PDX, [www.portlandoregon.gov/video](http://www.portlandoregon.gov/video) and Channel 30. The public can also provide written testimony to Council by emailing the Council Clerk at [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov).

The Council is taking these steps as a result of the COVID-19 pandemic and the need to limit in-person contact and promote social distancing. The pandemic is an emergency that threatens the public health, safety and welfare which requires us to meet remotely by electronic communications. Thank you all for your patience, flexibility and understanding as we manage through this difficult situation to do the City's business.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Robert Taylor, Chief Deputy City Attorney.

On a Y-4 roll call, the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>		
<b>261</b>	Request of Mike O'Callaghan to address Council regarding increasing housing stock (Communication)	<b>PLACED ON FILE</b>
<b>262</b>	Request of Maryhelen Kincaid to address Council regarding the Outstanding Special District Program award (Communication)	<b>PLACED ON FILE</b>
<b>263</b>	Request of James Kincaid to address Council regarding the Outstanding Special District Program award (Communication)	<b>PLACED ON FILE</b>
<b>264</b>	Request of Grant Williams to address Council regarding a staffing matter within Portland Police Bureau (Communication)	<b>PLACED ON FILE</b>
<b>265</b>	Request of David Gwyther to address Council regarding bed bug abatement in Home Forward buildings (Communication)	<b>PLACED ON FILE</b>

<b>CONSENT AGENDA – NO DISCUSSION</b>		
<b>Mayor Ted Wheeler</b>		
<b>Bureau of Environmental Services</b>		
<b>266</b>	<p>Authorize payment of \$40,200 to the Oregon Department of Environmental Quality for Civil Penalty Assessment and Order No. WQ/M-NWR-2019-123 relating to discharge of partially treated sewage and stormwater to the Columbia Slough from the Columbia Boulevard Wastewater Treatment Plant (Second Reading Agenda 248)</p> <p>(Y-4)</p>	<b>189913</b>
<b>Commissioner Chloe Eudaly</b>		
<b>Bureau of Transportation</b>		
<b>*267</b>	<p>Accept a grant in the amount of \$9,996 from Oregon Department of Transportation, authorize Intergovernmental Agreement for Pedestrian/Driver Safety Outreach and Education series of safety programs and appropriate \$4,046 in FY 2019-20 (Ordinance)</p> <p>(Y-4)</p>	<b>189914</b>
<b>*268</b>	<p>Accept a grant in the amount of \$25,000 from Oregon Department of Transportation, authorize Intergovernmental Agreement for Learn to Ride and Family Bike Ride safety project and appropriate \$5,000 in FY 2019-20 (Ordinance)</p> <p>(Y-4)</p>	<b>189915</b>
<b>REGULAR AGENDA</b>		
<b>Mayor Ted Wheeler</b>		
<b>269</b>	<p>Appoint Michael Jordan as the City of Portland representative to the Urban Flood Safety and Water Quality District created by the Oregon State Legislature in 2019 (Report) 10 minutes requested</p> <p><b>Motion to accept the report:</b> Moved by Hardesty and seconded by Eudaly.</p> <p>(Y-4)</p>	<b>CONFIRMED</b>
<b>Office of Management and Finance</b>		
<b>270</b>	<p>Authorize \$100 million of revenue bonds to finance City operations and undertakings in response to the effect of COVID-19 (Ordinance) 20 minutes requested</p>	<b>PASSED TO SECOND READING APRIL 15, 2020 AT 9:30 AM</b>
<b>271</b>	<p>Authorize water revenue bonds to finance water system capital improvements and refund water revenue bonds (Ordinance) 20 minutes requested</p>	<b>PASSED TO SECOND READING APRIL 15, 2020 AT 9:30 AM</b>

<p><b>272</b></p>	<p>Authorize a two-year lease extension with Three Nineteen Washington, LLC for office space at The Spalding Building, 319 SW Washington St, through June 30, 2022 at an estimated cost of \$75,000 for the Office of the Portland Children’s Levy (Second Reading Agenda 250; amend Contract No. 30000628) (Y-4)</p>	<p><b>189916</b></p>
<p><b>273</b></p>	<p>Authorize an 18-month lease extension with GVI-LC Harrison Square Owner, LP for office space at Harrison Square, 1800 SW First Ave, through April 30, 2022 at an estimated cost of \$345,729 for the Fire &amp; Police Disability &amp; Retirement Board (Second Reading Agenda 251; amend Contract No.30006217) (Y-4)</p>	<p><b>189917</b></p>
<p><b>Portland Housing Bureau</b></p>		
<p><b>274</b></p>	<p>Appoint Julia Delgado and Dike Dame to the Portland Housing Advisory Commission for terms to expire March 18, 2022 (Report) 10 minutes requested  <b>Motion to accept the report:</b> Moved by Hardesty and seconded by Eudaly. (Y-4)</p>	<p><b>CONFIRMED</b></p>
<p><b>*275</b></p>	<p>Amend contract with Housing Development Center, Inc. to add \$150,000 in Housing Investment Funds to support the Risk Mitigation Pool program (Ordinance; amend Contract No. 32001954) 15 minutes requested (Y-4)</p>	<p><b>189918</b></p>
<p><b>276</b></p>	<p>Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Modera Woodstock located at 4850 SE Woodstock Blvd (Ordinance) 15 minutes requested (Y-2 Eudaly, Fritz; N-2 Hardesty, Wheeler. Failed to pass.)  <b>Motion to reconsider:</b> Moved by Wheeler and seconded by Hardesty. (Y-4)  <b>Motion to remove the emergency clause:</b> Moved by Wheeler and seconded by Eudaly. (Y-4)</p>	<p><b>PASSED TO SECOND READING APRIL 15, 2020 AT 9:30 AM AS AMENDED</b></p>
<p><b>Parks &amp; Recreation</b></p>		
<p><b>277</b></p>	<p>Amend Parks &amp; Recreation System Development Charge code to update the Annual Fee Index Methodology and delay indexing the charge until FY 2021-22 (Ordinance; amend Code Chapter 17.13) 15 minutes requested</p>	<p><b>PASSED TO SECOND READING APRIL 15, 2020 AT 9:30 AM</b></p>
<p><b>Commissioner Chloe Eudaly</b></p>		
<p><b>Bureau of Transportation</b></p>		
<p><b>*278</b></p>	<p>Vacate SE Yamhill St between SE 102nd Ave and SE Cherry Blossom Dr subject to certain conditions and reservations (Hearing; Ordinance; VAC-10127) 15 minutes requested (Y-4)</p>	<p><b>189919</b></p>
<p><b>Commissioner Amanda Fritz</b> <b>Water Bureau</b></p>		

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**279**

Authorize the Portland Water Bureau to record capital interest as a regulated asset per Governmental Accounting Standards Board Statement No. 62 starting July 1, 2020 (Second Reading Agenda 260)  
(Y-4)

**189920**

At 11:17 a.m., Council adjourned.

**2:00 PM WEDNESDAY/THURSDAY APRIL 8 – 9, 2020**

**DUE TO LACK OF AGENDA THERE WERE  
NO WEDNESDAY OR THURSDAY 2:00 PM MEETINGS**

**MARY HULL CABALLERO**  
Auditor of the City of Portland

Karla  
Moore-Love

Digitally signed by  
Karla Moore-Love  
Date: 2020.07.14  
11:40:16 -07'00'

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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## 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 8, 2020 9:30 A.M.**

**Wheeler:** This is the wednesday morning, april 8, session of the Portland city council. Good morning, Karla, wherever you are ready, could you please call the roll. [roll taken]

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

**Wheeler:** Under Portland city code and state law, the city council is holding this meeting electronically. All members of council are attending remotely by phone, and the city has made several avenues available for the public to listen to the audio broadcast of this meeting. The public can also provide written testimony to council by emailing the council clerk at [cctestimony@Portlandoregon.gov](mailto:cctestimony@Portlandoregon.gov). The council is taking these steps as a result of the covid-19 pandemic and the need to limit in-person contact and promote social distancing. The pandemic is an emergency that threatens the public health, safety, and welfare, which requires us to meet remotely by electronic communications. Thank you all for your patience, flexibility, and understanding as we manage through this difficult situation to do the city's business. With that, I will turn it over to robert for the rules of order and decorum. Good morning of.

**Robert Taylor, Chief Deputy City Attorney:** Good morning, mayor. To participate in council meetings, you smile 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 for the first readings of ordinances. The published council agenda at [Portlandoregon.gov/auditor](http://Portlandoregon.gov/auditor) contains information about how and when you may sign up for testimony while the city council is holding electronic meetings. Your testimony should address the matter being considered at the time. 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 your time is up the presiding officer will ask you to conclude. Disruptive conduct such as shouting, refusing to conclude your testimony, when your time is up or interrupting others' 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 placed on hold or ejected from the remainder of the electronic meeting. Please also be aware that council meetings are recorded. Thank you.

**Wheeler:** Very good. Thank you. Karla, first up is communications. Item 281, please.

**Moore-Love:** 261?

**Wheeler:** 261. Thank you, Karla. Sorry.

**Moore-Love:** No problem.

**Item 261.**

**Mike O'Callaghan:** Hello. Mike o'callaghan here. Thanks for this opportunity. I want to start out by thanking all the people that are making masks, all the people working in grocery stores, the field workers and the truckers. We are in some unusual times, as you know, and I am running for mayor, as you probably know, and we have a bottom up decision-making process that we would like to implement. We have a number of ideas. Four of them for housing, and four of them for clean air, and go to facebook and check them out. Eugene is, actually, doing it as we speak is, villages, which is one of our ideas. They have 10 people in their village, and maybe we can copy what they are doing.

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Anyway, like I said, we are in a pretty unusual situation now, and so what to do about it. Okay. One thing that is really quite clear, should be to everybody, is that we are enslaved by financial institutions, okay. And most of our efforts go to rent. Whether you are a renter or whether you are a landlord or whatever. Okay. And that money, all the money goes to financial institutions. So what we need to do, we need to do now is to stock all rent, mortgage, and foreclosures. 27 states did this in the depression. And here's the choice. Either the stockholders get a 30 to 50% equity, which we can figure out down the road, or thousands of people in Portland are on the streets, and there are lots of vacant homes. This is unacceptable. And I realize that you really don't have the authority to do this, but all of you have a bully pulpit. And if you don't do it in the next month, there are going to be thousands on the street. Okay. Thank you. Okay. And now, something that you can do in the next session, okay, you can pass a law making it illegal to discard dated food. People are going hungry. The food distribution system doesn't reach the people on the bottom. Do this. You can do it emergency, right now. I will look forward to seeing this done. We can see thousands with the stroke of the pen just like France and Italy did. I thank you for the time, and I look forward to some action on this stuff because if you don't, you know what's going to happen. Thank you very much and have a good day. Stay healthy, everybody. Aloha.

**Wheeler:** Thank you. Item 262, please, Karla.

**Item 262.**

**Maryhelen Kincaid:** Hello and thank you all for taking the time to hear this testimony. It's a very difficult time, and everybody is doing heroic deeds to keep us safe and healthy, and I wanted to express my appreciation for those efforts. Today I want to provide you with some good news, but it's also sort of pertinent to what's going on now. I've been associated with the peninsula to drainage district of Multnomah county drainage district for over five years. I am very impressed with the work that they have done, that they have been honored for, and they created a very innovative, difficult program to benefit homeless communities. On February 8, 2020, the special districts' association of Oregon recognized the Multnomah county drainage district in Cascadia behavioral healthcare with an outstanding special district program award for their joint efforts to address safety and infrastructure issues through a houseless outreach and coordination pilot project. The SDAO, the special district's association program, recognizes innovative accomplishments by organizations that improve safety, public information, and involvement in their communities. With limited places to live, houses, communities have resorted to camping along the Columbia River Levy, which reaches from North Portland to Troutdale. The increased activity has made it difficult for MCDD field employees to perform regular maintenance work, and in some instances have caused unintentional damage to the Levy system which poses a greater flood risk for unhoused communities. Thousands of residents, businesses, and some of our regions most vital resources including the Columbia South Shore Wellfield and the Portland International Airport, as well as the businesses along the Columbia Corridor. In order to address these issues, MCDD and Cascadia formed a collaborative partnership and launched the houseless outreach and coordination pilot project in 2019. Through targeted outreach, education and engagement, the project addresses safety concerns and minimizes the damage to the flood risk reduction system is, with the added benefit of providing education and support services to individuals experiencing homelessness as well as serving as a line of communication to the vulnerable communities in these low lying areas during high water events. The program provides the ability for MCDD field crews to work closely with trained social service professionals on the ground, and allows MCDD to perform their core job functions while also gaining awareness of the conditions of people unhoused in the community. In addition to working with social services, the project also incorporates collaboration with other regional

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service organizations, law enforcement, and government agencies, property owners, and the general public. The project has developed a unique, technological approach to the communicating between these organizations and providing live data.

**Wheeler:** Your time is up.

**Kincaid:** Can I just finish a bit?

**Wheeler:** Just finish up your final thoughts, maryhelen.

**Kincaid:** Okay. This collector app is really unique because it allows sharing of information such as safety concerns, camp locations, estimated number of people, language barriers and willingness to cooperate. The part I wanted to make an emphasis is that it's really impressive for you to know that this project was solely funded by four drainage districts. The one you are operating costs were 7,500. Yes, 7,500. And that breaks down to 441 per person. The drainage district boards have included funding for the project in their budget. When we get through this, we will be able to work closely to incorporate more of this collaborative effort because it's unique that it's between the private sector and the social services.

**Wheeler:** Thank you, maryhelen, for sharing that. We appreciate it very much. Next individual, Karla, please, 263.

Item 263.

Moore-Love: He will not be speaking today.

**Wheeler:** All right, 264, please.

**Item 264.**

Moore-Love: He also will not be speaking today.

**Wheeler:** All right. Very good. 265, please.

**Item 265.**

**Wheeler:** Good morning.

**David Gwyther:** Good morning. My name is david gwyther, and I was a resident of a building bought by home forward about 20 years ago, 929 southwest salmon. Recently they have decided to do a seismic upgrade, and so they have cleared the building completely and will be starting construction whenever the virus situation has changed. Now, this creates a very unique opportunity. This is an old building, at least 100 years old, and maybe older, and it has been infested by bedbugs for years. The first time that I heard about it, my newest neighbors, and I think that they left with the clothes on their back. They panic and had just disappeared one day. They have been chasing the bedbugs around the building for at least 15, and maybe 20 years, and which leaves the apartment that they used poison and other sorts of ways to get rid of, clear bedbugs for a few years or maybe months, but they can come back, and they also, over time, developed an immunity to whatever poison they are using so they keep having to change that. Now, the opportunity is that the building to actually get rid of the bedbugs, you can put a tent over the building, keep the building rooms up to 122 degrees for 90 minutes, and that will kill all the bedbugs in the building for good. And if it's done, when the building is completely tore apart, it will get all of their hiding places. They can even hide in light fixtures. They are very amazing little creatures. One of the bed bug abatement people told me he put one of the, one in a jar four years ago, and it's still alive, and it could live on just very minimal amount of stuff. One bite can feed a bed bug for a year, easily. Anyway, the pass of putting the tent over the building, most of the cost is having to move people out, but the actual cost in this situation, somewhere between 58 and 70,000. A program that the city could help to finance would allow home forward to borrow the funds, do the removal of the bedbugs, and pay them back, pay back to the fund the average weekly or monthly cost of the bed bug abatement they have been using in the past. I would say it's 3,000 to 5,000 a month. They could have it paid back in less than a year. And they have solved the problem, and they can do the next building whenever the seismic upgrade for that happens. The seismic part

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of this is needed, but the bedbugs are a daily problem, not ones every 300 years when the plate off the coast moves and we get a seismic problem. Anyway. This is something that I tried to input to the mayor's office.

**Wheeler:** Your time is up.

**Gwyther:** And am not able to receive any feedback at all on it. So if you have any questions, I can answer them, I hope. Thank you for your time.

**Wheeler:** Decade, could I ask you a question? Have you raised this with home forward and if so what was their response?

**Gwyther:** Okay, I did not raise it with moment forward. I talked to the bed bug -- the fern that's been doing the bed bug, and he raised it and explained the program, and in much greater detail than I can, and they just kind of blew him off and said it was not in their budget. They are spending millions of dollars on the seismic upgrade, think they can fit a small amount like this in but I don't think that they want to acknowledge the problem of bedbugs because that creates a public relation problem if they admit that they have them. Since they have been spending money every month to get rid of the bedbugs, they assume that it works.

**Wheeler:** So david, let me do this, this is not my area of great expertise, but I can tell it is a significant issue, and it's, obviously, problematic enough that it caused you to come here today, and we appreciate that. I will forward your concerns to home forward. They are, of course, the building manager, but I would be happy to intervene on your behalf and I will make a call to home forward and we will see what we can do.

**Gwyther:** Thank you very much.

**Wheeler:** Yeah, thank you, david. Thanks for being part of our experiment here on communications. We appreciate it.

**Gwyther:** It's easier than coming down do city hall.

**Wheeler:** You know, in some regards it can be, indeed. Thank you for that. Next up is the consent agenda. Karla, have any items been pulled off the consent agenda?

**Moore-Love:** We have had no requests.

**Wheeler:** Please call the roll on the consent agenda.

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

**Wheeler:** The consent agenda is adopted. Now to the regular agenda. The first item is 269, please.

#### **Item 269.**

**Wheeler:** Colleagues, I am pleased to recommend the appointment of mike jordan, the environmental services director, the city's representative on the urban flood safety and water quality district. The city of Portland has been an active participant in levy-ready columbia, which, of course, is a partnership between public, private, and nonprofit, and neighborhood organizations working to modernize the flood safety infrastructure along the columbia river. In 2019, the levy-ready columbia worked with the Oregon state legislature to create an entirely new special district. It is designated by Oregon state law, a 17-member board will make a new structure to fund the operations of this district. Here today to talk more about that and his appointment is mike jordan. Mike, please take it away, and good morning to you.

**Michael Jordan, Director Bureau of Environmental Services:** Good morning, mr. Mayor and members of the council. Thanks for this opportunity, and this is kind of a different way of doing business. I apologize for the hat, but I haven't been able to get a hair cut for a month, and decided to hide it from you rather than force you to look at me. So yes, the city has been involved with levy ready columbia since 2013, and when I came onboard at bes in 2015, was asked by mayor hales to then represent the city on a number of committees associated with the levy-ready columbia Oregon solutions project. The big driver behind the new district and what this interim board that you are making this

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appointment today will be charged with doing is building a new revenue model for the maintenance and capital construction work that needs to happen for the accreditation of the levy system. That's important because without accreditation of the levies, federal flood insurance cannot be acquired within the flood plain, and represents a huge issue for the entire metropolitan region, and to some degree the state of Oregon. So what this interim board will be charged with doing is putting together a utility revenue model along with doing the fundamental foundational planning for this new district to establish the cost basis by which then the utility methodology can be derived to allocate the costs of the operation of the new district. The four drainage districts that have existed since 1917, I believe, have been using a model for funding that is considered under Oregon law property tax. And therefore, if pushes many of the properties into compression, and ironically enough, the public properties, which have designated uses and cannot be used for other development have relatively low real market value, and under measure 5, when the cost is allocated to those properties, they go into compression very quickly, and the revenue cannot be garnered from them, and then is shifted onto the private properties within the floodplain. Not only is that an inadequate way to raise enough money to do the work that needs to be done to accredit the levies, but it is also a very inequitable way of allocating costs. By moving to the utility model you will be able to more fairly and equitably allocate the cost necessary to do the work and maintain the levy system without having that compression issue because we won't use the property tax.

**Wheeler:** Commissioner Fritz, did you have a question?

**Fritz:** No thank you. Sorry.

**Wheeler:** No worries.

**Jordan:** I will just wrap up, mr. Mayor. This interim board, we think, will take from two to four years to accomplish the work necessary to establish this new revenue model, and then it will call for the elimination of the old districts, and they will call for elections of a new board, but they will be with the permanent board to operate the district for the rest of the future. And so this is a, I will say a relatively short-term appointment in that I think that we can accomplish what needs to be accomplished by the interim board in the next two to four years. And I am happy to answer the questions.

**Wheeler:** Commissioner Hardesty has a question.

**Hardesty:** Thank you, mayor, and thank you, michael jordan. My first question is, were you bored? [laughter]

**Jordan:** No. It just so happens, commissioner, that I was -- I had the opportunity to sit on a number of these committees, and to be honest, you don't get an opportunity to form a brand new entity very often. It's fascinating to have the different players at the table. And it's really been a wonderful experience to be honest. We are working well together.

**Hardesty:** I know that you are. You really geek out around this kind of stuff. My question is how big is this board? And how representative of the community interest will this board be?

**Jordan:** The board has 17 members. There are five cities, which will have appointments. Portland, gresham, wood village, fairview and troutdale. There will be four drainage districts, so there will be four more so that's nine. Multnomah county metro, and the port of Portland each have an appointment so that's 12. The governor is charged with appointing five other members. They need to represent three basic groups, if you will. Residents, businesses, within the floodplain, and then two members that represent environmental issues and environmental justice. So all together, there is 17 members.

**Hardesty:** Thank you. I couldn't think of a better appointee for this committee because of your years of, actually, working to make sure that we were going to clean up the columbia slough and just realizing how necessary this is before the big hit came. We thought the big it would be an earthquake. We did not know it would be a pandemic. But having said that,

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you are the right person for this position, and thank you for your willingness to serve because I can imagine it won't be an easy task force.

**Jordan:** Thank you, commissioner.

**Wheeler:** Michael, my understanding is that the first order of business for you is to establish a rate structure, is that correct?

**Jordan:** It is one of the first, mr. Mayor. Obviously, when you are doing a utility type of methodology, there needs to be a cost basis to do the allocation, so the very first thing out of the blocks will be doing some high level planning work to establish the cost of doing business under the new statute for the new district. Is the one is between the new district and drainage district is that the drainage districts could only spend money on the maintenance and operation of the levy system. The new district also has an environmental charge within the statute, so we will need to do some broad planning to establish that cost basis, and then we can do the allocation methodology of the utility.

**Wheeler:** And ultimately, how do you pay for that?

**Jordan:** Similar to other utilities. You take whatever the cost of operation is, allocate it in a number of ways, perhaps. There have been studies done by the state agency in charge of mineral and industries. They have done a study in the floodplain of the economic and physical impact of a flood event within the district, so one of the ways to allocate would be how much damage is done to each property. And allocate on that kind of a basis. Part of the charge is surface water through the levy out to the columbia that falls within the basin, so some of it could be allocated on impervious surface much the way that we do with the stormwater fees for bes. So there are a number of ways that you can allocate, and that's a big part of what the methodology needs to work its way through.

**Wheeler:** And I would assume if you are talking about the capital construction, to shore up the levies, you are talking about a bond issuance?

**Jordan:** The new district would have the authority to put a general obligation bond before the voters. It's probably worth noting for the audience this district is also larger than just the managed floodplain. It is all of Multnomah county inside the urban growth boundary. One of the reasons for that larger base was just for that, mr. Mayor, to potentially be able to do a bond issue to distribute those costs. There are, obviously, many resources within the managed floodplain, that many of our residents rely on every day. The airport. Two, or three interstates, three ways, actually, and 59,000 jobs where many of the folks in the metropolitan area actually have their employment. So, the shorter answer is yes, you would be able to do a bond issue. It would have to be voter approved, though.

**Wheeler:** Okay. I appreciate that. And any further questions, and if not, I will entertain a motion.

**Hardesty:** So moved.

**Eudaly:** Second.

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

**Hardesty:** Aye.

**Eudaly:** Thank you, michael. I knew that name sounded familiar. [laughter] I vote aye.

**Fritz:** Thank you for all of your work on this, director jordan. You have been involved from it for a very long time. I really appreciate your leadership on this, and it certainly -- the people of Multnomah county and the drainage district certainly are very well served by having you in charge. Aye.

**Wheeler:** Michael, year after year you have proven to be our own star. Thank you for this again, I am proud to vote aye, and the report is accepted. Congratulations, michael, and I know you will keep us posted.

**Jordan:** Thank you all, stay safe.

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**Wheeler:** Thank you for stepping up. We really appreciate it. Next item, 270, please.  
**Item 270.**

**Wheeler:** Colleagues, in the weeks since covid-19 escalated in the united states, our city has worked tirelessly to address the public health crisis and the result of economic impacts. We are also being proactive by keeping open every possible option to ensure the stability of our city government and our ability to continue providing core services to Portland residents. The following legislation authorizes the city to enter into a credit facility with the lending partner banks. We are opening a line of credit just in case we need it. While I don't anticipate needing it, I want this council to have all of the tools at its disposal to ensure that we have the financial resources we need during this crisis. A line of credit is a dead instrument. We need to be clear with the approval of this resource today does not mean that it should necessarily be used. Taking up any debt is a liability for the city, and we should view it as a backstop of last resort. I will be consulting closely with our chief financial officer in the coming months to decide whether or not we need to access this resource. I want to be clear, this is for use for managing cash flow issues only. In other words, it would be used as a bridge to a clearly identified and measurable source of revenue that we anticipate coming in the future. The city's debt manager, matt gerig, is on the line to present this ordinance, and the chief financial officer, michelle kirby, is also on the line. Take it away and thank you.

**Matt Gierach:** Good morning, mayor wheeler and commissioners. This is the debt manager and with financial services. To add to the introductory remarks with the proposed legislation, the bureau of revenue and financial services through the management position is recommending the issuance of the credit facility to provide temporary funding in the following ways. First, we view this as a bridge to provide short-term temporary funding to address the delays and timing identifiable, and relatively certain revenue collections. And given the temporary reprieve and collections of certain tax revenues, the city should seek to avoid major service disruptions because of the temporary delays and cash flow. We highlight the credit facilities, not a solution to solve the revenue, and the city will not see because of the declines in the economic activity, and rather, it should be thought of as a short-term liability that augments the cash balance. One camp of an acceptable scenario for usage of the line of credit would be for reimbursement for emergency use. Having immediate access to credit would remove the barriers and spending the disaster relief resources because of timing issues, with the receipt of the federal funding. Secondly, the municipal bond markets experiences a period of stress limiting state and local governance from accessing debt financing. Should the delays continue, the city's plan borrowings could be delayed. As an example the line of credit could also be used to address the inability to execute our annual sale of the city's tax anticipation for buyer and police disability retirement funds by providing short-term bridge funding. Finally, the facility provides more need to the city to financially address things that we just currently do not know. We believe that it is prudent to seek a line of credit proactively before we need it rather than reactively. Given the number of unknowns to the economy, and the global financial system, it is important to lock the access to the debt markets now rather than when. Funding may not be available, and in addition, the line of credit provides flexibility as an alternative to reliance on the established reserves. Under the procedures of the authorizing ordinance, i, the debt manager will be required to consult with the chief financial officer and the director of the city budget office prior to making any draws. In the consultation, a repayment source and plan would need to be identified before making such draws. With the council's approval, the debt management division will negotiate with the lending partners to establish one or more lines of credit with the total maximum amount of 100 million, as soon as possible the our expectation is to seek a commitment from the

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lenders for a maximum of two years, which it will provide enough time for the pandemic and the economic related effects. I am here to answer any questions.

**Wheeler:** Very good. Thank you. Colleagues, any questions? Very good. And Karla, we did receive some written testimony on this. Today we are not taking oral testimony, correct?

**Moore-Love:** We would have if someone had signed up but we had no one sign up ahead of time for this item.

**Wheeler:** So we have the capability, if people sign up by 4:00 p.m. Today the day before, people have the ability to testify, correct?

**Moore-Love:** That's correct, mayor, and instructions are on the agenda website on how to do that.

**Wheeler:** Excellence. Commissioner Hardesty has a question. Commissioner Hardesty?

**Hardesty:** Thank you. I was having trouble getting unmuted as you were moving forward. We are all learning, and I think that we are all getting a lot better at this. Thank you for the presentation. I had raised a concern that the city council would not approve expenditure of this 100 million bond, that this would happen out of the public eye and without the city council's okay. I don't know how that would line up, and so I am curious as to why the city council would not be approving the expenditure of these bonds.

**Jordan:** I think it's important, given the timing of it, having access to it as an emergency, and if we were doing a required, going back to council, we could get council notification of, you know, a certain amount of time before a meeting, and then dependent on the council meeting and so I think, in light of the intent of the facilities to provide emergency funding, that's why we were not looking to include that.

**Hardesty:** I appreciate that. However, my concern is that unless the city council is leading the effort of determining what the real priorities are, those decisions will not be made in the public eye. And I have a concern -- not that I have any concern about the people that are involved, but I am concerned that the right hand won't know what the left-hand is doing, and to me, that does not feel like, as an elected oversight body, that we will be able to control that. We are in a pandemic and we are in an emergency, but I think that all of us would be willing to have work sessions wherever we needed to have it. If it is about the feature of Portland, I guess my big concern is, is that right now, we know that we have 100 million, approximately, coming from the federal government that no one knows what we can use it for. That's my big concern. I have not heard anything that makes me not have that concern.

**Michelle Kirby, Chief Financial Officer City of Portland:** This is michelle kirby on, the city's chief financial officer, and I would be happy to respond to your question, commissioner. I want to assure you that the action we are taking here with deploying the resource, there would not be decisions to purchase or to support new programs or expenses that didn't already have council authorization. We are envisioning this as a tool, a cash management tool to support the circumstances where the cash liquidity is short, for a short duration, and we need some cash funds that will be reimbursed in a very short period of time. So the funding, the programmatic needs and expenditures are already being approved by council through the budget process. And so that's why we felt that we could advise you on this and let you know that it's coming when we do need to -- when we feel the need to tap into it, but it's important with the cash flow that we be able to move nimbly and have flexibility. Does that answer your question?

**Hardesty:** Somewhat. As you know, we, the council, have not had an update yet on kind of where we are moving with our budget. And so, my concerns are still there. I will just see if other people, other colleagues have questions, and but my concern still exists that a pot of potentially 100 million would be expended outside the public's eye, without council oversight. That still concerns me.

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**Kirby:** And just I want to also point out that this authorizes us to make -- for matt to go out and find the line of credit with the banking institution. We would not be using it -- yes, it would be a final last resort, so it's not intend to -- it's not intend to shore up the budgetary issues. It's more for cash.

**Hardesty:** Let me say again, I support getting a 100 million bond. What I am concerned about is the oversight of the expenditure of those bonds.

**Wheeler:** Commissioner Fritz, you had a question.

**Fritz:** It was the question I asked when I was briefed on this, is this the same 100 million as estimated or guesstimated that we might get from the federal government? And the answer is no. It's not. So kind of a coincidence. It's the same number. And at this point, I think that we are all thinking that the numbers are so large and potentially overwhelming that it's hard to kind of wrap your head around them. I do appreciate, I think this is a, a fiscally responsible thing to do, and I am -- I appreciate everybody who has been working on it so quickly.

**Wheeler:** Thank you, commissioner, and I will just add that this is a common procedure to manage cash flow for the public enterprises, as well as the private enterprises. We do this on a fairly regular basis. Multnomah county does this, as you know, property taxes come in during a specific time of year, but of course, you have to keep maintaining your payroll and programs and other expenditures continuously, so from time to time, we will do loans and the like. This is analogous to that, and again, I am very hawkish on the use of the lines of credit, and therefore I would only accept the use in the manner that matt, michelle have indicated, which is to use it to manage cash flow situations as a bridge to a known source of revenue that's coming in. And so I would be supportive of this. I think that there is one additional layer of transparency that could be added to this per commissioner hardesty's question, and that is I would like to know when we are accessing the line of credit. We are certainly authorizing you today to go out and secure that line of credit, and I would like to know when we use the line of credit, when we tap into the reserve, how much we are using it for and what it is bridging for, and if you could please agree to that, I would appreciate it.

**Kirby:** Absolutely.

**Gierach:** Yes, absolutely.

**Wheeler:** Any further questions? Karla, there was no testimony on this item, is that correct?

**Moore-Love:** That's correct, mayor.

**Wheeler:** All right. This is a first reading of a non-emergency ordinance. It moves to second reading. Thank you, matt and michelle and colleagues. Next item, 271, please.

**Wheeler:** Colleagues, this is required by mandate from the usepa and the Oregon health authority to place a filtration plant for the bull run watershed, our primary drinking water supply. This proposed legislation authorized the issuance of bonds to provide net proceeds up to 745 million to finance a portion of the system's improvements related to the bull run watershed filtration project. Upon approval of this ordinance, the Portland water bureau and the debt management division will enter into a loan agreement with the epa program to lower the financing costs and improve the ratepayer affordability. Matt is on the line, and as is cecilia kyan from the water bureau to answer any specific questions on this ordinances. Cecilia, if I got your name wrong, could you correct me, please? Matt, are you still there?

**Gierach:** Yes, sorry about that.

**Wheeler:** Did I go her name right or wrong? I would like to make sure I pronounce it correctly.

**Gierach:** Are you on the line.

**Wheeler:** I appreciate it. Thank you.

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**Gierach:** Hello, again, mayor wheeler and commissioners, this is matt, the debt manager with the bureau of financial services. The proposed legislation before you would allow the city's management division to negotiate and enter into a loan agreement with the u.s. Environmental protection agency under the water infrastructure financing innovation act, otherwise referred to as wifia. It will be directly with the epa. The city was invited to apply for funding under wifia, which offers low-cost financing, and even below the rates available to the bond market with the aaa water revenue bond rating. The cost of funds is based on the u.s. Treasury rate at the time of final -- finalizing the loan. The city could borrow 1.15% for a maximum term of 35 years. Considering the long-term trend of inflation the city would be borrowing for free for this portion of the financing. Additionally, the wifia program allows the loan to be drawn over time rather than a lump sum, and further lowering the interest and repayment impacts. Further, repayments can be deferred until five years after substantial project completion, which would coincide with 2032 under the project bond of 2017. During this time frame the city would see the economic stimulus constructed and not occurring into the future. Upon approval, under the current schedule debt management and the Portland water bureau will seek to finalize the terms and execute the loan agreement during the upcoming summer of 2020. I am happy to answer any questions.

**Hardesty:** Mayor, may i?

**Wheeler:** I think you are on mute. I just figured this out, I need a 21-year-old here looking over my shoulder with an appropriate six-foot distance. The most important point that I have made, muted the entire time. Matt, question, I am hearing from business owners and operators and employers and others, concerns that we are pushing forward on a very, very expensive capital project that will have an impact on rates. Is this something that we could put off?

**Fritz:** Could I address that, please?

**Wheeler:** Certainly, Fritz and then commissioner hardesty has a question.

**Fritz:** Thank you. The council entered into a compliance agreement with the states of Oregon in 2017 and the project must be completed by 2027, so no, this is not something that we can put off. This ordinance is about getting a very low interest loan, as matt just said, less than the rate of inflation, to be able to pay it off. Or to pay a substantial portion of the cost. And I need to mention the wifia program was created in 2014 and implemented in 2017 with the leadership of senator merkley, and the purpose was not only to accelerate investments in the nation's water infrastructure but also to reduce the ratepayer costs and to create jobs. And this project is estimated to create 7,500 direct jobs. And the, the low cost loan and the long-term repayment, as matt said, we don't have to start repaying until 2032, and it is 35 years, meaning we can put Oregonians bachrach to work now and spread the cost over generations of rate payers who benefit from the improvements, and at this time, when so many people are losing their jobs and losing their health and financial security, this opportunity is more important than ever to pursue.

**Wheeler:** You sounded ready for that question, and I appreciate it. That was a great answer. A great response. Thank you. Commissioner hardesty.

**Hardesty:** Thank you, mayor. I have also been receiving a lot of letters from people that think that the vote today is a vote that will back their water bills immediately, and thank you to Fritz for answering that question. This vote is really about receiving the grant money, if the grant is awarded. And I want to be clear about that because I still have questions about whether or not the path that we are on is the right path. I know that we will start getting more answers as we move forward. My biggest concern is smaller cities dropping out of our water program, and deciding that they are going to go their own way. And if that continues to be a major issue, we may need to rethink about whether or not this makes sense. As we know if more people drop out, that will in fact, raise the cost for Portlanders and other people who depend on the bull run. So I am very supportive of this because it is

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an ideal situation where we get a loan from the federal government, and it takes a long time to pay it back. And I want to just say publicly that my vote today for this, and in no way, no way, should imply I am onboard 100% with us moving ahead under this scenario. So I thank you for the presentation, and I thank you, commissioner Fritz, for making time yesterday for us to have this conversation, and I look forward to us moving forward. Thank you.

**Wheeler:** Commissioner Fritz made a really good point. I just want to underscore it with regard to financing. There is probably never going to be a better time in the next ten years to be financing programs to the issuance of bonds by virtue some of the fact that the federal government continues to push interest rates, the short-term rates are down to zero, or could go negative, at this rate, and even the long-term rates are looking pretty good right now for large capital construction projects. So it's a good time for us to be in the market looking for that kind of an instrument. Commissioner Fritz.

**Fritz:** Thank you. I love it when anyone says, commissioner Fritz made a good point, thank you very much, mayor. It's true so that's a good thing. I did want to get the opportunity, if anybody has questions about the project, itself, cecilia, the water bureau finance manager, and david peter, the water bureau engineering manager and his team are available to take questions if anybody has them, although it sounds like commissioner hardesty is agreeing that that's maybe a conversation for a different day.

**Hardesty:** That is where I am. I think what we are doing today is the right thing but we will continue this conversation for another day.

**Wheeler:** Very good. Is there any other questions on this particular item? Seeing none, and Karla, there is no testimony on this item?

**Moore-Love:** This is the one that we have four people waiting on the line to testify.

**Wheeler:** Very good. First person, please.

**Moore-Love:** First person is floyd jones.

**Wheeler:** Thank you.

**Floyd Jones:** Good morning. Yes. Floyd jones. Yes, it's disturbing that on the agenda it does not list this is a \$750 million water revenue bond, and that's principal only, plus interest. Regardless of your applying for the wifia, water rate payers have to pay this. They still have to pay this. Rates are still going to go up. This may, when you have the rate hearing, are you going to reduce water rates for the middle class who lost their jobs and their homes? In 2008 during the last recession, water bureau employees sought and received a salary level increase while everyone else lost their homes, lost their jobs. This project should never have been approved in the first place. It's a strategy, the water bureau uses often. They brought this to you in 2017. Failed to tell you about the piping cost, which would increase it. Now how many deaths have we experienced, how many illnesses have we experienced in the last 120 years from cryptosporidium? A total of zero because we don't have the infectious type in our watershed. The water bureau is happy to spends dollars, increase their budget on the lower cost option. U.v. Radiation, we spent 16 million. And same is true for the other part of this flawed rule that the water bureau alone, the only utility, helped to craft, watching, what did they tell you? It would be 64 million for a tiny 13 million tank that did not just go up 1% or 10% or 100%. It went up 300%. Just like this chemical adding filtration plant is going up. That's the only thing that we are going to get out of this is chemicals in our water. Chemicals. We have seen, as I said before, this rule came about because of a catastrophic event where a filtration plant failed in milwaukee, wisconsin, in denver, when they had a fire, the filtration plant failed. This is not a project that we need, so come may, are question going to see a refund of the water bills? Are you going to cancel the water bills for the next three months? You are asking that this be canceled, well the rent payments go to landlords who pay mortgages that are taken over by pension systems and the pensioners don't get their money because the money

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isn't coming in. In 2004, we brought a water bond case to court. World bureau water bond, we won it because the water bureau wasn't transparent in what they were going to spend the money on, and it did not allow to bring this out to a vote. Well, even if we wanted to bring this out to a vote right now, we couldn't, right, we are all on lockdown. There is a million flaws to this, and you need to turn this around, and there are other options. The case with oha can be pre-negotiated. The water bureau doesn't want to do that. The corporations are making a ton of money off of this. There are other ways that we can keep people working. This is not the way to go.

**Wheeler:** Thank you. Karla, next individual, please.

**Moore-Love:** The next person is lauren corcher.

**Wheeler:** Good morning, laura.

**Lauren Corcher:** Good morning. This is lauren. Given the current covid-19 pandemic, and economic crisis of our city, state, and country, the authorization of a 745 million revenue bond, water revenue bond is inappropriate and insensitive. You are requesting the [inaudible] funds intend to finance capital improvement projects, most of which to funds an expensive and unnecessary water project on the backs of your constituents. Over the last month, an unprecedented number of Oregonians have experienced significant salary reductions or job loss, filed unemployment, and simply cannot meet their basic needs, including paying that already costly water bill please consider, or please understand that the city of Portland is not federally mandated to treat bull run water with filtration. Rather, the city is mandated by the epa to use an accessible treatment method. Fortunately, a provision as stated within the Oregon health authority's 2017 bilateral compliance agreement, the city has the opportunity to amend the current agreement when necessary. It is now necessary to amend the agreement, striking filtration as the treatment approach, and adopting a less expensive option. It would be dishonorable for you to ask your constituents to pay for the revenue bonds and the accrued interest to cover the unnecessary mega-filtration project. Individuals and families are seriously struggling to make ends meet. And this economic hardship will undoubtedly continue for years to come. On behalf of your constituents, please reevaluate the other cost effective treatment options, amend that bilateral compliance agreement, and move to authorize the bonds necessary to provide fiscally responsible capital improvement projects. Thank you.

**Wheeler:** Thank you. And Karla, you said that there was another individual, as well?

**Moore-Love:** We have two more. The next one is dee white.

**Wheeler:** Good morning, dee.

**Dee White:** Hello. My name is dee white. I am adamantly opposed to authorizing \$745 million for a rate payer liable bond at this time of world despair and economic collapse for an inelegant and costly water filtration project that is politically driven. It looks like the cost now is at about \$1.5 billion. Commissioner Fritz, it is incumbent on you to let us -- to let the city know, let us know where these 7,000 jobs for this -- are you kidding me? Plans for this chemical-consuming carbon dioxide filtration plant, run counter to all the climate change policy-making that you guys have been promoting and passing it and which you will continue to promote and pass after the coronavirus pandemic passes. Over 8,000 dry tons of chemicals will be trucked in and used and required current year for the filtration plant. That's not to mention the gas including chlorine and ozone, and carbon dioxide. And I am asking you today to please try and understand the science behind the cryptosporidium It-2 rule and as well as the lead and copper rule, which we have the highest lead of any large utility in the country, and you are failing to address that. The science is critical to know for the rate payers and in this depressed and distressed community. Science has been ignored and stupidly disputed to justify the need for this plant, while the water bureau gives us false assurances that lead is not a problem in our drinking water. The filtration plant is not going to fit the lead. This plant will provide no health benefit for the ratepayer who

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exactly is benefiting from this \$1.5 billion rate payer funded project? There are cryptosporidium It-2 alternatives that have been ignored, such as u.v. And ozone, like our big sister city seattle built, for one-tenth of the cost of this filtration plant. As commissioner hardesty asked, why do we need a cadillac? We should not be in this place right now where we, the ratepayers, are staring into this bottomless cabin of debt with no way out, no alternatives, no exit strategy, and no scientific inquiry. Again, I ask who will be benefiting from this \$745 million bond. Please vote no. And rethink your regressive and unkind drinking water policy.

**Wheeler:** Thank you. Next individual, please, Karla.

**Jeff Knapp:** Good morning. I want to get out of the way that I am not disputing the It-2. That is not my issue. I don't think that we should accomplish meeting that rule with skyrocketing rates, and doing a lot of harm to the environment in the process when there are better solutions immediately available. My follow-through on this filtration plant has been because I have gone from curious citizen to concerned citizen, and now I genuinely feel like a whistle-blower. I am shocked at the budget rates that I am seeing at the water bureau. Last year they raised the rate 8.7%, and I am looking at the budget and they have sustained rates for the next five years showing a 7.4%. I mean, those are compounding rates. Going up faster than healthcare, and we know what a crisis that is. I wonder how many of the commissioners have looked at the water Portland bureau documents to realize for our own protection, if we stay on the budget, by the time that the filtration plant comes online the residential water bills will increase over 430 a year. And again, that presumes they stay on budget and don't have further erosion of the wholesale user base, and as far as the filtration facility we keep talking about it as though it's just a filtration facility. It's, you know, a narrative that it's about filtration, in all the presentations I see, never mention the chemicals that they have to add to this system. There is always agents and other new chemicals, new chemicals that get added to the system to make it work so while it is sold as a filtration facility, it's a chemically enabled filtration facility. The presentation and data I have seen, and I have been through a bunch of these looking through the Portland water bureau documents, has it all portrayed in a very purposely skewed way. It is sort of shocking to see, but I mean, it does make me wonder if the commissioners are going well, this is the best thing, only just reminds me of the whole scenario what we watched unfold with the boeing 737 max where, you know, the company comes out and says, well, it's a very complex system, and our renowned experts have told us that this is the best, and we are sure it's good, and yet you can look at just the basic facts and realize that, you know, they are violating just fundamental, fundamental licenses of logic. If you have cheaper systems, readily available to go right now. What's cheaper than doing these water bonds is making it cheaper system to begin with. And as far as commissioner Fritz, that some how this is a jobs program, I have got to say it really reminds me of the similarity with like the keystone xl pipeline. The proponents will tell you, you know, this is a jobs program, and you know, they are only referring to whatever jobs are created during the construction phase, and during that construction phase, you know, this thing, diesel and other pollutants.

**Wheeler:** Thank you. And Karla, was there somebody else, as well?

**Moore-Love:** That was the last speaker.

**Wheeler:** Very good. Colleagues, any further questions on this item? Any further comments? This is the first reading of a non-emergency ordinance and moves to second reading. Next item is 272, please.

**Item 272.**

**Wheeler:** I forgot to thank people who testified on the last item. We appreciate it. 272 is a second reading. We have had a presentation on this item. Any further discussion? Please call the roll.

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**Hardesty:** Thank you, mayor, I appreciated hearing from seiu last week. I really appreciated talking to both the children's louisiana folks as well as with the police and fire disability, that they are committed to making sure that the workers and their building will have a safe working condition and will be able to have some certainty around their employment. We understand that because of the emergencies that exist, for space, that we need to do this extension, but I want to put on the record that we are committed to making sure that the next contracts are in the buildings where we can be proud of how workers are treated. I vote aye.

**Eudaly:** My comments are very similar to commissioner hardesty's. Two weeks ago we celebrated the passage of Portland sustainability procurement policy, which was something that I had started working on so long ago that I had forgotten. That was back in 2017, and when safe and fair labor practices were not even part of our sustainability procurement proposal. So I want to thank jamie duhamel from my office for working on that and for commissioner hardesty's office who took the ball and ran with it. The extensions remind us the work is not done, and I am going to support the items because it's necessary that we retain the office space for the Portland children's levy and the fire and police disability retirement board. I want to be clear that I strongly believe that all buildings moving forward should use the union contractors, and if there are loopholes in our labor piece agreement, or requirements, we should move to close them. Additionally, I want to thank seiu for bringing this to our attention, originally, and ask that they request the owners and managers of the building to put their janitorial contracts out to bid and commit to contracting with responsible contractors. I vote aye.

**Fritz:** Well, there are advantages and disadvantages to going first or last on things, and it's good we rotate to do that, so I will echo my colleague, thanks to everyone who has been involved. I want to thank mitch, from my staff, who has been my liaison for over 11 years now. And mayor, just after you voted, could I please -- I forgot that the last item was a non-emergency item, and I have a few more comments to make, so if you would not mind letting me do that. On this one I vote aye.

**Wheeler:** Yeah. And I always go last so there is never anything left for me to say. I think that we are in profound agreement that we care about how people are treated in the buildings in terms of the wages, benefits, healthcare, and other protections. I was pleased with the presentation that we heard from the two bureaus, and as everybody is aware, this is a short-term lease. I am happy to support this in the short-term. I vote aye. The ordinance is adopted. Back to you -- back to you, commissioner Fritz.

**Fritz:** I want to tell people watching at home, the drinking water is safe, and all ratepayers having difficulty paying their bills can contact [pwbcustomerservice.org](http://pwbcustomerservice.org). We are committed to maintaining safe drinking and washing water, and throughout the crisis, and also if you would like accurate information about the filtration plant go to [Portlandoregon.gov](http://Portlandoregon.gov). You know, this is -- that was huge. It's going to be huge when we vote on it next week. This is absolutely amazing that we got invited to apply for the wifia grantable we applied twice before. We sought to apply twice before and didn't get it, so I need to thank elizabeth edwards, our government relations director, and again, senator jeff merkley. I also want to thank -- I will do this again next week but it deserves thanking more often because this is really huge. Director mike stir and deputy director mike [inaudible] in the water bureau. Cecilia and dave peters, who I mentioned before, and you all worked together not only to help us to comply with federal and state mandates, but also done so well significantly reducing the ratepayer costs and creating jobs. So thank you for that. And finally, I needed to say this because I need to honor commission nick Fish, who restored confidence in the water bureau and who was the leader when the council decided to do the filtration plant. And so thank you, nick, for the legacy. And thank you mayor for letting me have an extra time.

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**Wheeler:** Not a problem, and commissioner Hardesty you had a comment? You are on mute.

**Hardesty:** Here I am. I thought I had this down pat. I was going to wait until last week to say this, but I guess for the sake of the community members who took time to come and present their information today, I just want us to all have an open mind. What we thought that we knew before the coronavirus, and what we know today is radically different. I think that every -- I think it's not a problem to review decisions and determine whether or not those decisions are still in the best interests of Portlanders and those who will be paying for it. So while I will support this measure that allows us to accept 100 million, the conversation is not over as to whether or not we are moving in the right direction. I still need more information, and as you know we will be balancing this with a whole lot of recovery activity. I don't want us to get in the habit of saying every construction project is a recovery project and is vital to our recovery. I don't believe that's so. We will have to make really hard choices moving forward. I don't want anybody to have the impression that some how some things are off limits. As far as I am concerned, nothing is off limits. Nothing is a guarantee at this moment. Thank you, mayor.

**Wheeler:** Commissioner Eudaly.

**Eudaly:** Thank you, mayor. I just wanted to take the opportunity to echo similar sentiments to commissioner Hardesty while it's true that the bureau is responding to a federal mandate. We are required to take some action, regardless of whether people think that there is a real threat or not. The logic for building a filtration plant was wasn't a lot more expensive but that has turned out not to be true. And given our current public health emergency, I am very nervous about investing huge sums of public dollars in a project that I am not 100% confident in. So, if it makes sense to support this item, but still gives us an opportunity to revisit the project, I will do that.

**Wheeler:** Very good. Thank you all. Next item is 273, it's related to 272. It is also a second reading.

**Item 273.**

**Wheeler:** This would be the twin of 272, a second reading. We have heard the presentation. People have already given speeches. Karla, please call the roll.

**Hardesty:** Ditto what I said last time. I vote aye.

**Eudaly:** Aye. **Fritz:** Aye.

**Wheeler:** Aye. The ordinance is adopted. Next item, 274, please.

**Item 274.**

**Wheeler:** This is the discussion for housing policy, strategy and resources for the city of Portland. Members rise above their individual interests and affiliations to take the comprehensive approach to housing qualities to address the needs of all Portlanders. The appointments today fill vacancies on the commission with individuals that are committed to addressing the pressing housing issues and needs of the residents of Portland. I want to thank you, Julia and Dike, for your willingness to serve, and I look forward to your guidance as commissioners. And I believe we have Shannon Callahan with us today to introduce this item. Director Callahan.

**Shannon Callahan, Portland Housing Director:** Good morning, mayor and commissioners. We are very pleased that Julia and Dike have agreed to serve on the Portland housing advisory commission. Julia has spent the last 15 years working on the intersection of racial equity and housing. And is one of the authors of the racial equity strategy guide that the city has adopted and committed to for community focused work. Dike has 40 years of development knowledge and expertise, and brings a passion and commitment to increasing minority and women apprenticeship in the trades. Their perspectives will strengthen our work as a bureau and on the Portland housing advisory

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commission. I am just very pleased to present these candidates to you and ask for your support in confirming their appointment. Thank you.

**Wheeler:** Thank you. Colleagues, any questions? Any thoughts? You will entertain a motion.

**Hardesty:** So moved.

**Eudaly:** Second.

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

**Hardesty:** Aye.

**Eudaly:** I want to thank both julia and dike for serving, and in particular, just share my excitement about julia joining, who is going to offer really valuable expertise and advocacy for black indigenous and the psd communities. I have seen her in action at the moment for everyone coordinating board, and she is going to bring an excellent perspective, and I want to also give a special thanks to jesse conner at the housing bureau for her work. I vote aye.

**Fritz:** Thank you very much to those willing to serve. Aye.

**Wheeler:** I am always appreciative when people step forward. Thank you, julia, thank you, dike, I vote aye. The report is accepted. The appointments are approved. Thank you. Next up is item 275.

#### **Item 275.**

**Wheeler:** Colleagues, created in 2005, the risk mitigation pool is a valuable tool to incentivize creation, an ongoing provision of experiment supportive housing as an effective housing solution serving households experiencing chronic homelessness in our communities. This amendment will provide sufficient funds for claims made to the program during fiscal 2019-20. The risk mitigation pool is an essential resource that will need to maintain, need to find ongoing resources to support it, particularly, mine with the city and the county's commitment to drastically increase the number of supportive housing units in our community over the next ten years. Today we have the director of the housing bureau, shannon callahan, and I believe also our senior policy coordinator jennifer chang here to answer any questions. Director callahan, did you have any further thoughts?

**Callahan:** No, jennifer and I are both here to just answer any questions you or council metro area.

**Wheeler:** Good. Colleagues, any questions on this item? Pretty straightforward. Seeing none, Karla this is an emergency ordinance. Please call the roll.

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

**Fritz:** Aye, sorry, having trouble unmuting. Aye.

**Wheeler:** Aye. The ordinance is adopted. Thank you all. Item 276.

#### **Item 276.**

**Wheeler:** You are well familiar with the program. With us are shannon callahan, again, and dory, the development incentive program manager for the housing bureau to answer any questions about this particular program.

**Dory VanBockel:** Hello, mayor and commissioners. This is dory.

**Wheeler:** Hi, dory.

**VanBockel:** And yes, as you know, the multi-program is one of the financial incentives provided to inclusionary housing projects choosing to make units affordable rather than paying a fee in law. Each application comes before council for approval. This is a mixed use apartment building, modera woodstock, and they are restricting five of the 194 units affordable to households earning up to 60% median family income for 99 years as part of the inclusionary housing program. And they are using the reconcentration option, meaning that there will be one studio and four, four bedroom units, affordable over the 99-year period. In addition to the tenured tax exemption by the project, the project will receive the

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exemption of the affordable housing construction excise tax, as well as the system development charges that otherwise would have been due, and looking at the rent roll for the project, anticipated market in affordable rents, as well as the value of the exemption over that 99-year period. It's only a tenure exemption. The difference in rents between the market and the affordable units for studios is just under \$600 a month. And for a four bedroom unit it's almost 1300 a month. And yet the value of the tax exemption to the city, or in the other taxing jurisdictions is only about \$10 a month over that time frame. I am certainly happy to answer any questions about this particular project.

**Wheeler:** I don't see any questions on this. This is an emergency ordinance. Karla, please call the roll.

**Hardesty:** Mayor, I did have one. Sorry, mayor, I did have one question. Am I to understand that this is four units out of 194 units?

**Callahan:** It is five units, yes, out of 194 because they used the configuration option to provide four bedroom units. The configuration option allows for a calculation of the total bedrooms in the building, which is mostly comprised of the studio units, and with a handful of one bedroom and two bedroom and, obviously, a few floor bedroom units. So the total bedrooms are how the calculation was made for this particular project.

**Hardesty:** The total square footage for those four bedroom units?

**Callahan:** I don't have that offhand but I would be happy to follow up with you with that information.

**Wheeler:** Very good, please call the roll, Karla.

**Hardesty:** I am challenged by this particular proposal because of the -- because I know that we need 60% and under, but we are talking five units out of 194. I appreciate the fact that there will be quote/unquote affordable for 99 years. But I am challenged by this particular one, especially because I don't know what this square footage is, whether or not we are just trying to squeeze a lot more people into the same square footage. Did I hear you say, mayor, this was an emergency measure?

**Wheeler:** That's correct.

**Hardesty:** I am going to abstain and come back based on other votes. Can I do that?

**Wheeler:** If we don't have four votes, it fails, and I can't do a motion for reconsideration if I vote with the majority to pass it, so there. [laughter]

**Hardesty:** These are challenging times that we are in. So I will vote no, and then I will come back, maybe.

**Eudaly:** Okay. I am not quite sure how this is supposed to proceed. I was going to ask the question because it seemed like we needed to have more discussion. I am in support of this. I think that it will be helpful for us in these conversations if the bureau could very plainly share with us the total foregone revenue and the value the city is getting from the units or at least the value of the reduced rent. I think that I share commissioner hardesty's concern that this doesn't seem significant for the size of the development, and it would be really useful to understand if these developers are getting more benefit than they are actually providing or if it's the other way around, so I vote aye, but I strongly recommend that information be provided to us in detail.

**Fritz:** Could I ask the city attorney if it's a motion to suspend the vote, if I can make that motion at this time?

**Taylor:** Once the roll call is being taken, this should not -- it needs to be completed.

**Fritz:** Okay. Thank you. So I am really excited about this. It was reported that the lost income to the taxing jurisdictions for these four bedroom units was only \$10 a month, or -- it was a very small number. And in exchange for a huge discount on rent for units which I don't remember another time that we have had four bedroom units coming in, and we all know that some communities have large families, or multi-generational, and these are the kind of audience we really need, so I am really excited about this. And I am going to trust

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the mayor to -- I think he's got it. So I am going to vote aye because I am so excited about this, and I am sure that the mayor is, too, but we will do the procedural thing. Aye.

**Wheeler:** Yes. So just by way of context, this project is going to join 80 other private sector projects in the inclusionary housing permit approval pipeline, and that will make the minimum of 519 units affordable in what are otherwise going to be completely market rate units. The city will benefit from the property taxes collective on the approved value during the exemption period, so I am enthusiastically supportive of this, however I will vote no. The motion fails. Now, I would like to ask my colleagues, we vote for reconsideration.

**Hardesty:** Second.

**Wheeler:** I have a motion and second. And robert, do I need to call the roll on the reconsideration?

**Taylor:** Yes, sir.

**Wheeler:** Please call the roll, Karla.

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

**Wheeler:** Aye. The motion to reconsider -- colleagues, I would like to amend the ordinance and move the emergency clause. Can I get a second?

**Eudaly:** Second.

**Wheeler:** I have a second from commissioner eudaly. Any further discussion? Karla, please call the roll on the removal of the emergency clause from the ordinance.

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

**Wheeler:** Aye. The emergency clause has now been removed. This is a first reading of a non-emergency ordinance. It moves to second reading. Next item, 277.

**Item 277.**

**Wheeler:** Colleagues, Portland parks and recreation is one of several city bureaus that assess system development charges for ftcs on new developments. It allows the city to expand capacity of roads, sewers, water and parks to meet the increased demand from new residence and businesses in an area. Portland parks uses a very specific methodology and rates approved by the council to set the rates developers end up paying. Additionally the rates are indexed every fiscal year to keep changes both in land acquisition as well as construction costs. This will use what is expected to be more reliable data and reduce year over year volatility. In addition, because of the public health crisis parks and my office have proposed to hold off on the regular indexing of the fee planned to take effect on july 1st for one year, and joining us to go into more detail is parks sdc manager sarah huggins. Good morning. Thanks for joining us.

**Sarah Huggins, System Development Manager Parks and Rec:** Thank you, mayor wheeler. I'm sarah huggins, i'm system development charge program manager for Portland parks and recreation. The purpose of the annual fee index is for sdc's to keep pace with changing costs to acquire and develop parks. This ordinance if passed will do the following. It will modify the annual fee methodology to remove Multnomah county assessor as data input for the index. It was used to index land acquisition costs and recent access reports have indicated they may not be reliable to indicate change in real market values. It will change the seattle construction cost index from an annual to a three year moving average to smooth the changes year to year. It will also change from a 12% maximum over two year increase to a 6% maximum annual increase. This will also help smooth changes from year to year. It will also removed one sdc exemption for commercial projects that don't add square footage or change use. This is not needed as these projects do not pay parks sdc under today's code. Finally if adopted it will delay the next index for one year so fees will not change july 1 of 2020 and will be indexed july 1 of 2021. This is due to the economic uncertainties of covid-19. Thank you for your time. I'm happy to answer any questions.

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**Wheeler:** Any questions on this item? Any further discussion? Karla, there was no testimony on this item, correct?

**Moore-Love:** That's correct, mayor, nobody registered.

**Wheeler:** Good. This is a first reading of a nonemergency ordinance. It moves to second reading. Thank you, sarah. Next, 278.

**Item 278.**

**Wheeler:** Commissioner eudaly.

**Eudaly:** Thank you, mayor. This ordinance will vacate southeast yamhill street between southeast 102nd avenue and southeast cherry blossom drive. I believe we have dee walker, right of way agent from pbot, here.

**Dee Walker, Right of Way Agent Bureau of Transportation:** Hello.

**Wheeler:** Good morning.

**Eudaly:** She will give you further details. Welcome.

**Walker:** Thank you. Good morning, mayor, commissioners. I'm happy to be here today. So before you is a request to vacate southeast yamhill street. It was initiated by depaul treatment center. The ordinance will vacate the street with a few conditions. So there will be -- can we start my presentation slide? Can we get the first slide up there? There we go. Move on to the next slide. This is where we are in the world. It's just east of 205. It's an unimproved street. Rights now it's just grass and weeds. Next slide. Depaul actually owns property, all those lots on both north and the south side of the proposed area to be vacated. Next slide. Here we are, this is a view of yamhill street from 102nd looking east. There's a little bit of a footpath that goes through there. But this is what the street currently looks like right now. Next slide. Here's another one kind of further on closer to cherry blossom drive. You can see that bit of a footpath. Next slide. And this is looking west. So now we're at cherry blossom on the west side of it. Next slide. So here is an overlay of -- the project is going to allow the construction of a new treatment, medical treatment facility. It will serve approximately 5,000 people annually along education and community space to support local families. The facility will employ approximately 176 people, and so you can see the red overlay is actually southeast yamhill street, so that's the area we're looking at to be vacated. Within that street it's hard to see but in the middle of that red there is going to be a 20 foot wide sewer easement the entire length of the street to allow for the existing sewer line that is currently there. The yellow portion on the south side I just drew that in to show where the walkway easement is going to be. There will be a walkway all along the south side which will make up for that footpath going through yamhill. There will be a walkway easement on the south side of the project going up kind of up north to cherry blossom drive. Next slide. This is just kind of a different rendition, shows what it will look like, the building, the red area shows the street vacation. So there will only be a little piece of the building that actually clips into the vacation area. Next slide. Here's what it will look like at the very end. Another condition of this street vacation is bds required a lot consolidation, which is in the final stages currently. Pbot has received no objections to this request from anyone. The petitioner depaul held four public meetings at two different neighborhood association meetings to discuss the project. They also met with wider community stakeholders that included elected officials and organizations in the drug and alcohol treatment field, various government departments. They received nothing but support. So the project is a welcome to the community and will definitely benefit a lot of people. There are no known equity issues created with this vacation so over all this is to simply support the development of the medical treatment facility. If you have any questions I would be happy to answer them.

**Hardesty:** Mayor?

**Wheeler:** Yeah, I knew that. [laughter]

**Eudaly:** It was a test. It was just a test.

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**Wheeler:** You know, I don't have any questions about the street vacation. That's pretty straightforward.

**Hardesty:** I do.

**Wheeler:** I appreciate this project, and it's been a hard won project. You've worked on it for many years and I'm enthusiastically supportive of the city helping in any way we can. Thank you for your good work on this.

**Walker:** Thank you.

**Hardesty:** Mayor, if I may.

**Wheeler:** Please.

**Hardesty:** Thank you. I'm also in 100% support of this project. It's in my hood so I'm happy. But I need a more English definition of vacationing a street. What actually does that mean?

**Walker:** Okay, so what that means is the city of Portland we don't own our streets in fee title like you would your home. You own all the sticks and the bundle of rights in what we call fee title. ODOT actually owns all the streets in fee title. The city of Portland does not do that. We only have an easement over it, so the underlying key, that last stick in the bundle of rights, is owned by the abutting property owner. When we take an easement for right of way purposes, road purposes, we leave the property owner with that one stick in the bundle of rights. If the street ever is not needed in the future we actually -- it's like an onion with layers. We have a layer on it and we have to remove the public interest in the street. We have to remove that easement, actually vacate the public's interest. Then the reversionary right after we remove the easement goes back to the abutting property owner. Does that make sense?

**Hardesty:** Yes. Let me see if I can put that in a little more plain speak. It's not our street. We're borrowing it to help build this new medical facility and we have had to get agreement from the people who actually own the street to allow us to make that happen. Does that make sense?

**Walker:** Sort of. We got an easement from the abutting property owner whether it was when it was a platted subdivision or a dedicated document, they granted us an easement that we could use the street. If we don't need the street then the state statute allows for the property owner to petition the city to remove that easement so they can get their property back. So yes, we got Yamhill through an easement. We don't need that piece of Yamhill any more so to facilitate the development the property owner petitioned the city per the statute to see if we would vacate the public interest. Now we are removing that easement layer from the really from the title and so when that easement is released or what we call vacated, then yes, property actually reverts back to the property that it came from and they add it on to their tax rolls and start paying taxes on that street that now becomes private property again.

**Hardesty:** Thank you.

**Eudaly:** In short, it's not nearly as fun as it sounds like. [laughter]

**Wheeler:** Great. Commissioner Fritz.

**Fritz:** Thank you, Mayor. Thank you, Dee, for that very good presentation especially the photographs. That's where my parents in law live at Cherry Wood Village on Cherry Blossom Drive. I'm not allowed to visit there any more, at least not right now. Hi, Mom and Dad, if you're watching this on television. I did have a question. No, I had -- I did have a question. In the comprehensive plan before 2016, the approval criteria was that the street is not needed for transportation and is not going to be needed in the future. Is that still basically the guideline that we go to when we look at the rights of way around the city?

**Walker:** Absolutely. Yes.

**Fritz:** So just to further explain to folks at home, just the very term right of way means that streets are -- the public has the right to go on them, but they are actually owned by the

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underlying properties to the sides of every street to the midline. So we get these requests, and dee has been doing it much longer than I have been on the council, to analyze do we actually need this piece of land or not, in this case it's really clear because there isn't a current transportation use for this platted street nor is there in the future. So i'm very supportive.

**Walker:** Yes, a lot of criteria goes into it. This is reviewed by all of the bureaus, every bureau really except police bureau. A lot of people have reviewed it plus neighborhood associations, all the utilities, the agencies, odot, trimet. It gets reviewed by a lot of people.

**Fritz:** Does it still have to go through the planning and sustainability commission?

**Walker:** Yes. It did and they recommended approval on february 25th.

**Fritz:** Thank you.

**Wheeler:** Very good. Any further questions?

**Eudaly:** This is an emergency ordinance item.

**Wheeler:** Please call the roll.

**Hardesty:** Aye.

**Eudaly:** Thank you for the presentation and for joining us today in this somewhat awkward format. I vote aye.

**Walker:** Thank you.

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

**Fritz:** Mary, you just gave your total thank you to cecilia for the water bureau's finance manager. She just absolutely is on top of everything. Thankful that this is -- office of management and finance. Aye.

**Wheeler:** Good work. I vote aye. The ordinance is adopted and we're adjourned.

**Eudaly:** Bye, everyone.

**Hardesty:** Good job, everybody. Bye-bye.

**Council adjourned at 11:17 a.m.**