



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

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

THOSE PRESENT BY VIDEO AND 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 and Channel 30. The public can also provide written testimony to Council by emailing the Council Clerk at 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; Lory Kraut, Senior Deputy City Attorney

Item No. 525 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

TIMES CERTAIN

521 **TIME CERTAIN: 9:30 AM** – Readopt remanded ordinance for the Central City 2035 Plan and amend the Comprehensive Plan, Comprehensive Plan Map, Transportation System Plan, Willamette Greenway Plan, Scenic Resources Protection Plan and Zoning Map, authorize adoption of administrative rules, and repeal and replace prior Central City plans and documents (Second Reading Agenda 520; Ordinance introduced by Mayor Wheeler; readopt Ordinance No. 189000; amend Title 33) 15 minutes requested (Y-3; N-1 Fritz)

**190023
As Amended**

CONSENT AGENDA – NO DISCUSSION

Mayor Ted Wheeler

Bureau of Development Services

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<p>*522 Authorize an Intergovernmental Agreement with the State of Oregon on behalf of Portland State University, for the use of parking permits and access cards at the 4th Avenue Garage and provide for payment (Ordinance) (Y-4)</p>	<p>190024</p>
Bureau of Planning & Sustainability	
<p>*523 Authorize a grant agreement to Cascadia Policy Solutions in a total amount not to exceed \$75,000 as part of the City's participation in the Pacific Coast Collaborative, a multi-state food waste reduction project (Ordinance) (Y-4)</p>	<p>190025</p>
<p>*524 Authorize the Director of the Bureau of Planning and Sustainability to execute grant agreement in the amount of \$100,000 with The Recycling Partnership, Inc. and execute subrecipient grant agreements with community organizations not to exceed \$100,000 (Ordinance) (Y-4)</p>	<p>190026</p>
Office of Management and Finance	
<p>*525 Authorize a one-year agreement with the Regional Arts and Culture Council to administer art programs for the City and provide for payment (Ordinance) (Y-4)</p>	<p>190043</p>
<p>*526 Extend contract with Providence Occupational Health Services for an amount not to exceed \$1,125,000 for post offer of employment medical examination and physical capacity testing services (Ordinance; amend Contract No. 30004322) (Y-4)</p>	<p>190027</p>
<p>*527 Pay property damage claim of Northwest Natural in the sum of \$8,809 involving the Portland Water Bureau (Ordinance) (Y-4)</p>	<p>190028</p>
<p>*528 Authorize an Intergovernmental Agreement with Multnomah County for the Revenue Division of the Bureau of Revenue and Financial Services to administer the Multnomah County Business Income Tax for ten years for an amount of \$1,393,468 in the first year and adjusted annually for inflation (Ordinance) (Y-4)</p>	<p>190029</p>
Commissioner Chloe Eudaly	
Bureau of Transportation	
<p>*529 Authorize a contract with the lowest responsible bidder for the Connected Cully Project in the range of \$2 million to \$5 million (Ordinance) (Y-4)</p>	<p>190030</p>
<p>*530 Authorize a contract with the lowest responsible bidder for the Red Electric Trail Project in the range of \$2 million to \$5 million (Ordinance) (Y-4)</p>	<p>190031</p>
REGULAR AGENDA	

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<p>*531 Adopt emergency temporary limitations on the fees third-party delivery services may charge restaurants during the COVID-19 emergency (Ordinance introduced by Mayor Wheeler and Commissioner Eudaly) 20 minutes requested Motion to accept substitute Exhibit A: Moved by Eudaly and seconded by Wheeler. (Y-4) (Y-4)</p>	<p>190032 As Amended</p>
<p>Mayor Ted Wheeler</p> <p>532 Appoint Kymberly Horner to the Portland Housing Advisory Commission for a term to expire July 7, 2022 (Report) 10 minutes requested Motion to accept the report: Moved by Hardesty and seconded by Eudaly. (Y-4)</p>	<p>CONFIRMED</p>
<p>Bureau of Environmental Services</p> <p>533 Authorize a competitive solicitation and contract with the lowest responsible bidder and provide payment for construction of the Columbia Boulevard Wastewater Treatment Plant Organic Waste Receiving Facility Project No. E10804, for an estimated amount of \$7,821,000 (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING JULY 15, 2020 AT 9:30 AM</p>
<p>534 Authorize the Bureau of Environmental Services to acquire certain permanent and temporary property rights necessary for construction of the Goose Hollow Sewer Rehabilitation Project No. E10683, through the exercise of the City's Eminent Domain Authority (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING JULY 15, 2020 AT 9:30 AM</p>
<p>535 Authorize grant agreement up to \$73,000 to Southwest Neighborhoods, Inc. to provide outreach, technical assistance and community involvement for watershed projects in westside sub-watersheds (Second Reading Agenda 499)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Office of Management and Finance</p> <p>536 Accept Guaranteed Maximum Price of \$17,989,637 from MWH Constructors, Inc. for the construction of the Corrosion Control Improvements Project (Procurement Report - RFP No. 00001107) 15 minutes requested Motion to accept the report: Moved by Eudaly and seconded by Fritz. (Y-4)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>*537 Authorize revenue bonds to refund outstanding bonds and revenue bonds in an amount sufficient to provide not more than \$4.3 million to finance improvements to the Headwaters Apartments Project (Ordinance) 10 minutes requested (Y-4)</p>	<p>190033</p>
<p>*538 Grant voluntary recognition as provided under ORS 243.666(3) to the Professional and Technical Employees Union, Local 17 to represent the collective bargaining interests of City employees in the classification of Engineer II, job class number 30003046 (Ordinance) 10 minutes requested (Y-4)</p>	<p>190035</p>
<p>Portland Housing Bureau</p>	

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<p>*539 Amend the FY 2020-21 budget and authorize amending the Intergovernmental Agreement with Home Forward and payment of up to \$5,175,233 and appropriation of \$2 million for capital repairs to the Headwaters Apartments (Ordinance; amend Contract No. 30006255) 15 minutes requested (Y-4)</p>	<p>190034</p>
<p>*540 Authorize 17 subrecipient contracts totaling \$5,062,200 for services in support of providing affordable housing to include emergency home repair, Fair Housing, Homeownership Counseling and Education and renter services, including relocation assistance and education and advocacy (Ordinance) 10 minutes requested (Y-4)</p>	<p>190036</p>
<p>*541 Establish Code Sections to administer the FAR Transfer from Existing Affordable Housing and Three-Bedroom Unit FAR Density Bonus Option Programs that were approved through the Better Housing by Design zoning Code project (Ordinance; add Code Sections 30.01.150 and 30.01.160) 10 minutes requested (Y-4)</p>	<p>190037</p>
<p>*542 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Burney 1 located at 5980 E Burnside St (Ordinance) (Y-4)</p>	<p>190038</p>
<p>*543 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Burney 2 located at 5960 E Burnside St (Ordinance) (Y-4)</p>	<p>190039</p>
<p>*544 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Cesar Apartments located at 1604 SE Cesar Chavez Blvd (Ordinance) (Y-4)</p>	<p>190040</p>
<p>*545 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Prov 3 Apartments located at 5505 NE Glisan St (Ordinance) 10 minutes requested</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>546 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Pepsi Blocks Phase 1A, Building A located at 827 NE 27th Ave (Ordinance) 10 minutes requested</p>	<p>PASSED TO SECOND READING JULY 15, 2020 AT 9:30 AM</p>
<p>*547 Authorize Intergovernmental Agreement with Prosper Portland in support of the ongoing implementation of housing functions at the Portland Housing Bureau and economic opportunity functions at Prosper Portland (Ordinance) 10 minutes requested (Y-4)</p>	<p>190041</p>
<p style="text-align: center;">Commissioner Chloe Eudaly Bureau of Transportation</p>	

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<p>*548 Approve findings to authorize an exemption to the competitive bidding requirements and authorize a competitive solicitation for the use of the alternative contracting method of Negotiated Request for Proposals for construction of the Outer Division Multi-Modal Safety Project (Ordinance) 15 minutes requested (Y-4)</p>	<p>190042</p>
<p>549 Authorize an Intergovernmental Agreement with TriMet for Friends of Frog Ferry funding in the amount of \$40,000 as part of local match for the State Transportation Improvement Funds discretionary grant in the amount \$200,000 to develop the Frog Ferry Operations and Finance Plan (Ordinance) 15 minutes requested</p>	<p>PASSED TO SECOND READING JULY 15, 2020 AT 9:30 AM</p>

At 12:45 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **8th DAY OF JULY, 2020** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Chief Deputy City Attorney

550 TIME CERTAIN: 2:00 PM – Amend Planning and Zoning Code to extend the expiration date for some land use approvals, maintain inclusionary housing rates outside the Central City and Gateway Plan Districts, and allow for virtual neighborhood contact meetings (Ordinance introduced by Mayor Wheeler; amend Title 33) 2 hours requested

Motion to align start date for proposal #3 for land use review decisions retroactive to the start of the pandemic: Moved by Wheeler and seconded by Eudaly. Vote not taken.

Motion to extend proposal for virtual public meetings to January 1, 2024: Moved by Wheeler and seconded by Hardesty. Vote not taken.

Motion to reduce the amount of time that the lower inclusionary housing rates would continue to apply outside the Central City and Gateway from three years to one year: Moved by Wheeler and seconded by Eudaly. Vote not taken.

Motion to postpone effective dates of system development charges for the Bureaus of Environmental Services, Water, and Transportation: Moved by Wheeler and seconded by Fritz. Vote not taken.

Written record will close July 15, 2020 at 5:00 p.m.

**CONTINUED TO
JULY 22, 2020
AT 3:30 PM
TIME CERTAIN**

At 3:04 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **9TH DAY OF JULY 2020** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lauren King, Deputy City Attorney

The meeting recessed at 2:27 p.m. and reconvened at 3:30 p.m.

<p>551 TIME CERTAIN: 2:00 PM – Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map, and Title 33 Planning and Zoning to revise the Single-Dwelling Residential designations and base zones (Previous Agenda 494; Ordinance introduced by Mayor Wheeler; amend Code Title 33 and Portland Comprehensive Plan and Zoning Maps) 90 minutes requested</p> <p>Motion to approve technical changes to align the proposals with recently adopted projects for consistency: Moved by Hardesty and seconded by Eudaly. (Y-4)</p> <p>Motion to approve changes to align duplex allowances with state mandates in HB2001: Moved by Hardesty and seconded by Eudaly. (Y-4)</p> <p>Motion to approve changes to respond to the SB 534 requirement to recognize certain substandard platted lots: Moved by Hardesty and seconded by Eudaly. (Y-3; N-1 Fritz)</p> <p>Motion to approve the creation of a combined process for lot consolidations and property line adjustments: Moved by Hardesty and seconded by Eudaly. (Y-4)</p> <p>Motion to approve provisions for a “Deeper Affordability Bonus”: Moved by Hardesty and seconded by Eudaly. (Y-4)</p> <p>Motion to approve Historic Resource Demolition Disincentive: Moved by Hardesty and seconded by Eudaly. (Y-4)</p>	<p>CONTINUED TO AUGUST 5, 2020 AT 2:00 PM TIME CERTAIN AS AMENDED</p>
<p>*552 TIME CERTAIN: 3:30 PM – Authorize \$1,623,850 for grant agreements to be divided among the five non-profit neighborhood District Coalitions to support Neighborhood Associations and community engagement activities from July 1, 2020 through June 30, 2021 (Previous Agenda 497; Ordinance introduced by Commissioner Eudaly) 1 hour requested for items 552 and 553</p> <p>Motion to accept substitute ordinance: Moved by Eudaly and seconded by Hardesty. (Y-4)</p> <p>Motion to add an emergency clause because it is in the public interest to approve the grant agreements as quickly as possible: Moved by Eudaly and seconded by Fritz. (Y-4)</p> <p>(Y-4)</p>	<p>190044 As Amended</p>

***553** Authorize \$851,646 for grant agreements with Center for Intercultural Organizing- Unite Oregon; Latino Network; Immigrant Refugee Community Organization; Native American Youth and Family Center; Momentum Alliance; and Urban League of Portland for the Diversity and Civic Leadership Organizing Project for July 1, 2020 through June 30, 2021 (Previous Agenda 498; Ordinance introduced by Commissioner Eudaly)

Motion to add an emergency clause because it is in the public interest to approve the grant agreements as quickly as possible: Moved by Eudaly and seconded by Fritz. (Y-4)

(Y-4)

**190045
As Amended**

At 4:43 p.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland

Karla
Moore-Love

Digitally signed by
Karla Moore-Love
Date: 2021.02.09
22:04:33 -08'00'

By Karla Moore-Love
Clerk of the Council

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

July 8 – 9, 2020
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.

July 8, 2020 9:30 a.m.

Wheeler: This is the wednesday, july 8, 2020, morning session of the Portland city council. Karla, good morning, please call the roll.

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

Wheeler: Here, under Portland city code and state law, the city council is holding this meeting electronically. All members of council are attending remotely by video and teleconference and the city has made several avenues available to the public to listen to the audio broadcast of this meeting. The meeting is available at www.Portlandoregon.gov/video and channel 30. The public can also provide written testimony to the council by emailing the council clerk at 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 to promote physical distancing. The pandemic is an emergency that threatens the public, health, safety, and welfare which requires us to meet remotely by electronic communication. Thank you all for your patience, flexibility, and understanding as we manage through this difficult situation to do the city's business. We do not have communications today. So we will go with the time certain item first, that is time certain numb 521, Karla. Second reading.

Moore-Love: Were we going to have the city attorney read the rules?

Wheeler: I forgot. That's the best part of the whole meeting. Go ahead. What do we have here today from the city attorney's office?

Lory Kraut, Senior Deputy City Auditor: It's lori.

Wheeler: Hi, lori.

Kraut: Good morning. To participate in council meetings, you may sign up 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 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 or refusing to conclude your testimony when your time is up, or interrupting other's 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 be aware that all council meetings are recorded.

Wheeler: All right, good. Thank you very much for that, lori, we appreciate it. First item is 521, time certain, second reading.

Item 521.

Wheeler: Very good. Thank you, Karla, this is a second reading, we have extensive presentations on this item. Is there any further business before we call the roll? Seeing none, Karla, please call the roll.

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Hardesty: I want to start by really appreciating the very thorough testimony that we received in relation to updating the central city plan. I am very mindful that in 1972, which was the very first time that we thought about what does downtown Portland look like, I suspect that the diversity of participants were a lot different than they are today. As we imagine what Portland's central city will look like in the year 2035, there is some things that we know absolutely. What we know is that english will probably not be the primary language spoken, in the central city, in the city of Portland. What we know is that there will be people from a whole host of ethnic communities that have never had the privilege. I won't say never had the privilege, but certainly not 1972 when we started this process, were not, actually, valued members of the table, I will say. What I know is that people come to see what the city of Portland should look like from a lot of different perspectives based on their lived experience. I will tell you that a plan is a document. It is what you do with the document that determines whether or not the plan lives up to the values that you expound. In my view we have done a remarkable job updating the central city plan in a way that I hope will lead to a much more equitable outcome by 2035. It does not mean that our work is done. It does not mean that this is the end of the conversation. We must continue to have this conversation with a whole host of individuals. I find it a little ironic that a lot of people's reasoning for not wanting to make changes was because of their belief that there would be a racially disparate outcome, and I have to kind of giggle at that because I don't know if you've been paying attention to central city concern, but we have a traditionally racially disparate outcome in the central city, and it is my belief that insuring that every community takes the advantage of growth and the disadvantages of growth equally. I think that this plan puts us on the track to do that. And so I am honored to support this update of the 2035 census city plan, and I vote aye.

Eudaly: Well, I supported these changes to the comprehensive plan in 2017, and I still support them. I want to respond to some of the testimony that we heard a few weeks ago both for and against readopting the remanded ordinance. I deeply respect the time, energy, and expertise of the members of our historic landmarks commission. My support of the height changes in old town chinatown in no way are meant as disregard for the commission. I consider them to be the experts on these issues and the backstop for what can be built in our historic districts. However, I have a different charge than members of the commission. As the city council, we have to weigh issues such as affordable housing and displacement, economic development, and the viability of the business district along with historic preservations. This is the context within which I made my decision. The old town, chinatown historic district is somewhat unique as a historic designation, sorry, the historic designation as cultural rather than architectural. I want to make it clear that I absolutely support this historic designation and would not have supported these amendments if I had evidence that development of the proposed heights would threaten the historic designation. I have enjoyed this neighborhood since I was a child. I worked in this neighborhood as a teenager. Members of my extended family, ruth and louis, did business in this town and their names are on the chinatown gateway. I patronize many businesses. This neighborhood has been struggling for decades. Some successful businesses have recently moved out of the district to relocate elsewhere, and I fear for the recovery of the district post-covid. Old town chinatown needs investment and development of commercial and residential. Little of either happened despite the considerably higher height allowances in the previous comprehensive plan. We heard from some community members that affordable housing is not needed or wanted in the historic district. Affordable housing is needed everywhere in our city. More market and luxury rate housing is decidedly not. We have a shortfall of tens of thousands of affordable units and a surplus of market and luxury rate units in the thousands. To be clear, when we were talking about affordable housing and private development, we were talking about units of 60 to 80% of

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median family income, and a city where market rate housing is unaffordable to anyone earning less than 120% of median family income. This is workforce and student housing. This is housing that would be affordable to many of the essential workers who are currently risking their health to serve our community while struggling to afford market rate rents. I would have never supported these height changes if I believe that they could pose a threat to the chinese garden. I was pleased to hear that there is no longer concerns about potential negative impacts and that the old town community association also supports readopting the remanded ordinance. My intent was supporting the height change adjacent to the garden was to give as much flexibility to the developer as possible on that site, knowing that any negative impact to the garden would require revisions. Finally, I want to thank everyone who gave testimony in support of our green roof standards. It is my pleasure to work with community advocates and city staff to develop what, at the time, were the strongest green roof standards in the country. I don't know if that still stands, but thank you to bps staff for all their hard work on this and in particular, joe Zehnder for taking the time to brief our office. I vote aye.

Fritz: This is a sad day. The first central city 2035 plan adopted by the council in 2018 was the culmination of years of robust public process through stakeholder groups in various quadrants and numerous hearings of the planning and sustainability commission and their council. One of the primary reasons I voted no on the original plan and why I vote no today is that council made a decision to cater at the final hour to single developer's request for additional heights on block 33. This action undermines the careful staff work to explore conflict of interest around zoning changes and height allowances, ensuring that no developer represented on an advisory board was inappropriately rewarded with height increases to check the books. This was a problem. We heard from many proponents of more height in the area who have actual or potential conflicts of interest that were sometimes declared, sometimes not. Most significantly, council's decision to increase height on five of the ten blocks in the new chinatown, japantown historic district was years of public process and design guidelines to right size district. I share a core value with my colleagues on the council, but we are in need of affordable housing options that serve Portlanders, particularly, those who are low income and at risk of displacement. I also understand that the old town chinatown community association that they also want market rate housing since there is so much low income housing in the district already. As we heard in the testimony in may, out of proportion development threatens the historic and cultural integrity of the new chinatown, japan town district. In order to be recognized, a historic district has to be large enough with existing buildings still intact. As we heard from our historic landmarks chair, we are ignoring the most basic principle of design guidelines which, which is in compatibility with the original historic buildings. We should be measuring massing and height against historically significant buildings more in the range of one to seven stories, not 15 stories. And on 50-foot quarter blocks rather than the 204 block length. A 200-foot height allowance will mean the new construction overwhelming existing quarter block buildings original to the district, some of which are in need of repair and restoration. Despite the revised findings, I believe this decision erodes the city's investment in the historic chinese and japanese and american communities in Portland. Undermines the role of the historic landmarks commission, and is out of compliance with comprehensive plan, policy, 4.48, and ignores the guiding principles the city adopted for this fragile historic district. I thank clair adamsick, my senior policy director for her outstanding work on the comprehensive plan in central city 2035 plan, even while she's deployed to the emergency coordination center. I also honor linly reese and lauren king in the city attorney's office. It's unfortunate that the findings tried to explain how incompatible heights are incompatible. It's unfortunate the city attorney was asked to justify the last hour decision and that the bureau of planning and sustainability refused to reconsider the

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council's hasty spot zone or compromise with historic preservationists. Thanks to community members who testified, particularly kristin minor and the historic landmarks commissioners, lynn kutchagomy, Jackie Peterson of the china town district coalition, peggy Moretti of restore Oregon and steve of the historical heritage center. In my opinion this decision does not honor the Chinese and Japanese heritage of the new china town japan town district, No.

Wheeler: Central city 2035 lays the groundwork for Portland to continue to be a thriving economic, cultural, educational, as well as recreational hub for region in the coming decades. If the last several months have taught us anything, it's that change is inevitable. I noted in an article this morning that -- talked about some information that had been out there for quite some time based on median household income, there is not a single neighborhood in the city of Portland that an african-american family can afford to live in, not a single neighborhood, so when we start talking about other important values, for me, sort of a baseline question is, are those things important if our city is not accessible by all of the people who actually want to live here. And so that is also something that is on my mind. This is a balancing act. There was nothing easy about this balancing the needs for housing, the needs for cultural and educational and recreational opportunities, balancing the needs for an economy that doesn't just benefit the few that are fortunate enough to be able to live in this city that, actually, thinks about prosperity as something that can be shared broadly amongst all members of the community, not only today, but in terms of where we think this community is going to be in the years ahead. The plan, I believe, is a bold one. It carries on the tradition of previous plans that resulted in transforming harbor drive into waterfront park, a parking garage into what is now pioneer courthouse square, sometimes referred to as Portland's living room, and, of course, brownfield's into the pearl district and the south waterfront. What this plan does differently is sets the stage for a vibrant, equitable, and healthy city core, the plan helps us to realize our goals for more affordable housing, yes, but also increased resilience in the face of climate change and economic recession, and better jobs and more of them thinking more broadly about who gains access to those jobs. In other words, we really broadened the scope of planning in this city through this central city plan. The plan proposes a mix of old and new industry in the central east side, stronger safeguards of our iconic scenic views, and a deeper focus on our greatest natural feature, one that has been far too long neglected, the willamette river. During this readoption we heard a lot of testimony about the effect of this plan on the chinatown, japan town district. The council finds that the evidence presented was not persuasive to show the pacific tower in priest height in the district had or will have adverse effects. And we see the pacific tower supporting the preservation nearby historic resources by returning residential living to the district, filling in the street wall, using existing materials and increasing the potential for nearby resources to achieve economic viability for rehabilitation as well as reuse. I want to thank everyone who has been part of the 2035 process over many years. I also want to thank the bureau of planning and sustainability for guiding the city through this thorough planning process over the years from a basic concept plan to quadrant plans to the initial adoption and now this readoption of the overall plan. In particular, I want to express my gratitude to andrea durbin, who is at the ecc this week, and her team, joe Zehnder, rachael hoyt, torre daus, mindy brooks, debbie fishof and grant and spencer hurtle nicholas, mark, and sally edmonds for their incredible and hard work shepherding the original process as well as this readoption process. I also want to thank the city attorneys, linly reese and lauren king, for their guidance and continued attention to detail throughout this process. And finally, kirsten dennis, tia williams, cupid alexander and Mustafa Washington and the staff of for their hard work. I voted aye on this previously. I am happy to vote on it again. I vote aye. The ordinance is adopted. Thank you. Next item is the consent agenda. Has any item been pulled off the consent agenda?

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Moore-Love: Yes, mayor. We have had a request for 525.

Wheeler: Let me just circle that there, Karla. Can we please call the roll on the remainder of the consent agenda.

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

Wheeler: Aye. The consent agenda is adopted. Now we will return to the regular agenda, Karla. Could you please item 531.

Item 531.

Wheeler: Commissioner eudaly, why don't you kick us off on this, please.

Eudaly: Karla, first of all I would like to move to accept is the substitute exhibit a sent out in the tuesday memo.

Wheeler: Second. Before you do, why don't we -- so I don't forget, why don't we vote on the substitute.

Eudaly: I think that we were wanting to receive testimony before.

Wheeler: Okay, very good. Sorry.

Eudaly: Yeah, thank you. My senior policy advisor andreas will be providing more context for this amendment during his presentation, so if it's all right we will wait to vote on the amendment until after testimony. I will turn it over to mayor wheeler, who graciously agreed to co-sponsor this with me before I give my opening remarks.

Wheeler: In case anybody wonders, commissioner eudaly and I did not make the dress rehearsal for this earlier today. So thank you, commissioner eudaly, I proudly co-sponsored this item, and, of course, I have heard directly from dozens of people in the restaurant industry about their struggles to keep their businesses afloat. In addition to the fact that all their customers are asked to stay home. We have heard the immense disadvantage that these delivery apps present for a restaurant's ability to stay in business. I have asked the community to help us identify the unique ways the Portland city council can support our local small businesses, and this rose to the top. I hope to have all our support on this because it's truly important, and with that, commissioner eudaly, I will turn it over to you to invite up our panel.

Eudaly: Thank you, mayor. I am excited to introduce this ordinance in response to calls from our asian pacific islander and restaurant communities, we are proposing strongest covid protections for restaurants in the country. Local restaurants are a vital community asset, but provide food and jobs, and contribute to the culture of our city. This ordinance protects restaurants who are struggling during covid by setting fee caps on third party companies. Caps are set at two tiers. The 5% cap of the order is delivered by the restaurant or picked up by the customer, or a 10% cap of the third party company delivers this order. Here to present on the ordinance is my senior policy advisor andres oswill.

Andres Oswill, Office of Community and Civic Life: Thank you, mayor and commissioners, for the record, Andres Oswill, senior policy veer for commissioner eudaly. We developed this with apano and the Portland restaurant alliance. These are at used community partners who have raised concerns about the fees restaurants are charged by third party foot platforms during prosper Portland, covid listening session. These organizations work first hand with restaurants struggling to stay afloat during the covid pandemic and economic crisis. Here to present some of the qualitative first hand experience of restaurants in the jade district is jenny lee, apano's advocate director.

Jenny Lee: Good morning. Thank you very much, mayor, commissioners. Andres, for the opportunity to speak with you this morning. My name is jenny lee. I am here and also a registered lobbyist with the city of Portland speaking on behalf of apano. Virtually, every Portlander treasures our scene, but for bipoc and immigrant residents our restaurants are an anchor for the community. They are gathering places for families. They serve as the food, we grew up eating and create wealth, jobs, and economic opportunity. Right now, it's these cultural and community assets that are at imminent risk of closure. Apano is based

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out of the jade district, the heart of the chinese immigrant communities. With the pandemic we have suffered losses of irreplaceable community anchors such as wong's king, the site of so many family gatherings and celebrations for chinese Portlanders, and I am sure that many of you here today chair some of these memories. We need to be sure that our remaining restaurants have a fighting chance at making it through this crisis, and we have an opportunity to do that today. If our businesses fail and leave, the community will leave. Protecting our restaurants is a critical anti-displacement strategy. We are grateful for the investments that the city has already made in our local businesses, and this ordinance is the next step that we need to keep the restaurants afloat. At apano, we advise small businesses in the neighborhood, and we have heard countless stories. Just one of our clients, [inaudible] is representative of these, the owner faces delivery fees of 25 to 30%. As a result, she can barely pay her rent, her food cost, or her workers. Other restaurants have tried and simply have not been able to scrape by. They have exhausted themselves by attempting to prepare and deliver food themselves, and this is not sustainability. Their only options is to close, hopefully, just for now, to stop losing money. Other jade district restaurants have considered signing up for delivery services hoping for a way to survive, but found that there was no way to break even given the fees. It's not just the jade district. Bipoc businesses more broadly are some of the most impacted, and their closures will represent some of the deepest losses. They have the least bargaining power with these platforms because they often serve meals that are affordable to many Portlanders. These are the same businesses already facing systemic inequities, as they are the most shutout of systems of banking, access to capital, and government assistance programs. It's up to our city to ensure that out of state corporations can't take advantage of the desperation of our small business owners. We can't risk relying on the benevolence of these platforms during a crisis. These delivery systems are, indeed, an important service, and that's all the reason that we need balanced regulations that level the playing field during this pandemic. By passing this ordinance, you will help establish a lifeline for these important cultural assets. Thank you for your consideration of this measure and your ongoing commitment to supporting Portland's bipoc and immigrant owned small businesses and we hope that you will take action today. Thank you.

Oswill: Thank you, jenny. Next to share more on the quantitative reality of Portland restaurants is kathy connors, an organizer with the Portland independent restaurant alliance.

Katy Connors: Thank you. Hello, my name is Katy Connors. Thank you to the council for having me here today on behalf of the Portland restaurant alliance. We would like to thank commissioner eudaly's office for working with us and apano for supporting us every step of the way. So local small restaurants in the city, this ordinance represents a potential path of survival. We understand the extremity of the crisis. Every day we are witnessing restaurants of every kind closed indefinitely, and we expect the number of closures to grow exponentially in the coming months as -- as ppe money runs out and unemployment rises. The independent restaurant coalition performed a study recently that found that 85% of the independent restaurants may not survive this crisis. We need your help. We support this emergency measure taken by the state and the city to protect our communities. One of the first actions we took as a group was to ask governor brown to close our dining rooms. We understand the safety of the community and our teams is dependent on the limits set on on premise dining We need another sustainable source of revenue to allow us to continue serving the Portland community. From the data we collected, we have found businesses using delivery services are paying an average of 25 to 30% on commission. On every transaction ordered through these platforms. Most of them have not been able to negotiate these commissions successfully, and even though there are temporary measures taken by the companies to help during the peak of the covid-19 crisis, most of these measures of

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lower commissions are now expired. Since the expiration of the lower rates, many restaurants have opted out of delivery completely because they cannot afford the commission. We understand that delivery services are essential at this time. And want to be able to offer it to our guests. But not at the expense of the sustainability of our businesses. Right now, every sale counts. Every dollar counts. And data collected by [inaudible], tracing transactions at open restaurants and bars to document the effect of the economic crisis, it was found that Multnomah county restaurant sales are down by an average of 77%. Compared to the same time last year. At the end of q1, uber eats national gross bookings were up by 52% compared to last year. For a gross profit of \$4.68 billion. On July 6, it was stated by the company that they were up 100% in bookings year-to-year. We understand their need to come out against the ordinance. They are beholden to their stockholders and must fight every chance that their market value may dip. Through these companies, this is business as usual. We are fighting in favor of this ordinance because this business environment is anything but usual. Without the cap on these commission fees the greed of out of town preparations will forever damage the vitality of Portland's businesses. As the council takes action now, and delivers is a fee cap, you will not only support the restaurant of the city but supporting our teams, our landlords, and our suppliers. We are stronger together. Thank you very much for considering that.

*****: Thank you.

Wheeler: Thank you.

Oswill: Thank you, katy. As partners is, apano here helped us to understand the dire situation that Portland restaurants are in. And the role that third party fees played in this. We tracked policies as they developed in other cities, but this ordinance was not developed until local restaurants began [inaudible] independently. Following the lead of other cities, we worked with our partners to develop an emergency ordinance using the strongest components of other city's protections with an eye to the cities similar in size to Portland. Can you pull up the presentation? Just let me know once it is up.

Wheeler: Keelen, did you hear that? Karla, are you there?

McClymont: Yeah, sorry, this is keelen. I am trying to pull it up. Sorry, just one moment.

Wheeler: No worries. Thank you. There we go.

Oswill: If we could move onto the next slide. Because of covid, many restaurants, including long-time Portland establishments, may not survive this crisis. The threat as jenny put it is most dire for bipoc owned businesses. The virulent nature of the pandemic has led restaurants to rely on delivery and pickup services as restrictions and consumer confidence have decimated their ability to provide dine-in service. While there have been some concessions offered by platforms, these have largely ended, while the pandemic continues to increase in severity. Existing agreements charge restaurants up to 30% or more per order, which is unsustainable for most restaurants operating on a thin profit margin. Next slide. Sorry, one before that. There we go. In response to the feedback from the Portland business alliance, uber eats and door dash, we have added an amendment which creates a lower cap for companies that do not include delivery service for an order. In conversation with these delivery companies, they brought to our attention that some platforms allow customers to pick up an order for the restaurants' delivery team might complete the order, and in the interest of creating a level playing field, we are adding a 5% cap for orders with a third party does not include delivery service. Next slide. With our amendment, this ordinance sets two tracks for the fees the restaurant is charged. If the order is not delivered by the third party, the most they can charge the restaurant is 5% of the order. If the order is delivered by the third party, the most they can charge is 10% of the order. Further, the ordinance prevents restaurants from producing compensation to delivery drivers because of the cap and sets a 500 penalty per restaurant per day to platforms that violate this ordinance. The protection would be in effect for the length of the

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covid emergency and for 90 days after. The approach is responsive to the reality of restaurants. Until Portland restaurants are able to open completely and customers feel safe returning to an unrestricted dine-in experience, restaurants will continue to be reliant on pickup and delivery orders and these caps will be necessary for the restaurants to stay open. Before turning it over to public testimony, I want to be clear about one thing, this ordinance has been introduced for the sole purpose of protecting Portland's cherished restaurants. And the crucial role that they play as employers, food providers, and local businesses. As Jenny and Katy presented, these relations -- regulations are desperately needed. We are happy to answer any questions you have about it. Thank you.

Wheeler: Very good. Thank you. Andres, could you do me a favor? The substitute, that commissioner Eudaly put forward, that is a substitute -- an amendment, is that correct?

Oswill: That's correct.

Wheeler: In narrowest terms, describe what that does relative to the original, to the base ordinance?

Oswill: Yes. So the substance of it is adding the 5% cap for companies where the customer is picking up or the restaurant is delivering. It also makes minor language changes to clarify and avoid confusion about which platforms we are referring to.

Wheeler: Very good. Thank you. All right. If there is no further discussion we will go to public testimony. Karla, how many people do we have signed up?

Moore-Love: We had two people, but I only see one right now, Rebecca Cordia.

Wheeler: Welcome, three minutes, name for the record.

Rebecca Cordia: Good morning. Can you hear me?

Wheeler: Yep, loud and clear.

Cordia: My name is Rebecca Cordia, I am a Portland resident and a delivery worker for Door Dash. I would like to address the council today to express my concern about the proposal to limit fees that delivery companies can charge restaurants. So I recently just moved to Portland from St. Louis, Missouri, after finishing my master's degree in speech language pathology. But as you know, COVID hit, so it disrupted my job search. I need extra money to help pay bills and kind of help my fiancée with groceries. So I found Door Dash a good way to make that extra cash. Although the job search has honestly been a roller-coaster, being a delivery driver worker has provided me with a steady stream of income during the really challenging time. So one of the most beneficial parts of being a delivery worker is that I can pick my own hours, and I can turn on and off the app whenever I need to. So I can continue to do search for full-time work and complete the process I need to obtain my licensure to start my C.F. Year in speech, language pathology when I am not driving. I feel like I have made a decent amount of money that I would likely keep doing this work after I get a full-time job, whenever I am not working, at my job. I feel like I am doing the community a service to deliver right now because I, honestly, have been delivering to a lot of elderly people, going grocery shopping for them who are not able to do so themselves, so I am providing them meals. So like many other people, I need this income to make ends meet, and any kind of law like this one at the city council is proposing to put a limit on the amount that companies can charge restaurants for delivery services would directly hurt workers like me, so the fees that you are trying to cap go directly to paying the delivery workers. And I can't afford to lose out on much needed income because of a law that would do more harm than good. Mostly during times, times like these, so thank you for considering people like me before you vote.

Wheeler: Thank you very much. We appreciate your testimony, Rebecca. Thanks for being here today.

Cordia: Thank you.

Wheeler: Very good. Is there any further discussion on this item? We will vote on the amendment first then, Karla, please call the roll on commissioner Eudaly's amendment.

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

Wheeler: Aye. To the main motion, please. 531 as amended, please call the roll.

Hardesty: This appears to be a really good measure, especially during covid-19. My only pause is the young woman who just spoke in the public testimony. I hope that we will be monitoring to make sure that drivers are not the ones that are negatively impacted by this policy. I ask that we think -- it must, we must pass this, but I want concerned that corporations find ways to make sure that somebody else suffers the loss. So I will vote yes today, but I will be working with commissioner eudaly's office to ensure that there are no unintended consequences from this action. I want to say to the young woman who spoke, please bring directly to our attention if there is any change in your economic situation based on this action. I think that many times people try to scare their employees into believing the change will negatively impact them, and so I don't have -- I have more trust in the restaurants than I do right now in the corporations that are trying to take advantage of the situation. So I am very happy to vote aye.

Eudaly: Well, I don't feel like the woman who came to give testimony today -- assure you that we have workers in mind when we crafted this item. It includes a provision that compensation to drivers cannot be reduced. But I do have to say, if your business model is predicated on gouging your clients, and underpaying workers, you need to find a new business model. So as much as I am concerned about these drivers and all people who are relying on the good economy to earn a living, we can't allow these companies to run unchecked and price gouge and exploit during a crisis. That is what you are responding to. I want to give a shout out to a couple of local options. Beeline urban delivery and ccc, which is another bicycle delivery service. If multi-national corporations can't make this work, maybe we can make delivery work at a local level. And so I have a number of people that I want to thank first. First my senior policy advisor, andres oswill for his quick work moving this in the past two weeks. This is his first council presentation since joining my office. We know him from the housing bureau, sorry, director callahan. Thank you to prosper -- yeah, prosper staff for elevating this issue raised in your listening session. Jamie from the mayor's office for all your support, and adrian and naomi in the city attorney's office who worked on this around the clock to move it forward quickly. Most importantly, I want to thank apano and the Portland independent restaurant alliance for your partnership in developing this ordinance. We could not have done this without you, so thank you. This policy represents the strongest local protections for restaurants during covid. This protection last 90 days beyond the declared covid-19 emergency. Even after restaurants are able to open at full capacity, they will continue to be over-reliant on third party orders until customers feel safe going back to dine-in at pre-pandemic levels. For the restaurants on razor thin margins this provides much needed relief. It prevents food delivery costs from being off-loaded onto the businesses that make the food and ensure driver compensation rates are not reduced. This ordinance will help ensure that local restaurants stay open, keep people employed, and continue contributing to Portland's economy. I am very happy to vote aye.

Fritz: Well, I am very glad that we are finally recognizing that these companies that just provide an on-line platform, and then benefit the work of the people who prepare the food and the people who deliver the food are getting some restrictions put on how much they can gouge both parties, so I honor commissioner eudaly and andres from your staff for bringing there to council quickly. As an elderly shut-in person i've been grateful to the restaurants, and I am fortunate that I have a son that can pick up food for us from the local restaurants and one where I can walk and they bring the food out, outside to put in my bag for me, so other people don't have that ability to do that. And so we are grateful to the drivers, and appreciate that they need to make ends meet, as well. Like my colleagues, I want to hear from drivers. My suspicion is what isn't the intensity [inaudible] ordinance, I

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would imagine a lot more restaurants are going to opt in now that they can actually make a profit rather than basically making pennies if 30% is going to the company, and I would be willing to bet that 30% does not go to the delivery person. I do hope that people will pay attention to this ordinance and recognize that the delivery people are providing a vital service and tip them generously, also, tip your restaurant as if you were eating in, and thank you to all of the businesses who are so vital to our economy and frankly, to my diet for not having to eat the same thing day after day. Aye.

Wheeler: I want to thank commissioner eudaly and her team for this great work. I am proud to co-sponsor this item. I want to thank the members of my team who are engaged, as well. I believe this is perfectly in line with how other cities across the nation are helping their restaurants to get through this crisis. We are directly responding to the police and the needs of small businesses here in the city of Portland, and we are supporting the local restaurant industry through this time of crisis, and also, I believe protecting the incomes of the delivery drivers. We are leading with Portland values. I think this makes a lot of sense. I am proud to vote aye. The ordinance is adopted. Thank you all. Next up is item 532, please.

Item 532.

Wheeler: Director callahan, good morning. You are muted.

Shannon Callahan, Director Portland Housing Bureau: Good morning, mayor and commissioners. Shannon callahan of the Portland housing bureau. It is my true pleasure to ask for your support to support kymberly horner on the Portland housing advisory commission. She currently serves as the executive director for Portland community re-investment initiatives, or pcri, a culturally specific affordable housing developer and service provider serving the black community primarily in north and northeast Portland. Miss horner's experience in economic development, local government, and affordable housing with her commitment to advancing equitable outcomes for the bipoc community makes her an excellent candidate for the commission, and I am very grateful that she is willing to commit her time and expertise to the housing bureau and the city through the Portland housing advisory commission. I also believe that kymberly is on the call for any council members who would like to say a few words. Our council members would like to talk to miss horner, themselves.

Wheeler: Does anyone have any questions for kymberly, or kymberly do you want to say a few words.

Kymberly Horner: Good morning, I wholeheartedly welcome the opportunity to participate on this committee and am very grateful that the city and shannon has looked at me as a person that should be appointed to the committee. I hope to serve the committee well. A little about me -- I grew up in the city of thousand oaks. My father was a former mayor of thousand oaks for several terms, and my upbringing was spent going to city council meetings. From there, I began work in federal government working for congresswoman brad sherman, and then after that, I started work for the city of oxard starting as an intern and finishing my career as the economic development director. So I believe that my experience in local and federal government will help me bring some good contributions to the committee as well as the good work that we are doing at pcri. So if anyone has questions for me at this time, I am happy to answer them. Otherwise, thank you for the appointment.

Wheeler: Very good, kymberly, we are glad to have you here. Commissioner Fritz has her hand raised.

Fritz: Thank you for being willing to serve. I was just wondering where is bilton oaks.

Horner: It is in southern california. It is about 40 minutes north of los angeles, on our way to santa barbara. Many people know thousand oaks as one of the safest cities in the united states. It's been noted for that for many, many years.

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Fritz: My daughter lives down there, and I bet that she has heard of it, thank you very much, and thank you for being willing to serve.

Horner: Thank you.

Wheeler: Commissioner hardesty.

Hardesty: Thank you, mayor, and thank you, kymberly. I just wanted to say welcome, and oh, my gosh, with your background, it sounds fascinating that you are in affordable housing. How did that happen?

Horner: I worked in city government for the city of oxford. We were typically that agency as the redevelopment agency to provide the financing to developers to build affordable housing, and I believe that the state of california made a very big mistake when they ended redevelopment throughout the state of california to shore up a 30 billion shortfall that california had back in 2011. When they did that, it eliminated a lot of the provisions that were available, particularly, the tax increment the housing set aside piece that allowed for redevelopment agencies to pair with the developers to get affordable housing built. That was my experience working for the city in housing and it's always been a big interest of mine particularly providing clean, decent living standards for black people and people of color.

Hardesty: Kymberly, we are lucky to have you, so thank you for your willingness to serve the city of Portland. One day we won't be meeting by virtual reality, and I would love -- I bet you have got stories, I would love to have coffee and find out more about your story. Welcome.

Horner: I've been tracking your career, too. And I very much look forward to having that coffee with you, even if it's virtual, and I have tracked your career, and it has been a phenomenal career ride that you have had as well, so thank you for the work you do.

Hardesty: Thank you, kymberly, appreciate that. Thank you, mayor.

Wheeler: Thank you. Very good. Any further discussion? Karla, please -- or actually, is this a -- this is a report, I will entertain a motion.

Hardesty: So moved.

Eudaly: Second.

Wheeler: Motion from commissioner hardesty, second from commissioner eudaly, any further discussion? Karla, please call the roll.

Hardesty: Aye.

Eudaly: Well, I am very grateful for your willingness to volunteer your time and expertise phap director horner, and I vote aye.

Fritz: Thank you for taking the time to be here today, it's nice to meet you, even virtually and thank you for the time you will invest on the commission. It is significant and important, and I hope that you find it very satisfying. Aye.

Wheeler: Thank you, kymberly, for your willingness to serve. This is, obviously, an important commission. It's our primary forum for the discussion of affordable housing policy, strategy, resources, and so the experience that you bring from pcri as well as your prior experiences are critically important, and I look forward to both your insights and your guidance as a commissioner on this important commission. I couldn't be happier that you are stepping forward, and we look to many years of service, and leadership on our part. I vote aye. The report is accepted. It is approved. Thanks, kymberly. Next item is 533, please.

Item 553.

Wheeler: Colleagues, the environmental services operates the columbia boulevard wastewater treatment plant in north Portland, which turns wastewater into a variety of renewable resources, including bio gas. This project today is a partnership with metro, environmental services will take food waste collected by metro that would otherwise go into the landfill, and instead send it to the city's main wastewater treatment plant. It will

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reduce the amount of food that goes into landfills on one hand and increase the amount of bio gas that bes is produce as renewal energy on the other. Here today to present the project is the engineering manager and jeff, the project manager and both of them are from environmental services. Welcome. Thank you for being here today.

Paul Suto, Bureau of Environmental Services: Good morning. Thank you, mayor wheeler, for the introduction, and commissioners. For the record, I am paul suto, manager with bes. I was going to do a quick intro. This is a project i've been working on for a few years now, and it's an exciting project where bes is looking at efforts to leverage the columbia boulevard wastewater treatment plant to increase our renewable energy opportunities, and in particular, for this project to recover waste streams to produce more energy at the plant and for the community. Jeff is here, and he will lead the presentation, and I will be here to answer any questions, I also want to highlight that [inaudible] from metro is also here attending. If there is any metro specific questions, as well. Thank you.

Wheeler: Thank you.

Jeff Maag, Bureau of Environmental Services: All right, good morning, mayor wheeler and members of the council. For the record, I am jeff maag, project manager for the organic waste receiving facility. I am going to start a presentation here. All right, metro has implemented regulations to reduce the commercial food waste going to landfill. And plans on collecting it and processing it into liquid food waste at the metro central transfer station. This commercial food waste consists of food scraps and expired food products, such as produce, bread, meats and dairy. It will be turned into a liquid with the consistency of a smoothie, delivered by tank or truck to the plant. We will also be allowing deliveries of fats, oils, and grease from haulers that service grease traps and food service establishments such as restaurants and grocery stores. The project provides a significant opportunity to increase bio gas production. The bugs in the digesters basically eat in food and produce more bio gas. The increase in bio gas results in more renewable energy that displays the purchased natural gas and electricity. The increased renewal energy production at the plants for city climate action plan goals and this photo here shows a truck unloading at gresham, fats oils and grease receiving station, which has been operating successfully since 2012. The gas will be used to generate the renewable energy, electricity and heat, for the wastewater treatment plant operation, which will result in the substantial savings over utility costs annually. Fats oils and grease haulers will be charged for any load they deliver to the system. Fats, oils and grease comes from traps at food service establishments, and in this slide, or in this picture, you can see looking down into the grease trap, through the maintenance hatch, you can see that there is a baffle that prevents the grease from the kitchen going into the sewer system, itself. And these grease traps are typically cleaned quarterly. If the fats, oils, and grease are not removed, it ends up in the collection system where it causes plugs and overflows. This photo shows an example of typical food waste. This is produce, rotten produce and the tubs of dairy products. The new metro regulations will result in the recovery of 50,000 tons of food waste directed to the wastewater treatment plant each year. The regulations are being phased in over 3.5-year period, and they will first affect the businesses generating a thousand pounds a week, and then those generating 500 pounds a week, and finally by september 2023, any business generating over 250 pounds per week will be required to separate their food scraps. We have a memorandum of understanding in place with metro at this time for mutual development of a commercial food waste processing system. There is roles and responsibilities, timelines and communication protocols. In intergovernmental agreement is expected to be completed by the end of the year. Metro is currently starting the design process for the facility at this time. In this picture, it shows a typical truck that will be used to deliver the food waste and fats, oils, and grease to the organic waste receiving facility, at the wastewater treatment plant. Here's an overview of the system.

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These are the existing digesters of the plant, and then this is Portland road right up here. The systems are going to be constructed in two sections. The purple side is for the food waste. The orange side is for the fats, oils, and grease. The system has five tanks. Each tank has 21 feet in diameter, 15 feet tall. And then there is pumps to unload the trucks, and mix the tanks, and feed the digesters. It also has an odor control system for the benefit of workers and the neighbors. The digesters are fed slowly 24 hours a day to maintain stable operation and a steady supply of bio gas. The bio gas is used as fuel in the cogent engines in this building here, and to produce the renewable electricity and heat for use at the plant. Or the bio gas is burned in the boilers over here. In the digester complex to provide heat at the plant. There is a triple win with this system. Approximately 10,000 metric tons of co-2 equivalent will be eliminated each year. This is the equivalent to the carbon footprint of 150 homes. The system supports the city's climate action plan goals for reducing the carbon emissions through diversion of food waste and generation of renewable energy. Annual revenue is projected to be about 1.2 million, with a payback target of ten years. Revenue comes from tip fees, reduced electrical and natural gas bills and synergy with the renewable natural gas system, currently completing construction. There are also clean air benefits. Emissions and associated tax from diesel vehicles will be reduced because of reduced haul distances. Also, there will be less use of natural gas and grid electricity. The construction contract is estimated to be about 7.8 million. The total budget is about 10.6 million. The level of confidence on these numbers is moderate. And the schedule shown here is, coincides with the metro's schedule to complete their new facility. With that, I am done with the presentation. Thank you very much for your attention. And are there any questions for us?

Wheeler: Any questions? Commissioner Fritz has her hand up.

Fritz: Sorry, I couldn't find the unmute button. Thank you for the presentation. I understood commissioner Fish's cherished poop to power program because with the solid waste from the wastewater treatment plant that methane is going to need to be otherwise burned if it wasn't turned into liquid natural gas. And I also somewhat understand turning the fat oils and grease into natural gas used in the energy. The food scraps could be composted. And wouldn't that be less impactful to the environment?

Suto: Great question, commissioner Fritz. What we found, I think, in the industry is that actually, [inaudible] provides the more sound environmental solution than composting. From one thing, it reduces truck trips so you don't have to haul composting -- they have to be in rural areas due to the state's requirements. And you miss out on recovering the energy from it because composting is typically an aerobic, where this [inaudible] tends to produce methane for us so we can use, but head-for-head the environmental footprint has been more towards [inaudible] digestion.

Fritz: Thank you, that was an interesting answer. Also, I want wanting to make sure that not all of the food scraps are going into this process. In other words, the advantage to the compost is that it can be used on the ground to grow food. More food. So will there be plenty of food waste going into the composting system?

Suto: Yeah. That's our understanding. One key thing is we did not get into the nitty-gritty specifically. This is -- this is targeted to commercial establishments, so we will have the residential program, the food waste to compost, with the mixed lawn clippings so that program will still continue, so from our understanding, there plenty of this waste to go around, so to speak, so it's going to be a portion, is a portion of the waste stream that will be [inaudible] it's the remaining fraction that's still going to the landfills so this won't, to restate, this won't change the current program where the residential program of composting. Did that answer your question?

Fritz: Got it.

Suto: Did that answer your question?

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Fritz: Yes, it did. Thank you very much.

Suto: You are welcome.

Wheeler: Any further questions? Colleagues, before we move to public testimony? Sorry?

Hardesty: Mayor, I have a question. My hand is up.

Wheeler: I am sorry. Thank you.

Hardesty: No worries. Paul, thank you for that presentation. There is a lot of food and waste in multi-family apartment complexes because we have not figured out how to move composting there yet. What's the plan because if we are talking about really having the best bang for the buck, I think that we are missing a whole demographic group that compost, if it was made easy for people to be able to do that, but there is certainly no easy way to do that in a multi-family apartment complex.

Suto: Great question, commissioner hardesty. I don't have the answer to that. I agree that that would be a great opportunity. I kind of maybe pull holly into this from metro, if she can speak to that specific point because I know that metro has looked at, you know, where to focus their recovery efforts.

Hardesty: We pay a small fortune. We just don't get the economic benefits paying the small fortune for garbage pickup.

Holly Stirnkorb: Good morning, thank you, commissioner hardesty, for that question and for the opportunity to be here to represent metro's partnership on this project. Regarding food scraps, collection, at multi-family, that is something that is being worked on. We will be seeing this over time having that added onto the multi-family collection programs.

Hardesty: Is there any analysis on what people are being charged for this service as compared to the benefits of the service that they are getting? It appears that there is not a standard charge and multi-family apartment dwellings, is that an accurate statement, holly?

Stirnkorb: And questions about actual collection costs. It should be directed to the city, the bureau of sustainability and planning. The garbage haulers collect the food waste, and set the rates for commercial so I really can't -- I can't address the question on rates charged at multi-family.

Hardesty: It impacts what service you get, so there is a connection. I hear you, you are the one to respond to that, thank you.

Wheeler: Karla, is there public testimony on this item?

Moore-Love: No one signed up, mayor.

Wheeler: Anything else before I send this on? Not seeing anything. This is a first reading, a non-emergency item, it moves to second reading. Thank you all. Next item, 534, please. **Item 534.**

Wheeler: Colleagues in, may the city council unanimously approved the goose hollow sewer rehabilitation project to repair and replace about two miles of sewer pipes in southwest Portland. The project is designed to minimize the construction impacts to the properties, and to upgrade the sewer system to better protect public health properties in the environment. To accomplish these project goals, and to keep the project on schedule, the city needs to acquire certain property rights. Here today with the brief presentation are joe dvorak, engineering manager, and yang zhang, project manager with the bureau of environmental services. Joe and yang, please take it away.

Joe Dvorak, Bureau of Environmental services: Thank you. Good morning, mayor and members of council. I am joe dvorak with bes. The goose hollow project is one of many in our large scale sewer rehabilitation program. The last remaining piece of engineering for this project is to obtain permanent and temporary construction easements. Yang has prepared a brief presentation with more details, and then we are also available if you have any questions. Yang.

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Yang Zhang, Bureau of Environmental Services: Thank you. Good morning, mayor, and commissioners. I am a Yang Zhang with bes, the project manager for this project. So today we will give you a brief overview of the easement where you acquire the projects to complete the construction of the repair. Next slide, please. This project was presented to the council two months ago for the authorization of low bid. So the project includes about [inaudible] and which are to over 100 years old in the goose hollow and the southwest [inaudible] neighborhoods. Among those, there is two paths with them. The city has no clear easement, so on the slide, on the right side of this, so we are aware where they are, so one is in the goose hollow neighborhoods. The Washington park and the other is in the southwest hills neighborhood. So for the sewer easement, for [inaudible], next slide, please. Here is a summary of the -- those two locations on the property, and the proposed construction measures as well as the planning outreach activities. I am showing you an airline view, and you can see those two paths are crossing the property, and those two paths, there is next to the property land, so unfortunately, we don't have either of those properties. So in order to have the paths, we propose to yield the path, called the p.p., [inaudible], it will minimize the impact to the property owner. And also, we need to yield the repair matter to repair the broken parts of the pipe, as we need it, in this update. Besides the other items on this property above the project, and the bes public involvement team, has contact with the property owners. The plan construction scope, not -- no authorization was received with the project moving forward, and our team will continue the outreach to property owners for needs and the easement requirements, and the project schedule. So next slide, please. So here is the summary of what we needed for the easement. So the easement needed to be approximately 15 feet wide, as this pipe is next to the property line, between two neighboring properties, so this will cross the properties so we need the easement in the property. So this side is required for construction and also for long-term requirement of the -- the cost of the easement in this property will be determined by the independence appraisal by doing the eminent domain process after this is approved. So the project design was completed in june, and the project was advertised last week, so it is anticipated the construction will start in november this year, so we ask for you to acquire the authorization of those sewer easements by early november. So that's what I have for today. And any questions?

Wheeler: Very good. Colleagues, any follow-up questions? Karla, is there any public testimony on this item?

Moore-Love: No one signed up for this item, mayor.

Wheeler: All right. This is a first reading of a non-emergency ordinance. It moves to second reading, thank you for the presentation.

*****: Thank you.

Wheeler: Although I will pull it back, could you read 535, please.

Item 335.

Wheeler: After discussions with the bureau and my team I am going to pull this back to my office. Next item is 536.

Item 536.

Wheeler: This procurement report is for a water bureau bull run treatment project that will construct a corrosion control treatment facility at the lusted hill facility. The project will protect public health buy controlling corrosion of lead and copper plumbing materials into drinking water, and we have lester spitler here to present the report, good morning, lester. How are you today?

Lester Spitler, Procurement Officer: Good morning, mayor wheeler, I am doing well, thank you.

Wheeler: Great.

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Spitler: Commissioner Fritz, do you have any talking points that you wanted to go through?

Fritz: No, thank you. I am just available for questions later.

Spitler: Okay. Thank you. So michelle cheek and I from the water bureau are going to present on this item. Michelle is going to share the presentation with council.

Michelle Cheek, Portland Water Bureau: Let's see if I can do this. Success.

Spitler: Yes.

Cheek: Okay. Fantastic. Good morning. My name is michelle cheek. I am an engineering supervisor with the Portland water bureau, and I am here with lester to talk about the corrosion control improvements projects. The city drinking water is the bull run watershed, our current treatment includes both the disinfection and corrosion control treatment. The current corrosion control treatment has been in place since 1997. We adjust the p.h. Of the water to 8.2, using sodium hydroxide. This p.h. Adjustment makes water less corrosive which reduces the amount of lead from household plumbing that dissolves into drinking water. The corrosion control improvements project is part of the water bureau's ongoing efforts to minimize the corrosion of lead in home and building plumbing. The project will further reduce the lead and drinking watered through improvements to the corrosion control treatment process. These improvements will be in place by april of 2022. The project is being designed and constructed to meet the requirements of the environmental protection agencies lead and copper rule, which regulates how drinking water systems manage lead and copper in drinking water. The water bureau and the Oregon health authority have agreed to a compliance timeline to complete this project by april of 2022. Our improved corrosion control treatment will adjust the chemistry of the water to use, by using sodium carbonate and carbon dioxide to increase the p.h. Of the water to 8.5 and increase the alkalinity of the water. The increased alkalinity of the water will improve the stability of the p.h., which increases the effectiveness of the treatments. This project will be constructed at the water bureau's existing lusted hill facility where corrosion control treatment occurs today. The project will primarily be located on the existing water bureau property, with the exception of the new and chemical feet piping which will extend into the new and existing easements to connect to our existing water conduits. This is an aerial photograph here of our existing lusted hill facility. The new facilities will be located to adjacent to our existing facilities at lusted hill. The new facilities will include a new building to house the new treatment system and utility water pump station, and associated piping and support systems. The project will require specialized skill and expertise in the construction of dry, liquid, and gas chemical systems or water treatment facilities. And the bottom right of the slide there, that is a screen shot from the 3d models of the design documents. Showing the new facilities adjacent to the existing facilities. The project is under a compliance deadline from the Oregon health authority and the completion of the project required by april of 2022. We have recently completed the 90% design of the project and will begin construction later this summer following the execution of the construction contract. We are on schedule to meet our compliance deadline. With that, I will turn it over to lester for and a few slides.

Spitler: For the record, I am lester spitler, the chief procurement officer. As you see here council authorized ordinance 188621 in september of 2017. To exempt this project from the competitive low bid process. In doing so, it allowed us to solicit a request for proposal for a construction manager/general contractor or cmgc method. The procurement method is a two-step process. It begins with a preconstruction services contract where we hire the construction contractor while the project is still being designed so that the contractor can contribute to the design process along with the owner, water bureau, as well as the design team and the engineers. The preconstruction services also allows early involvement with the construction team and provides the benefits concurrent acquisition design and

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construction functions, and ability to require materials and order fabrication incrementally, and reduction of risk of construction delays and unanticipated costs, and evaluation of total project costs based on the design because of the collaborative effort. Next slide. We issued rfp in december of 2018. We received three proposals in january. Of 2019. And they were reviewed, evaluated and scored by a five-member committee consisting of representatives from the water bureau and one member of the minority evaluator program. The committee selected mwh as the highest scoring proposal. As a result of that, the water bureau entered into the preconstruction services contract with mwh for the amount of \$332,500. Next slide, please. This is the second -- oh, michelle, sorry, you will do this one, right?

Cheek: Yes, correct.

Spitler: Sorry.

Cheek: That's okay. As I mentioned earlier, in addition to reducing levels of lead, the project will benefit the local contracting community through the solicitation of the subcontractors and equipment procurement packages, these packages will be solicited through advertisement and outreach to the local contracting community. Mwh constructors has committed to utilizing the 25.91% of their hard construction costs for disadvantaged minority owned women owned and emerging small business firms, and lester will talk about that in a little more detail in the next couple of slides.

Spitler: This is the second city project that the city's community equity and inclusion plan applied to. Along with the community equity inclusion plan, or ceip, we have a community equity and inclusion committee that acts as the oversight committee over these projects. Currently, the committee is overseeing three projects, this is one of them. The purpose of the ceip is to improve and increase the construction contracting and employment opportunities for racial and ethnic minorities, women, and economically disadvantaged projects. To ensure that the city is making conscious and specific efforts through the contracting process to not discriminate or indirectly perpetuate the under-inclusion of racial and ethnic minorities, women, and economically disadvantaged individuals in the construction industry and trades. And to ensure that the city receives the benefit of a highly skilled and well trained workforce and provides opportunities for firms that reflect the diversity of Portland's in the contractor and subcontractor pools. Next slide, please. So the ceip has higher goals than projects that do not apply, does not have the ceip applied to. The aspirational goal is 20%, but in the ceip we asked for 22%, and we prioritized that being 12% for disadvantaged and minority owned firms, 5% for women owned firms, and the remaining 5% can be any number of the certified, certifications. The workforce goals are higher, as well. There is 31% of the total apprenticable labor hours by trade that need to be performed by minorities, 22%, and 9% for women. And the same with the journey level. We have 28%, which is a higher goal than lower dollar projects, and that's split between 22% minorities and 6% for women. So at this point, in the process, mwh has come up with a plan in response to the ceip. They have attended several ceip meetings they presented to the committee. They have taken feedback and incorporated that committee, and they presented at a meeting yesterday, and we have a member from the ceic here to provide testimony, connie ashbrooke, and there is also the contractor, and andres baugh here to present more on their plan. We will finish the presentation and hand it off to them.

Hardesty: Excuse me, mayor.

Wheeler: Yes, excuse me, commissioner hardesty has her hand up.

Hardesty: Thank you, lester. I appreciated the opportunity to talk about this briefly yesterday. As I look through this community equity and inclusion plan commitment, what I am trying to measure is what you have said to this council in the past is that the reason why we continue to continue reaching our goals around minority contracting has been

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because we are forced into the low-bid process. So that's been the message that we've received. So my question is -- in this particular proposal we have hired two outside consulting firms to identify minority contractors. Don't we already know who all the minority and women and emerging small business contractors are? And to me, that seems to be adding costs that should be unnecessary if we have actually created the relationships that we should have.

Spitler: Yeah. I can answer that. So the contractor in their proposal in response to the rfp, they put together a team. And each -- in the rfp -- we ask for certain responsibilities to be covered. So in addition to the project superintendent, the project principal, the project manager, we also ask for a diversity and equity and inclusion person that's going to be on their team that's going to work with their subcontractors and the prime contractor and conduct the outreach because the city, as the city is happy to do it, but we want to see collective accountability on behalf of the contractor, as well. If they are going to, you know, have this large contract with the city, they need to embody the same values as the city. So we looked --

Hardesty: The city is paying for it. Not that the contractors are paying for the service. The city is.

Spitler: I will just say that typically in a design builder, there is usually -- there is members on the contractor team that work for the contractor. The city, in this case, helps them by facilitating meetings with the committee and troubleshooting and connecting them with certain organizations or individuals for certain scopes of work or needs on the workforce side so that they can find minorities and women and find minority owned firms for that work.

Hardesty: Is it because the primary contractor is out of state contractor and doesn't have those relationships?

Spitler: As opposed to a local contractor, yeah, but I think that they have hired andre Baugh, who has the relationships and the local knowledge, so from a team perspective, even though they are an out of state contractor, they have hired someone that we all know and trust will help them.

Hardesty: I think you are not understanding my question, so maybe I will rephrase it a different way. If this was the exact same contractor and the primary contractor was a local contractor who had worked with the city of Portland in the past, would we expect the same additional costs with consultants to do outreach to minority women and emerging small business members?

Spitler: Yes. In other proposals where local contractors have responded, they have also had members on their team that had this focus for them.

Hardesty: Thank you.

Wheeler: Any further questions? I will entertain a motion.

Cheek: We are not finished with our presentation yet.

Wheeler: Oh, I am sorry. I apologize.

Cheek: That's okay.

Spitler: So michelle, I think -- were you going to take the next slide? Yeah.

Cheek: We are here to today to recommend the award of the cmgc construction to mwh contractors for \$989,637. This requested contract value includes mwh contractors, gnp to complete the work shown in the 90% design document. An additional 850,000 owner allowance to cover the construction of the chemical feed piping which was not you will fully defined at the 90% design milestone. This minimizes the inclusion of an expected contingency in the gnp, and an additional million dollars to -- for owner controlled contingency to cover any unknown or unanticipated work that may come up during the construction. As a prime contractor they are required to manage the project, self-perform all procurement and installation and start up of the soda ash and carbon dioxide work.

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Mwh constructors has submitted a subcontracting plan in accordance with the ceip, which details how their packaging plan will be structured to distribute the remaining 9.5 million of hard construction costs to achieve the goals and requirements of the ceip. As part of their pre-construction services contract mwh has advertised four early procurement packages for the carbon dioxide storage and feed equipment, carbon dioxide storage and feed systems, the pre engineered building and tree removal. The steel building package was competitively bid with cobid firms for businesses of inclusion and diversity. Firms specifically invited to participate and the tree removal package was provided exclusively to cobid firms for competitive bidding with three firms attending and two firms submitting bids. The remaining subcontracts will not be advertised until the construction contract is [audio not understandable] described in more detail in the next couple of slides. I have included exhibit b to the report to council. We have michael, ben and andre from mwh constructors to help answer questions on their subcontracting plan. Mwh construction exceeds the goalsof the ceip by committing approximately 26% of hard construction costs to mwesb firms. Their plan identifies multiple tools to maximize subcontract opportunities to cobid firms and engage providers to maximize opportunities for minorities and women. Three procurement approaches will be utilized each of which has specific participation requirements. Their process is for packages less than \$150,000 and are only sent to cobid firms, minimum of three are targeted for each package. The best value selection process for packages greater than \$150,000 selection is determined based on a number of criteria including price, qualification and cobid participation. Bids that fail to demonstrate compliance with cobid participation goals are considered nonresponsive and rebid. The package selection is also greater than 150,000 here the selection is made by lowest responsive bid but must also demonstrate compliance with cobid participation goals. Bids that fail to show compliance are considered nonresponsive and rejected. These approaches highlight cobid participation is a priority for this project. I won't cover this in detail but it lists all of the subcontract work packages the procurement approach for each and cobid participation goals for each which adds up to the target 25.91% of the hard construction costs. This is the end of our presentation but as lester mentioned we have a member from the community equity and inclusion committee here to provide testimony and we have mwh constructors to help answer any questions you may have.

Spitler: Let's go ahead and move to connie.

Connie Ashbrook: Good morning, mayor, council members. I'm connie ashbrook, principal ashbrook consulting and co-chair of the national tasks force on tracing issues. I'm a member of the community equity and inclusion committee, the ceic is monitors projects that have a community equity and inclusion program component. Many of you know me from my pre-retirement years when I founded and ran Portland tradeswomen for 21 years. Mayor, you gave a great presentation at one of our peer graduations. Thank you for that, I'm here to support execution of the construction contract with mwh and that moving forward with a project mwh has been very responsive not just to the letter but the spirit of the ceip, the city's approach to eliminating disparity in public works and alleviating poverty in its residents. Mwh has been meeting regularly and they welcomed our suggestions for strengthening their approach to diversity and equity contracting and work force. For instance early on we provided detailed criticism and suggestions for suggestions for initial community equity and inclusion plans and they immediately went back to the drawing board and came back with a stronger and more responsive plan. I also want to praise their recently discussed best value scoring matrix that they talked to us about at the committee meeting yesterday that includes wording points for equity faster. Of course most of their plan has not yet put into action at this phase but I have every confidence that they will achieve the goals of the ceip. I hope you vote to execute this construction contract with mwh. Thank you.

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Wheeler: Thank you. Appreciate your testimony. Good to see you again. Thanks, connie. Commissioner hardesty has a question.

Hardesty: Thank you, mayor. Thank you, connie. What a pleasure to see you again. I knew you wouldn't be retired long. You say you are on the ceip. How long has that committee been convened?

Ashbrook: I think it's been a year now. Maybe not quite a year.

Hardesty: And is this a committee that will monitor the day-to-day activities of these contracts or are you just -- what is the role of the ceip committee as it relates to the equity goals that the city has laid out for this contract?

Ashbrook: Yes, so we are meeting monthly, and we get reports from the city's work force training and hiring program and procurement department on both the contractor diversity and work force diversity.

Hardesty: So are you getting real time information, when you get your information at your meeting, how old is that information and can you act on it immediately?

Ashbrook: We can act on it immediately to the best of our ability. I think the information we get is about a month old. I think it depends on the cycle of reporting versus the committee meeting time.

Hardesty: I guess that's my concern. I'm just wondering if you have information in a timely enough manner to change the direction of the work that the contractor is about to start doing or if you're a committee just reviewing things after the fact.

Ashbrook: I do believe we get information early enough to provide strong feedback and guidance. One of the discussions we had yesterday at the committee was what is our ability to ask for penalties for a contractor not following through. So we really need to go back and outline that and make it really clear and see what the formal authority is to provide those penalties, meaningful penalties. We're monitoring three projects right now. Capital highway, sullivan's gulch and corrosion control and only sullivan's gulch is in the construction phase.

Hardesty: Thank you. That's been really helpful. I share the same concerns that the committee has because if you're not receiving timely information it cannot be changed in a timely manner. So I appreciate hopefully getting a report from the committee sometime about those three projects and kind of whether or not this process has added value. I greatly appreciate the volunteer work that you and the other committee members are doing. But as you know, connie, we have not found the magic combination to actually achieve the goals that the city continues to set. So again, thanks for coming out of retirement and doing a few of these things for us. Have a good day. Thanks.

Ashbrook: Thank you, commissioner.

Wheeler: Thank you, commissioner. Does that complete the presentation, lester?

Spitler: It does, thank you, mayor.

Wheeler: Is there any further discussion? If not we'll entertain a motion.

Eudaly: So moved.

Fritz: Second.

Wheeler: A motion from commissioner Eudaly and a second from commissioner Fritz. Any further discussion?

Fritz: I was wondering if andre Baugh wanted to say anything.

Andre' Baugh: Good morning, mayor, commissioners. Thank you, commissioner Fritz. I would just to the comments of commissioner hardesty say one of the best practices in my 25 years of doing this work is having if you will a watchdog that the ceic can do and talk to contractors. I have been on the other side and had those committees. They become very effective in delivering your goal of city values. I will tell you so far they have been very effective with this contractor and I think the other contractors. The people that are on that committee have given the authority can change the trajectory of a project that seems off

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track if they get the information as you've indicated early enough. I think the city is committed to providing that information to the committee is my understanding. With that if we or any other contractor monitoring goes off track I think you will see corrective action put forward for the contractor. At least for this project and mwh, we are going to deliver on your values that the city has set forth and not only meet them but beat them. We're going to do it with underutilized, historically underutilized people and focus on that.

Wheeler: Thank you. Andre, we appreciate it. Thank you for your service.

Baugh: Thank you.

Wheeler: Questions or discussions on this item, colleagues? Karla, please call the roll.

Hardesty: I am grateful that there's a community oversight board that will be monitoring this. I have to say i'm really nervous when we create a process whereby we promise a lot of goodies and at the end of the day we don't we promise that we'll live up to our values system and rarely achieve it. When we're talking about such significant public dollars as this contract represents, I certainly have an expectation that we would exceed any minimum requirement. This city council recently passed a resolution prioritizing bipoc community members and those have been communities that have been least prioritized as far as contracting with the city of Portland. I do not expect one committee to solve all the problems that the city of Portland has, and achieve our goals around contracting, but I will be looking to this committee to provide some real life, real time information that helps the city as the city receives both the audit and will tell us about how much [audio not understandable] achieving our goals and then the direction that we give to procurement to make sure that we live up to the resolutions that we pass here at the city council. I look forward to attending one or two of these meetings, actually see in real life what happens in this group. I know connie is not a pushover so any committee connie is on has to be a committee that's very thoughtful. I'm reluctantly voting aye, but as lester already knows that I am a thorn in his side because I want us to not just achieve minimum goals but I want us to have extraordinary growth in how we identify ,contract with and work with minority and women owned contractors. The last 18 months I have not been that impressed. I'm hoping that this process will provide us some opportunities to really rethink who has access to public dollars. That's my bottom line. I'm following the dollars everywhere. What I have seen so far i'm woefully disappointed. So i'll keep my eye out. I will vote yes and we will see in real time whether or not we are achieving what we all say our value system requires us to. I vote aye.

Eudaly: Aye.

Fritz: Well, this project is significant for multiple reasons. First, it does achieve compliance schedule that we at the water bureau is required to have regarding treating the water to a ph, where the lead that may be in people's homes is less likely to leak in. Everybody should continue to know just run your tap for two minutes beginning of the day until it's cold then you will have delicious, safe drinking water. Thank you to michelle cheek and the team at Portland water bureau and lester spitler for the presentation. Thank you, connie ashbrook and andre baugh ,who have been involved in this conversation for the 11 years I have been on council. This actually does represent significant improvements in what was happening 12 years ago. As connie mentioned it's one of the first three projects that are going through the community equity and inclusion process plan with the commission being doing the oversight and the -- construction management general contractor and that's how we get to higher than minimum. I know andre will work with the consultant so that when the project comes back to council long after i'm gone, from council, hopefully not from the planet, that commissioner hardesty will be happy with the results that you're going to be able to achieve with this process. This is our best thinking on the way forward for achieving the contracting numbers and outcomes we all have been striving for and I really appreciate that. Finally I would normally thank all of the folks in the water bureau who have done the

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engineering consulting on this. I do thank you. I also honor mike stuhr, the director of the water bureau, who has served the bureau well for 17 years and is going to be retiring shortly. I thank you, mike. He has definitely focused on resilience and safety and getting these infrastructure projects done that will make our water supply safe and secure and abundant for generations to come. Aye.

Wheeler: Aye. The report, the ordinance -- the report is accepted. Colleagues, we still have 13 items, based on the time frame of what's been provided by bureaus they are proposing the remaining items would take about two additional hours. I remind you we have a long afternoon agenda starting at 2:00. So I would ask us to be expeditious in our process as we move forward. I'm going to try to speed this up a little bit if you don't mind. Karla, could you read items 537 and 539? They are actually related.

Item 537.

Item 539.

Wheeler: The Portland housing bureau came into ownership of several projects from development commission as a result of the creation of the bureau in 2010. Home forward is performing services as the asset manager for these properties covered under an existing intergovernmental agreement. One of those services includes development services such as contracting on behalf of the city for repairs. During the capital needs assessment in the fall of 2019 it was determined that one of the properties, headwaters apartments, required roof replacement due to defect. The following ordinances will, one, allow the city to move forward with coordinating and financing of these capital improvements and related costs, and the second will allow the refinancing of existing bonds previously issued for the project. With details are phb director shannon callahan and debt manager matt gierach.

Shannon Callahan, Director, Portland Housing Bureau: Thank you. I do have a brief power point if we could pull that up. As the mayor mentioned the headwaters apartments was constructed by pdc in 2006. Late last year in approximately august we noticed during a capital needs assessment some roof defects that upon further investigation we realized that the building was having a catastrophic roof failure. At that point we moved very swiftly to relocate tenants on the fourth floor of the building over the thanksgiving holiday weekend and our partners at bds yellow tagged the fourth floor meaning unsafe for occupancy. In the meantime we have made safety and immediate repairs to the building and we are now prepared to use what we hope are rain-free summer months to actually remove the roof and do the repair and replacement. Next slide, please. This gives you an idea of some of the damage that we encountered in the building and completely unexpected especially for a building of this age. Next slide. Thank you. This is a breakdown of what we expect the project budget to be. We are asking for an additional 25% and in case there are things that we do not expect as this roof replacement has been very unexpected and we encountered a variety of different issues with the roof and the structure of the roof throughout this process. Next slide. So we plan to modify our agreement with home forward to allow them to complete the needed repairs so we can take advantage of the summer months and also move the tenants back in the building that have been relocated. We'll be using some portion of project reserves for the repairs and then matt gierach is here to talk about the refinancing proposition that we expect to be able to get the rest of the funding needed for the repairs. Thank you. I'll turn it over to you, matt.

Wheeler: Thank you, shannon.

Matt Gierach, Office of Management and Finance: Good morning, mayor, commissioners. The ordinance under item 537 authorizes the city to issue bonds for financing for capital improvements for the headwaters apartments plus additional amounts for financing costs. In addition to the 4 million borrowing the ordinance provides authorization to refinance the existing series 2005-a limited tax revenue bonds related to

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the headwaters apartments, 7.2 million. The 2005-a bonds require above market interest payments and will be refinanced for savings. Present savings will be approximately \$970,000. Similar to the terms of the 2005-a bonds the upcoming borrowing will be secured by full faith and credit of the city and the net revenues of the headwaters apartment project over the project operations are expected to continue funding all debt service costs. Taking into account the savings and refinancing and debt service related to capital improvements projected annual debt service is expected to be roughly the same as current levels under the 2005-a bonds however these will be extended from 2035 to 2040. The city's debt management team expects replace revenue and private placement given the desire to maximize future prepayment flexibility. We anticipate the financing will close mid august of 2020. We're asking this to be authorized as an emergency ordinance to fund the capital repairs as early as possible this summer. With that I can answer any questions on the financing.

Wheeler: Thanks, matt. Colleagues, any questions at this point? Does that conclude your presentations for both 537 and 539?

Callahan: Yes, mayor, we're here to answer any questions or go deeper into the ordinance if needed.

Wheeler: Commissioner Fritz then we'll move to public testimony .

Fritz: This is a relatively new building. Is there no liability on behalf of the developer?

Callahan: Commissioner, there is a ten-year statute of limitations in the state if we were to pursue a construction defect so we're outside of that time horizon. We have engaged or are engaging an insurance consultant to assist with possibly filing insurance claims. Thus far we have not been successful. We do not have a recourse at this point against the developer now.

Fritz: Thank you.

Wheeler: Colleagues, any further questions for matt or shannon? Seeing none, do we have any testimony on either item?

Moore-Love: No one registered for either of those.

Wheeler: With that, please call the roll on 537.

Hardesty: Thank you, shannon and matt, for that very succinct but detailed report. Matt answered my question about the emergency and shannon answered -- commissioner Fritz asked my question about why aren't we making the developer fix this problem. So I hate when I don't have any questions that come out of things that are emergencies so I vote aye.

Eudaly: Well, if this is the quality we can expect from new construction it doesn't bode well for the theory that today's market rate housing will be tomorrow's affordable housing. This is just a terrible situation, and I appreciate everyone's efforts. Aye.

Fritz: I'll just go. I didn't hear that I was called. Thank you, director callahan. Obviously this is a bad situation which you're making the best of. The main thing is you're looking after the tenants and getting the building fixed. Thank you for doing that and thank you to the debt management staff for doing it as least expensively as possible. Aye.

Wheeler: I vote aye. Thank you. The ordinance is adopted. 539, please, call the roll.

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

Wheeler: Aye. The ordinance is adopted. Thank you both for your presentations. Karla, let's go back to 538 please.

Item 538.

Wheeler: This is an important ordinance. I'm pleased to bring it forward. The purpose of this ordinance is to grant recognition to the engineer 2 classification in a represented status under the pro tech 17 to modify terms in the collective bargaining agreement to the letter of the agreement. The classification of engineer 2 was adopted by the city council back in december of 2018, and revised in 2019. There are currently four incumbent

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employees in that classification. Incumbent employees have signed showing of interest cards indicating their interest in having them their collective bargaining representative. No other labor organization has shown interest in the classification of engineer 2. Incumbent employees have shown no interesting in being represented by any other labor organization other than pro tech 17. Joining us today is chief human resource officers cathy bless. Good morning, cathy. How are you today? Oh, annmarie. You're muted. Welcome. Can you unmute? Ann marie? You're muted. We can't hear you.

AnnMarie Kevorkian Mattie, Bureau of Human Resources : Let's try that again. Sorry about that. Good morning. I'm AnnMarie Kevorkian Mattie, with the bureau of human resources sitting in for cathy this morning. First and foremost I wanted to just say the ordinance provides recognition as the mayor described to the engineer 2 classification under the pro tech union and I would like to acknowledge that it's critically important to the city, bhr and labor relations to create collaborative relationships with our union partners. So by approving this ordinance voluntarily recognizing this group of employees into the pro tech bargaining unit would be representative of this collaboration. I don't have any additional information I think that is necessary for this ordinance but if you have questions i'm available to answer.

Wheeler: Thank you, ann marie. Colleagues, any questions at this point? Karla, is there any public testimony?

Moore-Love: No one registered.

Wheeler: We're making good progress. Please call the roll.

Hardesty: Aye.

Eudaly: I just want to acknowledge the city's voluntary recognition of these employees, and i'm proud to be part of a pro union city council and I vote aye.

Fritz: Appreciate the work done by human resources and the employees involved as well as pro tech 17 for the great work that they did. Aye.

Wheeler: Good work all around. I vote aye. The ordinance is adopted. Thank you for filling in, we appreciate it. 540.

Item 540,

Wheeler: Portland housing bureau's sub recipient contract leverage city funding resources to help some of the most effective nonprofit organizations provide the housing services our community needs most. If services are provided to low to moderate income residents obviously at this time those services if anything are over-subscribed. A robust intensive public planning process inform the priorities for cdbg funding. With us today to give a few more details about this ordinance are the housing program coordinator dana shepherd and I see shannon callahan standing by as well. Are you doing the presentation?

Shannon Callahan, Director, Portland Housing Bureau: I'm just here to support my team members. Our two managers of the neighborhood housing program team dana shepherd and rental services offices kim mccarty are here to briefly go through the contracts that we're going to be entering into as well as the reporting requirements for our service providers. With that i'll turn it over to dana.

Wheeler: Thank you, dana and kim. I'm sorry, my comment sheet did not have either of you listed. I apologize for that oversight.

Dana Shephard, Portland Housing Bureau: No problem, mayor. Good morning, mayor, commissioners. I'm dana shepherd. I am a neighborhood housing manager at the housing bureau. So the ordinance includes the phb contracts that exceed 100,000. I will speak to the nine of the 17 contracts listed in the master ordinance which are managed by the neighborhood housing preservation office. Kim mccarthy can speak to the others. The nhp contract provides the following services. We have the homeowner access program, the home buyer education council, so we have a host of phb psrtners specific organizations. You heard from one of them today. Kymberly Horner and other partners they support

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Portland residents with one on one counseling and group financial counseling, again culturally specific counseling. We have the foreclosure prevention and home repair grant program and also the bulk of them are part of the city homeownership strategy. Homeowners receive small grants to adjust critical needs, health and safety issues such as weatherization materials, accessibility features, wheelchair ramps and violations to avoid fines. To let you know how the contracts work we have a signed contract manager along with phb data and finance teams who work collaboratively in determining output and measurable outcomes. They collect and get regular reporting from the contractor and that includes data and narrative reports. Then also along with this we have on-site regular on-site programs and fiscal monitoring. I will go ahead and pass this along to kim mccarthy to speak about the other.

Wheeler: Thank you dana.

Kim McCarty, Portland Housing Bureau: Good morning, commissioners, mayor. Kim mccarty, rental services office. As dana outlined, we have a robust process for monitoring our sub recipients and communicating with them to develop the scope of services. The focus with all of the rental service office recipients is to address impediments to fair housing and we do that by focusing on our culturally specific partners and their clients which are primarily black, indigenous, latinx and other communities of color and also individuals with disabilities. So specifically, again outlined for this particular master ordinance this is just -- we have a number of sub recipients but we're focused on the ones with over \$100,000. I'll go through those in order. Our largest is community alliance of tenants. They have a number of programs that are addressing the needs of renters. First is their education and outreach and help line. They answer calls from thousands of residents, most of them from Portland and Multnomah county. They also do one on one assistance with tenant advocacy. Many renters need help writing a letter or calling their landlord or seeking an attorney and they help them with navigating that process and getting that kind of assistance. Community alliance of tenants also has a number of partners, metropolitan public defenders, apano, irco, sei, to name a few. That's really important part of this work that they are doing that they do it in a collaborative environment and they act as a pass-through agency to those partners. Next fair housing council of Oregon, we contract with them to help renters primarily in the city of Portland understand their fair housing rights. Often this type of advocacy can take years. You can imagine someone who is experiencing discrimination and access to rental unit or they have maybe experienced harassment or failure by the landlord to offer some kind of accommodation. That kind of work takes a lot of understanding of fair housing law, it can take years to go through the court system. So while they answer hundreds of calls every year, they specifically do about 50 investigations that are fair housing related and they also do fair housing testing to give us a sense of where the types of fair housing violations are taking place so that we can better focus our resources on those types of impediments that people are experiencing in the rental market. Our other partner is impact northwest. That's a social service organization. They specifically work with us with renters that are experiencing types of scenarios in their housing where they are experiencing an environmental health problem. This could be mold, lead types of issues that the homeowner should be addressing and those residents need help with moving to a safer location. They help about 50 households a year. Legal aid services of Oregon helps with fair housing cases and with landlord-tenant disputes, probably about 50 cases are related to fair housing and over 150 are landlord-tenant cases where they are going with the renter to court to address security deposit issues, eviction notices, those kinds of things that help people stabilize and keep them in their homes.

Hardesty: Excuse me, kim. Can I ask a question? You have been on a roll. I want to go back to your description of the community alliance of tenants. They partner with culturally

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specific organizations and they are the pass-through of resources to some of the other organizations. Some of the ones you mentioned are a lot bigger than the community alliance of tenants. How does that relationship work when mega organizations are receiving pass-through dollars from a small community-based effort. What's the logic in that? You're on mute. There you go.

McCarty: Thank you for that question, commissioner. Irco -- of course a very large organization but i'll just explain the reasoning here. Community alliance of tenants is working with apano, sei, irco and also metropolitan public defenders to embed some of their workers in those organizations. So over time they realized that they weren't reaching people where people were naturally going, so people are seeking services at irco as an example or might be apano because that's a place that they are very comfortable. The staff at irco or apano may not have the in-depth knowledge of landlord-tenant law to address the needs of people that are coming to them. Some of that information was getting lost when they would say, well, just call community alliance of tenants and they will take care of you, maybe that person doesn't follow up on that phone call. Maybe they needed that help right then and there while in the office at apano. Community alliance of tenants with their partners is taking a different approach and having staff part-time at those locations to specifically address the needs of the clients that are looking for landlord-tenant type of advice.

Wheeler: Very good.

Hardesty: Thank you so much, kim. Appreciate that. Very helpful.

McCarty: So the last sub recipient to talk about is urban league. Urban league of Portland has a very innovative program that they have been working on for a couple of years in partnership with the legal aid services of Oregon and fair housing council of Oregon. It's also a -- the main partner in terms of clients is el programa. There's been a recognition that our black and latinx community members are more at risk of experiencing fair housing discrimination, but we also know from our partnership with fair housing council of Oregon that many of our community members from the black and latinx community are not calling. They are not seeking the help. They may not be getting the help that they need. So with urban league and el programa, we have their clients coming to an organization that they feel comfortable with and then those stories and those people are partners with fair housing council of Oregon and laso and as a result of that partnership we are finding better outcomes, people are calling, people are sharing their stories and getting the legal services that they need. So that concludes my presentation. I'll take any questions if there are any.

Wheeler: Colleagues, any further questions at this point? Karla, do we have public testimony on this item?

Moore-Love: No one registered.

Wheeler: Very good. Then with that call the roll.

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

Fritz: Thank you for the presentation and for all your work. That's very helpful to get more explanation about what the services are. Aye.

Wheeler: Thank you, dana, kim. You guys are doing awesome work. Really appreciate it. Makes it easy to support. Aye. The ordinance is adopted. Next item, 541, please.

Item 541.

Wheeler: Council approved the better housing by design zoning code project in december of 2019. The projects included bonus programs created to increase development of housing, affordable to low and moderate income homebuyers and renters across the city. The Portland housing bureau is here today with code allowing the bureau to effectively administer both the affordable housing bonus transfer program as well as the three

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bedroom program approved in december. So with that I believe we have matt tschabold and dory van bockel here. I see dory. Matt, are you with us?

Dory Van Bockel, Portland Housing Bureau: Just me today. Matt is out this week on furlough.

Wheeler: Welcome. Thanks for being here.

Van Bockel: Thank you, mayor, commissioners. Just a quick run-down. Code section 30.01.150 is an addition to the code to establish the floor area ratio transfer from existing affordable housing program for properties with existing affordable to households earning up to 60% of median family income to transfer floor area ratio to another site. Based on subsection 33.120210 d1 a, which went into effect march 1st of this year. Additionally code section 30.01.160 is addition to the affordable housing code to establish the three bedroom unit far density bonus option program to encourage more family sized units by providing a 25% bonus affordable up to 100% median family income based on zoning code subsection 33.120.211 3c and this went into effect june 1 of this year. So codification of these programs in title 30 allows the housing bureau to move forward with rulemaking ensuring effective administration of the program which are already available under the current zoning code. With that i'm happy to answer any questions.

Wheeler: Very good. Any questions for dory? Seeing none has anyone signed up for public testimony?

Moore-Love: No one registered.

Wheeler: This is an emergency ordinance. Please call the roll.

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

Fritz: It's impressive how quickly you got this done. Thank you, aye.

Wheeler: Aye. The ordinance is adopted. Thank you, dory. I would like Karla unless somebody tells me why I can't I would like to read items 542, 543, 544, 545 and 546 together.

Item 542.

Item 543.

Item 544.

Item 545.

Item 546.

Wheeler: Very good. Colleagues, i'm taking item 545 pulling it back to my office. So 545 comes back to my office. Dory, you're up for all of these. Welcome.

Dory Van Bockel, Portland Housing Bureau: All right, i'm going to share my screen, so give me a moment, please, to get a presentation up for you. Sorry, i'm having technical difficulties. I can go ahead without the presentation too. I do have --

McClymont: Dory, I can bring it up if you would like.

Van Bockel: That would be great. I don't know why I was suffering through that. I'll proceed. Starting in february of 2017 any building adding 20 or more new units is required to contribute to the city's affordable housing inventory through the inclusionary housing program. Developers must choose from several options in order to fulfill inclusionary housing requirements providing affordable units in an otherwise market rate building, sending units to another building or paying into the inclusionary housing fund. The multiple unit tax exemption program is one of the financial incentives provided making units affordable rather than paying a fee in lieu and each multe application as you know comes to city council for approval. So if you want to move through the first slide, please, keelen. That's what I just described there. So if we can move to the next one. The applications before you today with the exception of proud tree apartment which we pulled back to make a technical change, the other four projects that we're hearing today are for the cesar apartments on southeast cesar chavez boulevard, burney 1 and burney 2 on east burnside street as well as the first phase of the pepsi block project on 27th and sandy in northeast

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Portland. We would like to go to the next slide, please. So first for the cesar apartments, this project, the developer selected in the residential only apartment buildings to restrict at least 15% of units as affordable at 80% median family income for 99 years. That amounts to eight of the total 51 units with restricted affordability. It's representative of the total units in the building comprised of four studio, three one bedroom and one two bedroom units, so outside of the central city plan district under the inclusionary housing program it means that project is eligible for a tax exemption on only the units with restricted affordability. In this case those eight units and an associated percentage of residential common areas will receive the exemptions and the other 43 market rate units and the land will be fully taxed. So as you can see with that -- move to the next slide.

Hardesty: Before you move, I have a question.

Van Bockel: Yes, commissioner hardesty.

Hardesty: Thank you, Dory. My question is what is the square footage of the market rate units? Are the studios one bedroom and two bedrooms the exact same average as it is for the affordable units?

Van Bockel: Yes. On the inclusionary building guidelines the affordable units need to be at least 90% of the average square footage of all the units of that type in the building. So these averages are inclusive of both the market and affordable rate units.

Hardesty: Do you know what the square footage is for sros?

Van Bockel: I don't know that there's a particular cut-off for an sr, specifically within building code.

Hardesty: What we're calling a studio I would call an sro. I'm curious as to whether or not these are really units that people can afford to live in when they are that tiny and the fact we're calling them studios and one bedroom in what looks like very, very tiny units. I guess i'm concerned. In all the market rates are supposed to be 90% of the same square footage?

Van Bockel: The affordable units need to be at least 90% of the average of the unit type. The average square footage of all units in the building for the studios are at that 285 and the average of all the one bedrooms is 396, and so on. When units or developments are reviewed by planning and zoning through the bureau of development services they only deem dwelling units to be those that have a full kitchen and bathroom as well as -- any bedrooms we also determine to have full egress access and to have windows. So an sro, in that case, would be different in that it wouldn't be subject to even the inclusionary housing because it's not considered a dwelling unit. There's a difference in that case and it's not deemed strictly on size.

Hardesty: Thank you.

Van Bockel: You're welcome. So as far as looking at the tax benefit, since again this is only restricting the affordable units in the buildings over the total ten years there's roughly 85,000 in taxes that will be exempt and per unit over the 99 years of affordability a little over \$100. So next slide. If we compare that then to the average rent discount between the market rent and the studio rents, there's about \$188 difference per month for that. Obviously, those things change over time both on the affordable and the market but that's an average of what that monthly savings is compared to the value of the tax exemption. Want to go to the next slide?

Hardesty: Sorry, could we go back to the last one for just a second, please? There's only \$100 difference or less than that between an affordable studio and market rate studio?

Van Bockel: Because these are smaller buildings, smaller units, that's probably why there is a lesser difference. Even within the market these are not going to be at extremely high cost for market rents.

Hardesty: That's very interesting. We're giving a ten-year tax break for ten bucks off?

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Van Bockel: No, well, 188 compared to 108 on average. The tax exemption is only for the first ten years and affordability will last for the 99 years through inclusionary housing. Even if the market gets to be more expensive these are still going to be limited to the affordable rents.

Hardesty: So 80%. This is 80% mfi?

Van Bockel: This project is, yes, based on the option that they selected.

Hardesty: Thank you.

Van Bockel: You're welcome. If we can skip through 3, this is the one we're pulling back. Next we have burney 1. So under the inclusionary housing option for this project which is also a residential only apartment building, the burney 1 is required to restrict at least 15% of the units as affordable 80% of median family income for 99 years. Out of the 29 units there's four with restricted affordability. The affordable units are representative of the total units in the building, so that comes out to two studio, one one bedroom and one two bedroom unit. Outside of the central city plan district, these four units will be the only ones benefiting from the tax exemption over that time frame and the rest will be fully taxable. Scroll to the next slide. That comes out to an average of about \$114 per unit over the 99 years compared to -- I think we have the same rent difference in the next slide because the market rents are similar, very similar average rent discount. These are smaller projects. The market rents on them wouldn't have been a lot higher but still over what the minimum affordable rate would be for a building of this size. We'll move on to burney 2. This is similar, obviously being developed by the same folks. This one they also chose the same option of 15% at 80% of median family income and that results in six of 42 units with restricted affordability and based on the unit composition ends up to be three studio, two one bedroom and one three bedroom unit. Those again are the only units that will have the benefit from the exemption in this case. We can go through to the next slide. The average on that is 118,000 based on our estimate of what the total taxes for the exemption would be. Next slide, please. Just based on the rent they proposed in this building actually ends up being a little higher rent difference, so between the affordable and market rents for this particular project. Now to the pepsi block phase 1, building a, and this one is a little bit more unique. With this building they are required to restrict at least 8% as they've chosen the 60% of median family income option again that's for 99 years. That amounts to 18 of the total 219 units in the building that will have restricted affordability. For this particular project the developer opted to reconfigure the building's required number of affordable units by providing an alternative mix based on the total number of bedrooms by the ih option. By reconfiguring the total number of bedrooms into the affordable units two bedrooms or more this results in a building with a smaller over all number of affordable units but they are providing affordable family size units. So with that and with the option originally selected the 8% of the building that was selected, they would have needed to provide six studio, seven one bedroom and four two bedroom as well as one three bedroom unit which totals 24 bedrooms, so to walk through that reconfiguration option. The final result is that there will be two studio, four one bedroom, three two bedroom and four three bedroom affordable units over that full 99 year period, 60% of median family income. This building is restricting an additional 31 of the total 219 units to include five studio, nine one bedroom, nine two bedroom and eight three bedroom units to also be affordable at 60% of median family income making a total of 44 units of the 219. They are doing this because the building is part of a planned unit development. The developer is planning to fulfill the inclusionary housing requirement for the whole site for the additional buildings that will be built within the plan development by consolidating these additional units in this particular building that's getting built first. So the housing bureau will be reviewing the permit applications on site and confirm that the units provided in this building fulfill each future building responsibilities as those also come in for permit. So since this is

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all outside of the central city plan district the 44 units being made affordable over that 99 year time frame will receive the exemption as of the completion of this building even if the units are being sent from other buildings built later on.

Hardesty: Can I ask a question about that last comment? There be five buildings and you're saying that the developer wants to build all the affordable rate units in the first building that will be built?

Van Bockel: Correct.

Hardesty: You will be monitoring the other buildings for what?

Van Bockel: Because the program has that 90% of the average square footage requirement for instance, a few other requirements about consolidating units into one building, we'll want to make sure that the units that they have chosen to fulfill, that the mix of studio, one bedroom, two bedrooms, et cetera, does meet the standards for each of the additional buildings that are built. If they are not able to fulfill that down the road when one of the other buildings is built they will have to provide units on site in those buildings.

Hardesty: Thank you. I actually was concerned about this because I was concerned that the affordable, 60% mfi units would be something that would not happen down the road so i'm very supportive of those units being built first because we have had that experience in Portland where developers run out of money halfway through a project, oops, what didn't get built was the affordable housing units. This is a good model for us to be moving forward. Thank you.

Van Bockel: Thank you. If you want to move to the next slide, please. This is a description of the per unit and total tax exemption over the ten years, so a larger building than the others but still about the same or similar per unit expense of \$127 per year over that full 99 year period. When we're looking at them if we go to the next slide and then can we go to the next slide, please?

Wheeler: Commissioner hardesty, did you have another question?

Hardesty: No, mayor, my hand was left over.

Wheeler: Very good.

Van Bockel: I think I have said it all for these particular projects but i'm happy to answer any other questions that you may have. Thank you.

Wheeler: Any further questions before we move to public testimony on these items? Very good. Karla, is there any public testimony on these items 542, 43, 44, 56?

Moore-Love: No one registered, mayor.

Wheeler: With regard to 542, please call the roll.

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

Fritz: Thank you for all the very clear presentations. I'll say that once. I mean it for all of them. Aye.

Wheeler: Aye. 543 also an emergency ordinance. Please call the roll.

Hardesty: I think this is the one that I was really concerned about the size of the unit. I just hope that we are evaluating whether or not we're providing truly livable space for folks in need. I vote aye.

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

Wheeler: Aye. 544 also an emergency ordinance.

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

Wheeler: Aye. The ordinance is adopted. 546 is first reading of a nonemergency ordinance. It moves to second reading. Thank you, dory. Great presentation. Karla --

Moore-Love: I show this as an emergency. Is that wrong?

Wheeler: Mine does not. Is your the most recent one? Maybe my agenda -- you're looking at 546?

Moore-Love: You're right. I switched mine around.

Wheeler: No worries. Good. If you could read 547, please.

Item 547.

Wheeler: Prosper Portland and the Portland housing bureau share important responsibilities in providing the highest level of services to Portland residents. Prosper Portland provides economic development services while phb provides access to affordable housing. These agencies provide funding oversight to each other to ensure the most effective program possible. I believe we have -- there she is. Our director Shannon Callahan ready to take it away. Good afternoon.

Shannon Callahan, Director, Portland Housing Bureau: Good afternoon, Mayor, Commissioners. This is our annual IGA with Prosper Portland that we enter into each year which states detailed scope of work for shared responsibilities for funding levels in next year's budget. Due to the length of time and schedule you have to go through I'll just be here to answer any questions you might have.

Wheeler: Any questions? Any public testimony, Karla?

Moore-Love: No one registered.

Wheeler: Call the roll.

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

Wheeler: Thank you, Director Callahan. I understand Anna Shook and Mike Johnson also worked on this so I want to acknowledge their hard work. Thank you all for this important continuation of this IGA. With that I vote aye and the ordinance is adopted. 548, please.

Item 548.

Wheeler: Commissioner Eudaly.

Eudaly: Thank you, Mayor. The purpose of this ordinance is to authorize PBOT and procurement services to use an alternative contracting method for the Outer Division Multimodal Safety Project. The community requested that PBOT pursue this alternative approach out of concern for the safety of people traveling along the corridor and impacts to local businesses given all of the projects that would be under construction at the same time over the next two years. Here to present for PBOT is Elizabeth Tillstrom.

Elizabeth Tillstrom, Portland Bureau of Transportation: Thanks, Commissioner. Good afternoon, Mayor, Commissioners. For the record I'm Elizabeth Tillstrom. I serve as Capital Project Manager for PBOT. I'm joined by Cary Waters, PBOT's Contract Equity Coordinator and Lester Spittler, the City Chief Procurement Officer. I have a presentation that I'm going to share. Bear with me.

Wheeler: Looks good.

Tillstrom: Great. Thank you. So we're here to request authorization to pursue an alternative contracting method for Outer Division Multimodal Safety Project. I'm just going to briefly provide background information and for other projects along the corridor then hand it off to Lester and Cary for more information on why we're recommending this as well as information on our contracting equity strategy that we will be pursuing as an alternative process. Our project area is on Southeast Division between 80th and 174th. Takes us as far east as the city limit. As you may be aware Southeast Division is a high crash corridor. Over the last decade we have had 19 fatalities and 129 serious injuries. We have been working on improvements to this corridor since 2011, however, in 2017 following a year with five traffic fatalities in Southeast Division the community asked the city to take action and do more to address the serious safety issues along this corridor. As a result City Council directed PBOT to develop a safety action plan for Division and authorize funding for more comprehensive capital project on the corridor. So when we started this project in 2017, Division Street ranked number one on our high crash corridors for all modes. That includes people walking, biking, and driving. So when we studied the corridor to better understand the safety issues here's what we found. The street is very wide. It measures 76 feet curb to curb and just for reference an intersection of Division between Southeast 11th and Cesar Chavez is 36 feet curb to curb. This is more than double the width when you get

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east of 82nd. So for outer division we have a very wide street, two travel lanes in each direction as well as a center turn lane for vehicles to enter in from either direction. We have really long distances between signals, which results in drivers speeding along this stretch. Then the lack of frequent signals leaves many of those legal pedestrian crossings at intersections unprotected. We also have existing five foot bike lanes next to that outer travel lane where we have vehicles speeding sometimes on average of 45 miles per hour. Then finally the street is very dark, so we have a lack of street lighting if there is street lighting it's on one side wherever we have utility poles that we have been able to attach lights to. So all of these existing conditions really lack of infrastructure have led to a lot of the safety issues that we have seen on the corridor over decades. So this slide kind of represents our plan and approach for how we address the safety issue on division. Some of these things pbot has implemented over the last two years. Recently we infilled all of the missing sidewalks so we have a continuous sidewalk corridor along this segment of outer division. We moved forward with emergency projects to implement or install speed safety cameras, speed reader boards, we added new street lights at key areas along the intersection where we have transit stops or where we have had pedestrian fatalities. We also permanently lowered the speed limit to 30 miles per hour. So all of that work was recently completed. Now with this upcoming outer division multimodal safety project we'll apply the rest of this plan. We'll build those center medians to address movement crashes along the corridor. We'll be installing 10 new signalized pedestrian crossings to create safer, more frequent opportunities for pedestrians crossing the street in conjunction with the medians they will also shorten the crossing distance. They have safe refuge in the middle, they don't make it all the way across. We will be adding more street lights and installing protected bike lanes. So here's just a quick image of the existing conditions on southeast division street and then a rendering of what that future cross-section is going to look like under the safety project. Just wanted to touch on our public involvement efforts through this project. Even though the community asked for this project in response to all those fatalities occurring we still wanted to do -- we wanted to have a really robust outreach process. This summarizes it. We partnered with apano and division midway for the entirety of our outreach and through their efforts we were able to provide outreach materials in eight languages and also hold ends and have translators as well as in-language business meetings and focus meetings with the community. Then this slide, in addition to all of the community events we have held monthly partner coordination meetings with apano and all the other agencies working along the corridor, including trimet, odot, prosper Portland, housing bureau just to coordinate the work along the corridor. The list in front of you just reflects the work as planned in the public right of way. So there's more housing projects going on but this is what we're doing in the roadway. It was through those partner coordination meetings, which is why we're here today, where our partners and business owners and local property owners realized that there's going to be a lot of work occurring along this corridor at the same time. The snapshot at the bottom of the slide, this was an internal working map that pbot staff had and we were working on to make sure all the projects are coordinated and talk to each other and designs work together. We are all working in the same area at the same time. So the community came to pbot and asked us to do more out of concern for public safety with all these contractors working out there as well as just the fact that it's going to be such an active construction zone and impact to the local business community. So we worked with procurement to identify an alternative method that will give pbot a little more control and reduce risk costs and delay risks for us as well as require them to do more in terms of outreach and coordination with the businesses as well as coordination with all the contractors that are going to be working out there. Lester will talk a bit more about the benefits of that approach. Here is our funding started as an emergency project so we have piecemeal

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funding but we have a total of a little over 9 million to deliver this project. Here's our schedule moving forward. If we receive authorization our plan is to advertised rfp next month and run that evaluation process through october. At the same time we're completing the design for this project so we'll have those final plans in september. Then with the contract is in place which we expect sometime early 2021 the contractor would mobilize and begin construction and our goal is to complete all of the work by spring, summer of 2022. As you're probably aware trimet's division transit project is already under construction along the corridor. Their plan is to begin testing summer of 2022 for that new transit line. We would like to construct our improvements and be out of the way. Have all the new signals in place so that trimet can test their lines. That is our schedule. With that I will turn it over to lester to talk more about this alternative approach.

Wheeler: Thank you.

Lester Spitler, Chief Procurement Officer: For the record lester spitler, chief procurement officer. The project team and procurement staff examined four delivery options. One is traditional low bid, the other is design-build, the other is general contractor and lastly the negotiated rfp, which we're asking for authorization to do today. We're asking to negotiate rfp, because it provides many benefits that a low bid approach would not. Is there an advancement on this? With a request for proposal the city can evaluate proposals from contractors and we can evaluate their project approach, their team members and their schedule they propose for the actual construction of the work. We can also evaluate their work force diversity commitment along with a subcontracting plan. So when we come to city council and ask for authorization to exempt a project from low bid we have to address findings that are both in statute and city code. There's 14 findings and we're required to address and publish those two weeks in advance of council hearing such as the one we're having now. Liz and the project team and procurement staff published those. We have not had any questions or anyone reach out to us. These are some of the highlighted findings that support the use of a negotiated rfp on the project. We don't believe issuing a rfp will result in any less competition than a low bid. In fact we think it might result in more competition. We believe that an rfp will facilitate cost savings to reducing rate claims because we get to evaluate a contractor's approach with a low bid approach we basically have to accept the lowest responsive price without seeing their approach, their team, or they're schedule. Lastly there's various public benefits that will result by using a negotiated rfp. We'll be able to see again their approach, how they collaborate with other agencies, collaborate with other contractors, utilities. We'll be able to see their approach on outreaching and engaging with local businesses and residents to make sure they are sequencing the work to minimize disruption. We can see their approach for increased neighborhood communication, public safety and how they are going to propose to maximize opportunities to certified firms and maximize work force diversity on the projects. So doing a rfp we have the ability to evaluate all of those. I'll hand it off to Cary waters to present the last slide and certainly available for questions.

Cary Watters, Portland Bureau of Transportation: Thank you so much. Hello. I'm Cary waters. I serve as pbot contract equity coordinator. I help engage our diverse community and to align internal processes to make sure pbot is a great agency to work with. I would first like to share how encouraged I have been by your conversations and council sessions about the need to push ourselves as a city away from a compliant centered approach to bold visionary contract equity solutions. I look forward to this work session later this year to discuss the larger policy issues that will unlock opportunities current constrained within our current system. In the meantime I have been enthusiastic proponent of alternative contracting methods to the low bid model like the rfp proposed today that allows you to consider criteria apart from -- responsibility and other qualifications. I'm excited to share that we have already been getting the word out about the outer division multimodal safety

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project. We have circulated our summer and fall construction forecast last month which I shared with our community-based organizations focused on contract equity including the national association of minority contractors, the Oregon association of minority entrepreneurs and the professional business development group. I have had the opportunity to present to nemac in last weeks virtual membership meeting and there was a great deal of interest on this project in particular as a construction rfp. I shared that this would be coming forward as a council agenda item this week so perhaps some of them are listening in as we speak. Many thanks to liz for reaching out in terms of helping get the word out about the project in our diverse contracting community but also to support what's shaping this. I look forward to supporting this to ensure the criteria and scoring help deepen our equity commitment in action as well as learn more about the specifics of the solicitation so I can help ensure that subcontracting opportunities are shared with those that need to hear about them as we learn more the breakdown of the bid item. In addition to sharing within the networks I mentioned already I look forward to distributing this information more widely with those who may not be affiliated with the organizations I mentioned. We will review and share information with those who have done work with pbot already documented in the city of compliance reporting system and we have also initiated development of an internal engagement tracking database which our community service -- aide helped build out last year and which we're looking to expand via tablough with a living link to the cobid database in addition to subcontractor engagement we look forward to engaging with prime contractors to learn more about their approach to outreach and engagement and avail ourselves in helping to increase more meaningful -- to the contract equity outcomes we all aspire to. That's all from me for now. Unless you have any immediate questions i'll turn it back over to liz.

Wheeler: Thank you very much for the presentation.

Tillstrom: Thank you. Great. Thank you, lester and Cary. So with that our recommendation is to accept the findings before you, which is exhibit a to the ordinance. Authorize the project exemption from competitive bidding and then authorize a competitive solicitation for the negotiated rfp contracting. With that we'll take questions. I know I sped through my portion. Trying to get all this completed.

Wheeler: Very good. Is there any further questions before we move to public testimony on this item? That was a very thorough presentation. Much appreciated. Karla, is there any public testimony?

Moore-Love: No one registered, mayor.

Wheeler: Very good. This is an emergency ordinance. Please call the roll.

Hardesty: I greatly appreciate the presentation, and I think it was very laid out. The case was made, I certainly look forward to seeing what comes in through this negotiated rfp process and how this informs us as we move forward in revitalizing how we contract at the city of Portland, i'm pleased to vote aye.

Eudaly: Thank you for the presentation. This is just a smart way to do business on a very complicated and lengthy project. I'm happy to vote aye.

Fritz: Well, thank you, elizabeth and Cary for the presentation. I am very glad to see these improvements being done in a area that's long been neglected, aye.

Wheeler: Aye, the ordinance is adopted. Thank you. Last but not least, 549 and then we have one pulled item as well, 549 next.

Item 549.

Wheeler: Commissioner Eudaly.

Eudaly: Thank you, mayor, this iga reflects a commitment between tri-met, friends of frog ferry, a Portland based nonprofit and the city of Portland to explore potential new transit service in the region using the willamette river an un-congested corridor. Here to present for pbot is Mauricio Leclerc.

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Mauricio Leclerc: Can you hear me? Mauricio Leclerc to provide you some more information. I don't have a presentation because we are just getting started with the work. Basic the work we are asking to embark on the iga is to operation studies and a potential transit ordinance that would serve the region and very much Portland. So this is a plan, one of the recommended studies, transportation studies and river transit study to explore funding mechanisms phasing and the implementation of river transit. So friends of frog ferry was formed a few years ago to advance this work, and we have been doing some preliminary work, reconnaissance, if you will and so far we have done the modelling, this indicates this is a promising idea. However, we need more technical analysis to really understand it. Who have no ferry. Services in the region now. Need technical analysis to advance the work, we think that it has potentially great benefit in terms of providing new resilient mode of additional transit mode in the city of Portland, also provide a sustainable clean energy mode. But also an equitable move in the sense we serve the cathedral jones park area, which seems very far away, and people tell us it takes long to get there by transit. This is an exploration, partnering with tri-met and friends of frog ferry to advance the work. So we are happy to come back once we have the results, but at this point just to initiate the work and to provide the local match required get the \$200,000. Tri-met applied and provide a match for 40,000 and friends of frog ferry provide the last \$10,000. That's basically the -- what the item is about. I'm happy to answer any questions you may have.

Eudaly: Thank you, Mauricio.

Wheeler: Commissioner hardesty has a question.

Hardesty: Thank you, Mauricio, my understanding is frog ferry will be a for profit organization, is that correct?

Leclerc: Well, it's a nonprofit organization, and you're talking about why would this be, provide--

Hardesty: My understanding is the organization will be running a for profit ferry, is that correct?

Leclerc: That's not my understanding, I think it's a nonprofit organization. I think the present of frog ferry may be lined up for testimony, she may help you.

Hardesty: We heard a detailed conversation two years ago during the budget conversation when they were trying to get \$200,000 out of the city of Portland. Now they're trying to get 40,000 out of the pbot. My question is what are we getting for this investment? Why are we putting any money into this at all.

Leclerc: From the city perspective, from tri-met's perspective, we want to advance transit.

Hardesty: But again, if it's -- okay, go ahead, please finish.

Leclerc: So we think, again, this has been in the plans for many years, it's an un-congested corridor that serves populations along Portland that could benefit from another expanded transit service. We want to explore that option, there are a lot of technical issues, location, docking, vessel, we need more information to get to the bottom and provide a more thorough financial operations plan, and that's what we are embarking on.

Hardesty: What is the role that pbot is being asked to play in this process.

Leclerc: We will manage the contract, trimet is the recipient and will manage the iga. I and tom mills are -- the funds going to frog ferry to developing the funding plan, so they understand -- what are we talking about in terms of constant benefits. At this point, we are not awarding the contract, we are trying to understand the benefits of the potential transit service.

Hardesty: Thank you.

Eudaly: If I could clarify. I mean, we declined to fulfill that funding request a couple of years ago, but this was what we offered as an alternative, that if frog ferry went out and found significant amount of fund, that we would contribute these matching funds. That's it. Mayor?

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Wheeler: Very good, all right. Any further questions. If not, we'll entertain public testimony on this item.

Moore-Love: No one has signed up, mayor.

Wheeler: This is a nonemergency ordinance, we don't even get that. So this is the first reading of a nonemergency ordinance. It moves to second reading. Thank you for the presentation. And then we have one item pulled from the consent agenda. Is that correct.

Moore-Love: 525, yes.

Wheeler: Can you read 525.

Item 525.

Wheeler: First I want to acknowledge the covid-19 public health emergency is has placed disproportionate strains on Portlands art institution, many of the venues and artists have first been impacted on stay home, save lives mandate, and it seems likely the Portland arts community will be amongst the last to resume so-called normal activities. My colleagues and I recognize the anguish that Portland artists feel in the midst of such an uncertain future. We all cannot imagine a Portland without a strong, vibrant and creative community. It's integral to who we are as a community, it's in our dna. Yet at the same time, the demands of this city are unprecedented, and we are all moving ahead into an unknown future together. At the beginning of this year, the city arts program, regional arts and culture council were in the very beginning stages of developing a new long-term cultural arts program for Portland, which would chart our strategy and our vision for the years ahead. Fast forward a few months into the pandemic, we are moving towards an unknown future across all of our sectors, we made the decision to enter into a one-year agreement the regional arts and culture council to add flexibility to our partnership and provide additional time to assess the needs in the arts community. Racc has already taken steps to respond to covid-19, but over the next 12 months, it's my hope that in conjunction the commissioner of arts and culture and the city arts program, we'll begin developing a plan for more resilient arts ecosystem that serves all of Portland. With that, here to present is Giyen Kim, welcome.

Giyen Kim, Office of Management and Finance: Thank you, mayor, i'm Giyen Kim the city arts program manager with the office of management and finance. The purpose -- we pulled this item, she thought it was the cares act, and so I redirected her to next week's session, and she'll provide testimony. But this is just a one-year contract, as you mention, mayor, this agreement is largely the same as prior agreements with racc. It moves forward, a few changes, provides more clarity and special appropriations are being allocated within raccs programs, it includes language about how the city and racc will work through federally funded projects and provides a 12-month runway for the city arts program, racc, and our partnership with the regional arts and culture to kind of analyze long-term effects of the coronavirus and determine what the best use of the resources of the city are to help kind of mitigate that impact. And then, you know, once we understand what our new normal is, we planned to develop a multi-year contract with racc, with new goals, address the concerns we know are happening right now with the coronavirus. And, you know I'll just say that the city arts program, we really look forward to partnering with racc over the next 12 months, along with commissioner eudaly's office to figure out what our next steps are to address all the things happening within the arts ecosystem. That's it.

Wheeler: Very good. Thank you. Appreciate it. Any further comments, questions, Karla, any public testimony?

Moore-Love: No, we what had the questions answered.

Wheeler: Thank you, thank you very much and with that, we'll call the roll. This is an emergency ordinance.

Hardesty: Aye

Moore-Love: You're on mute, commissioner.

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Eudaly: Want to take a moment to appreciate all the vital racc has undertaken amidst this crisis without no additional support from the city and in fact a budget cut for the 2021 fiscal year, they administered a statewide survey to see how the pandemic was affecting our communities and provided seed funding and conducted fundraising for the emergency fund for artists and creative workers, raising over \$200,000 in funding nearly half of the eligible applications submitted. And they've worked with local arts funders to create and fund the Oregon arts and cultural recovery program with \$1.5 million in investments and preference given to applicants that are led by and primarily served disproportionately impacted communities, including black, indigenous, communities of color, rural, geographically isolated, lgbtq and individuals with disabilities, refugees, immigrants and other vulnerable or historical underserved populations. Or organizations that serve as a hub or facilitator with small organizations, un-incorporated groups or individual artists, this contract will provide more transparency to racc's operations and provides more special appropriations funding to artists and arts organization, organizations in a time they are really hurting, thank you, racc, Giyen and thank you omf and mayor, I vote aye.

Wheeler: Commissioner Fritz?

Fritz: Sorry, I was not muted and then I muted myself. Aye.

Wheeler: Happy to support this, thank you, everybody, thank you, commissioner Eudaly, I vote aye. Oh, I forgot the mosts important part. The ordinance is adopted, congratulations, thank you everybody, you'll see you back here at 2:00 p.m., we are adjourned.

At 12:45 p.m. council recessed.

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Closed Caption File of Portland City Council Meeting

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Key: ***** means unidentified speaker.

July 8, 2020 2pm

Wheeler: This is the wednesday, july 8 afternoon session of the Portland city council. Karla, please call the roll.

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

Wheeler: And I am also here, under Portland city code and state law the city council is holding this meeting electronically. All members of the council are attending remotely by video and teleconference and the city has made several avenues available for the public to listen to the audio broadcast of this meeting. This meeting is available to the public on the city's youtube channel egov pdx, www.Portlandoregon.gov/video and channel 30. The public can provide written testimony by emailing the council clerk at cctestimony@portlandoregon.gov. The council is taking these steps as a result of the covid-19 pandemic and need to limit in-person contact and promote physical distancing. Pandemic is an emergency that threatens the public health, safety and welfare which requires us to meet remotely by electronic communications. Thank you for your continued patience, flexibility and understanding as we manage through this challenging situation to do the city's business. Now we'll hear from legal council on the rules of order and decorum. Welcome.

Linly Rees, Chief Deputy City Attorney: Thank you, mayor. This is linly rees. How are you?

Wheeler: Good, thanks.

Rees: I noticed your hair cut, by the way.

Wheeler: I appreciate that.

Hardesty: Great way to suck up, linly.

Rees: Thank you, commissioner. We have some rules. 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. The public council agenda at Portlandoregon.gov/auditor contains information about how and when you may sign up for testimony while 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're a lobbyist. If representing an organization please identify it. The presiding officer determines length of testimony and individuals generally have three minutes to testify unless otherwise stated. When your time is up 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 deliberation 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 be aware all council meetings are recorded.

Wheeler: Karla we have one item for this afternoon item 550, would you read that, please?
Item 550.

Wheeler: Very good. Just by way of giving us all context i'll provide introductory remarks in a moment. There are a number of amendments that I would like to introduce on behalf of the bureau, four to be specific. We'll hear public testimony on those amendments. The

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record is going to stay open for one week and then we'll roll this over to a second reading to vote on the amendments and potentially if an emergency clause is later added a final vote tentatively scheduled for July 22 at 3:30 p.m. You don't need to remember that right now because that will be covered later in this hearing. First of all I want to thank bps staff for presenting the expiration dates extension to the project, the subject of the hearing. The covid-19 pandemic has had a widespread impact on our city including on the construction and development sectors of our economy and on the development review process here at the city of Portland. At the start of the pandemic city staff heard from land use review and permit applicants about the difficulties in meeting deadlines following closure of development services center. While the bureau development staff have adapted to a new way of conducting land use reviews and issuing permits remotely there remains a concern that slow-downs to application processing and on-job sites, physical distancing requirements and covid related economic uncertainty are causing land use reviews to expire before applicants can actually act on them. These concerns led to a recognition that the city could take proactive steps to provide relief to applicants affected by the pandemic. As the expiration project began to take shape with the focus on extending dates for land use reviews several other issues that could be addressed began to emerge. Today we'll hear from staff who will present recommended amendments to title 33, which is the city zoning code, that address these issues. I'm going to turn it over to bps staff, Joe Zehnder and j.p. Mcneil, to walk us through the proposal this afternoon.

Joe Zehnder, Bureau of Planning and Sustainability: Thank you, mayor. I'm Joe Zehnder, chief planner with the bureau of planning and sustainability, here with j.p. Mcneil, also from bps and our lead staff on this project. This is a package of proposals we have today includes eight amendments, most of these are changes to extend the effective dates for steps and approval in the land use review process similar to the packages approved by city council in response to the last recession. The impact is to give applicants more time to complete projects without having to start over. The package also includes some changes in specific plan districts and interim code provisions. I'll now turn it over to j.p., who will walk us through it.

JP McNeil, Bureau of Planning and sustainability: All right, thanks, joe. Good afternoon, mayor and members of the city council. I'm j.p. Mcneil, a planner with the bureau of planning and sustainability here to present the expiration date extension project for you today. As the mayor mentioned, this is a project that would address several issues related to the administration of the zoning code and the economic destruction caused by covid-19 pandemic on the development market. The proposal brought today will amend title 33 to provide relief to applicants affected by the pandemic. I'm going to quickly share my screen. Hopefully everyone can see that now. Okay. So these are the eight proposals I'll be covering today. Joe already mentioned them. Before I get into the proposals, though, there are impacts of the pandemic are felt at various stages in the development review process so to help illustrate how the proposals fit into the process I want to give a brief overview of what a large project coming in for review and permitting goes through with the city. Note that not all the projects go through all of these tests, depends on the size and level of complexity of the project, but before submitting for a land use review most large projects go through some form of early assistance, whether an optional early assistance appointment or a design advice request or pre-application conference required for most large land use reviews. Also for many large projects the applicant needs to go through the neighborhood contact process that requires presenting the development proposal to neighbors and neighborhood association to get feedback before they submit their application. Some but not all projects need to go through land use review and at that point city staff evaluates the development proposal against the approval criteria and zoning code and there are a variety of land use review types many of which I'm sure you're familiar

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with, the design review, environmental review or subdivisions and subdivisions just to note there's a proposal about final plats. The final plat is the second part of the subdivision process. So hang on to that. Then after approval of the land use review the applicant can submit for the building permits. This project touches on pre-application conferences, neighborhood contact, final plat, land use reviews and a few other things that are not really captured in the sequence. Moving into the proposals and the order in the way they move through the development process. Pre-application conferences or preapps part of the land use review process that provide applicants with technical design and procedural assistance prior to submitting their application. This proposal would extend the time frame for pre-application conferences from one year, which is what the current code is, to two years. The next proposal is the neighborhood contact proposal and this addresses the issue of holding public meetings at a time when social distancing causes problems with that. To meet social distancing guidelines this allows meetings to occur virtually provided there's a phone-in option as well. The next proposal is the land use reviews and this is a little more complicated so there's a graphic to try to help explain it. The zoning code contains regulations that specify when land use reviews expire. Most approvals expire after three years of the final land use decision provided that development has not already begun. Now, due to the pandemic the process of permitting has slowed down, construction timelines have slowed, financing is harder to obtain and there's generally uncertain market conditions happening now. So this means that some land use approvals have expired or will expire because it's more difficult for projects to move forward. This increases project costs, causes delay and could hinder the city's economic recovery. To address those issues this project proposes to extend the expiration date of land use reviews and preliminary plans approved between July of 2017 through the end of this year, through 2020, and those would all be extended until January 1 of 2024. So looking at the graphic all of the projects within that blue period would be extended until the end of that green arrow to January 1 of 2024. Just as a note this project aligns with similar land use review extensions passed in 2009 and 2012 that were in response to the great recession of 2008. The next proposal is the final plat extension. So the final plat process is the second step of the land division process and so currently the code says a final plat that's been inactive 180 days can be voided. This extension extends that 180 days of inactivity to 365 days of inactivity. The next proposal is for the Conway master plan proposal. The Conway master plan is a plan that is guiding the redevelopment of the Conway blocks in northwest Portland so this is in the photo here a large site of approximately 17 acres that currently is being redeveloped. The Conway master plan was approved in October of 2012 and is good for ten years. So it expires in October 2, 2022. So this proposal would extend that expiration from October 2, 2022 until January 1 of 2024. One reason for this is that we have heard from the neighborhood association that they support this because there were concerns of what would happen to a public park that's part of the master plan if this were to expire before the project has been completed. The next proposal is the nonconforming upgrade agreement.

Hardesty: Excuse me. Mayor, I have a couple of questions, a couple of slides back. I have been trying to get your attention.

Wheeler: I'm sorry, when I have the presentations up the participant list disappears. I apologize. Commissioner Hardesty.

Hardesty: Thank you, Mayor. J.p., could we go back a couple of slides to the land use review slide?

McNeil: Sure.

Hardesty: Explain this to me again. We have projects in various stages of development from July 2017 to the end of this year. Why an arbitrary number like January 1, 2024? What's the magic in that?

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McNeil: Well, the magic was just looking forward three years. We kind of looked back at the previous land use review extensions and what they did and they were granting about three years out into the future. So that gives us three years from now or the end of this year for applicants to figure out -- to get their projects completed. There is some thought given to not wanting to go too far into the future because codes -- the code changes over time. If we have approvals in 2017 and we were to indefinitely extend it and its 2028 or something, things have changed over time. So we wanted to balance that.

Hardesty: That's exactly my point. I think what we thought in 2017 about what the best land use opportunities were and what we would think in 2020 could be as different as night and day. So the fact that we are headed into unknown economic territory, some big things have happened since 2017. One is the climate justice resolution that we just passed as a city council. Another is prioritizing bipoc communities and the lack of investment in those communities in the city of Portland. So are we tying ourselves into old plans that are not going to be adaptable to the new visions and new priorities that the city of Portland is trying to move forward?

Zehnder: Well, we would be looking -- things that were approved in 2017, for example a design would be extended until 2024. The idea I guess the question of the policy issues of allowing things approved in 2017 and if the general climate has changed in between now and then those are policy issues that council can hammer out. We were looking back at the economic impact. We had a model from 2008 that looked at the economic recession then so we were looking at providing similar relief because the economy is in flux right now.

Hardesty: But what happened in 2008 is african-american community was devastated and they have not recovered from the economic devastation of 2008. So if we're going to put the same policies in place that we used in 2008 without a racial justice lens then we're going to get the same outcomes that we got in 2008.

McNeil: I take your point, commissioner hardesty. We did not have -- this was a pretty quick project that was moving through the process quickly to try to capture things before they expired. So there wasn't a lot of time spent looking at this in the same way through the racial justice lens.

Hardesty: So, joe, I see you may be trying to pop in here. Why would the city council tie our hands through 2024, especially as it relates to land use knowing what we know today based on what we knew in 2017?

Zehnder: So I don't know the specifics on the parts in the pipeline. The blue part is the pipeline before permits were still to be filed and we were trying to just respond to the economic change. Since 2017, I was trying to think, I can't remember when we adopted the inclusionary housing but I think this captures all those projects that would still be working through the land use system here are all going to have inclusionary housing if they trigger it would apply.

Hardesty: That's not true, right? Inclusionary housing didn't --

McNeil: February 2 of 2017.

Zehnder: That's part of what we looked at. We had a version before central city, commissioner. That's what that is I think. Then that's the main one.

Wheeler: Joe, commissioner Fritz wanted to get in on this as well.

Fritz: I just wanted to comment that we haven't made all that many -- we recently made changes to the zoning code which may make it more attractive to do different kinds of development. You don't have to use the permit you've already got. If they decide that it's more favorable to start over they can, otherwise the rules in effect when they applied are the rules that count now, so we wouldn't -- until you hopefully next year make changes in the zoning code to address the issue that you are concerned about, commissioner

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hardesty, the rules would still be the same in the zoning code so I don't really see how you would get to a different outcome.

Hardesty: Thank you for that, commissioner Fritz. I guess for me if we haven't done a racial justice analysis about which of these projects will be beneficial and which won't then i'm not sure why we would extend it to give the opportunity to extend land use decisions through 2024. I was expect coming out of this economic downturn we would want more flexibility not less. I can understand some extensions but a blanket extension is what is giving me some concern. Especially for the huge land plots that again we were thinking one way before the pandemic hit, and I think our priorities and our thought process might be a lot different now. So what i'm hearing is just a blanket extension as compared to any analysis about what makes sense and what doesn't based on the current economic climate and based on what we learned coming out of 2008.

Wheeler: If I could jump in on this, this is a good discussion and i'm appreciating it. This isn't just about the economic downturn. The reason we're extending the deadline is these are projects that were put forth in good faith under the rules that existed and the city of Portland slowed the process down when we shut down the bureau of development services. So the concern that we're trying to address is we have had developers that have gone out, done the work, they have gone through their review process, they have secured necessary community approvals, they received their financing, and we slowed the process down. So this is an effort to make good on what is effectively a partnership by extending our deadline so that these projects aren't unilaterally now over the time frame this has allowed because we were the ones who slowed it down, if that makes sense.

Hardesty: Thank you, mayor. That does make sense to me. Yes. I understand that. That makes sense to me. What I don't know is that what the magnitude of this extension means. Maybe I will learn it as we continue in this conversation, but that hit me as an opportunity to do something different based on where we are as compared to us extending a timeline to continue the status quo.

Wheeler: And that's a point well taken. My suspicion is we're not doing this with any expectation of a quid pro quo from any of these developments or projects. My guess is even with the extension of these deadlines some of these projects still are not going to happen as a result of the economic consequences of covid. But this is really a focus on our piece of this and making good on the partnership and the efforts that already have been made by those development projects under the rules that exist at this time.

Hardesty: Thank you. That's very helpful. The sound is really bad this afternoon. People keep fading in and out and there's an echo.

Wheeler: Then we'll all try -- I try to turn off my monitor when I can because that seems to take some of the band width then let's all make a good effort to stay muted when not talking. That helps too.

McNeil: Okay. Do I continue the presentation?

Wheeler: Go for it.

McNeil: Okay. Where was i. I was at the nonconforming upgrades. I think we made it just past that and were getting to the inclusionary.

Hardesty: J.p., I don't think you covered that one.

McNeil: I think I started on that and didn't finish it. The nonconforming upgrades agreement, just real quick they are required for large alterations on sites with nonconforming upgrades. Generally we're talking about upgrades to things that are not -- don't meet the current zoning code for parking, landscaping, bike parking, screening, parking screening, things along those lines. In some cases the applicant can enter into an agreement with the city that extends the period that they can complete the upgrades for a certain period of time. So this proposal would extend the timeline for any nonconforming upgrade agreements that were in effect when the pandemic hit which we set the date as

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march 8 of 2020 which is when the governor first declared a state of emergency. So from March 8 to 2020 we extend that timeline through to January 1 of 2022. The next proposal is the inclusionary housing extension. So the inclusionary housing standard they set the rate at which affordable housing units must be provided for residential projects with 20 or more units. So these standards are the rate at which affordable housing must be provided are lower for areas outside the central city and for gateway. So inclusionary housing was originally passed these rates have been extended by two years. They were set to expire at the end of 2018 and they set to January 21 of 2021. As you can see here under the current code, the standard in central city or gateway 10% of units for projects that are subject to inclusionary housing, 10% of all units have to meet the 60% median family income or 20% of the units have to be at 80% median family income. Outside the central city or gateway 8% and 15%. This project proposes to delay the January 2021 increase of the affordable housing rate outside the central city and gateway for an additional three years to 2024. The final proposal, this is actually something that is pretty straightforward, fixing something that we missed with the better housing by design project when that was adopted. These terms that are on the screen here should have been added to the list of terms chapter of the zoning code and they were inadvertently left out. We're adding that in now. That's it for the proposals. Testimony we received eight pieces of testimony written to the psc, to date we have received two pieces of written testimony to city council that I see and I believe there's seven testifiers registered to speak today at the hearing.

Hardesty: Psc?

McNeil: I'm sorry planning and sustainability commission. That's it for the presentation that I have got here. This is just more information about the project website. Unless there are questions I will turn it back to the mayor.

Wheeler: Any questions at this point, colleagues? All right, before we open the hearing to public testimony I would like to introduce four amendments to the psc recommended draft and the ordinance that has been submitted. I would like to move and second these amendments now so we can hear public testimony about them. My colleagues and I will also be able to ask questions and discuss these amendments after public testimony should we so choose. First I would propose an amendment that aligns the start date of proposal number 3 for land use review decisions retroactive to the start of the pandemic, specifically the amendment I propose moves the start date back to March 8, 2017, as was discussed. I understand that we cannot apply the retroactive amendments to sites in unincorporated Multnomah county or to land divisions, so staff's proposed language excludes those situations. We'll call this mayor's amendment number 1. Can I go ahead a second?

Eudaly: Second.

Wheeler: Second from commissioner Eudaly. Second I would like to also introduce an amendment to extend the proposal to allow for virtual public meetings until January 1, 2024, to match up with the other proposals. We don't know how long this pandemic will be with us and it makes sense to extend this proposal longer than the end of this year should it be necessary. We'll call this mayor's amendment number 2. Can I get a second?

Hardesty: Second.

Wheeler: The third amendment would like to introduce is to reduce the amount of time to lower inclusionary housing rates to apply outside the central city and gateway from three years to one year. The inclusionary housing program is a key zoning tool for increasing permanent affordable housing. I'm committed to a Portland housing bureau study focused on ways to improve the inclusionary housing program and believe one year extension provides a reasonable time frame to align with this effort. We can always of course extend it if necessary. We'll call this mayor's amendment 3.

Eudaly: Second.

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Wheeler: Commissioner Fritz, sorry commissioner Eudaly seconds, did you have a question?

Fritz: I had a question about the previous one but you're not done yet.

Wheeler: I'll get through the last one then go back and answer questions. The final amendments I would like to introduce would postpone the effective date for the system development charges for the bureaus of environment services, water and transportation. Pandemic has impacted the number of permits bds has been able to process, of course, causing delays that impacted applicants' abilities to get permits before the increases became effective July 1, 2020. This amendment delays the effective date of the new rates until August 1, 2020, to account for permit processing delays at bds, allows applicants to minimize the financial impact of the sdc increases fee increases. We'll call this amendment 4. Can I get a second?

Fritz: Second.

Wheeler: Second from commissioner Fritz representing the utility bureaus. Commissioner, you had a question regarding I believe amendment 2. Is that right?

Fritz: That's correct. It's about the virtual meetings. I'm a little concerned about extending to 2024. Although virtual meetings are more convenient for some people they are very difficult for other people. So as you move forward, I would be concerned if the city decides to go to all virtual meetings and we just see how few people sign up for communications and how few people testify. And if you're talking about land use hearings those would be very difficult to participate from remotely and get evidence into the record. I'm willing to support the amendment I just wanted to put back on the record that's a concern that I have.

Wheeler: That makes good sense. I think we want to modernize the process. We heard from a lot of people that first of all we don't know how long the pandemic is going to be with us, number 2 there are some cases where doing it virtually might encourage more people to participate, but I think that's still very much a live conversation. I don't know if Joe or somebody from the bureau has additional commentary or thoughts on that.

Zehnder: Yes, this is Joe Zehnder. We haven't done research into how to forecast how that is going to affect participation. We actually just recently adopted the new neighborhood notification, contact requirements. We don't have data on it. It's all new. For purposes of what we're putting through city council here it seems to be working but we haven't done research as to the neighborhood associations.

Wheeler: I see commissioner Hardesty has a question then I'm going to turn it over to Kurt to briefly talk about the utility bureau amendment that we also just put on the table.

Hardesty: Thank you, Mayor. My question is the enabling us to use virtual meetings for neighborhood activity doesn't actually require us to use virtual meeting. Am I right in how I read that? Because if we are able to do more in-person, we may want to do a combination of the two so that we give people various opportunities to be able to participate. So that's my question in regard to what commissioner Fritz put on the table. I guess my second one is I would feel better about virtual meetings when people who signed up for communication we could see them and have some kind of engagement. I think it's not the same kind of interaction when the public testifies when we're not able to actually see them. Right? Even if it's virtually. I knew we were working on that. I don't know where we are in that process. This amendment brought that back to my attention, that that was a commitment that we had made months ago.

Fritz: I do believe people who have the technology can be seen on camera. The problem is people like me don't have the technology to have that visual. So then that introduces an inequity that some testifiers are able to be seen and others are not.

Hardesty: Actually, I thought that we were not visualizing people who were signing up to testify on events. We were purposely not putting their visual on the screen because we did

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not enable that. So not to take anything away from your points, commissioner Fritz, I agree that the fact that we don't have language interpretation happening simultaneously is a barrier to people participating. The fact that we have to ask for sign language is a barrier for people to participate. This will not solve all our communications problems but it might be a good tool to not disband when this pandemic has ended.

Wheeler: There's certainly room for discussion there. We'll keep it open for public testimony if people have thoughts on that. Commissioner Eudaly has been waiting patiently.

Eudaly: I just want to add that coming up with alternatives for civic engagement during the shutdown as well as bridging the digital divide have been near the top of my list of priorities and something my office has been working on diligently. We're in the process of negotiating a contract for an online civic engagement platform that I think will just be a godsend during the shutdown but will continue to be vital afterwards because so many more people will be able to participate than can show up to a weekly city council meeting. We are working on that digital divide issue as well. Want to acknowledge those are valid concerns and good work is being done. I support this amendment in the meantime.

Wheeler: Thank you, commissioner. You wanted to provide context for utility bureau amendment number 4.

Kurt Krueger, Portland Bureau of Transportation: Thank you, mayor, members of city council. Kurt Krueger with development systems within the department of transportation. I wanted to provide context. I'm speaking on behalf of my colleagues at the bureau of environmental services, water bureau and pbob. Development bureaus typically bring annual fee change ordinance to council every spring with review fees and system development charges taking effect on July 1. Sdc fees for water bes and transportation automatically adjust outside of the plan review fee adjustment process. In a typical year the month of June is very busy for bds as customers rush to submit building permit applications. The pandemic created not all of our customers have been able to successfully submit building permits in advance of the deadline this would push out the effective date 30 days and the new rates go into effect August 1. This extension if approved will reduce some customer frustration and budget project costs for those unable to get into the queue. I appreciate council's willingness to consider this amendment and I thank the city attorney's office and council staff for helping pull this together. Thank you. I'm available for questions if you have any.

Wheeler: Great. Thank you very much for that. Today we'll we have four amendments on the table and we'll hear public testimony on the proposal. Since we're holding this hearing remotely, we will be holding the record open for an additional week until 5:00 p.m. July 15th for members of the public who would like to submit additional written testimony.

Testimony can be submitted by visiting the project website,

www.Portlandoregon.gov/bps/edep and click on the link to email testimony to the council clerk. We have people signed up. I believe Karla we have seven people signed up. My notes say two minutes. Is there any reason why we can't give people three minutes today if there's only seven signed up?

Rees: You certainly can give people three minutes.

Wheeler: Three minutes, name for the record. Anyone who may be testifying today as a lobbyist you must declare which lobby entity you're authorized to represent in accordance with title 2 of the city code. Commissioner Eudaly, did you have your hand up?

Eudaly: No.

Wheeler: Good. Go ahead, call the first individual, please.

Moore-Love: First person is Allison Reynolds.

Wheeler: Hi, Allison.

Allison Reynolds: Hello. Can you hear me?

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Wheeler: Loud and clear.

Reynolds: Great. I am allison reynolds with stoel rives. I would like to express my appreciation for the city taking action to alleviate impacted development from the covid-19 pandemic and resulting economic recession. I'm here in support of the proposal before you and to also speak in support of mayor's amendment 1 which is the amendment to backdate relief this ordinance gives to projects until march. As the mayor explained this amendment gives relief to projects who's land use approval have not yet expired as of march 8 of this year and will ensure that the project impacted by the covid related processing slowdowns can go forward. I'm working on a project that was directly impacted by this amendment with the developer of the pearl east office building at northwest 13th and glisan. That project land use approval will expire before the relief under this becomes effective if the amendment is not adopted. If the amendment is adopted then that project won't expire. This group has been actively pursuing a building permit for the project since november of 2019, which would have given them more than enough time to get that issued under normal circumstances. However the processing delays that bds needed to implement to prioritize essential projects during the pandemic which we fully agree with them doing that started in march made it impossible for them to release their permit on time. I believe this amendment fulfills provides relief to projects impacted by the pandemic processing changes that bds implemented and the economic recession. I urge your support for that. Thank you.

Wheeler: Thank you. We appreciate it. Next individual, please.

Moore-Love: Dana Krawczuk.

Wheeler: Hi, dana.

Dana Krawczuk: Good afternoon, mayor, city councilors. I would like to reiterate allison's appreciation for the city considering this extraordinary relief during these extraordinary times. I'm testifying on behalf of clients that are in favor of the conway master plan amendment and the nonconforming upgrades amendment. The conway master plan amendment will allow that cohesive, comprehensive master plan supported by neighbors after an extensive process to be extended for a short period of time. This amendment is supported by the northwest district association, property owners and developers in the master plan. I also support and request your approval of the proposal related to nonconforming upgrades to allow folks trying to upgrade their property additional time because of the delays to on-site work and permitting. With that i'll conclude my testimony. I encourage you if you have questions about either proposal i'm happy to try to respond.

Wheeler: Thank you, dana. Appreciate it.

Moore-Love: Next is Christie White.

Wheeler: Hello, christie.

Christe White: Can you all hear me.

Wheeler: Yep.

White: Thank you. This is christie carlson white testifying on behalf of a number of developers and land owners who work inside and outside the central city. First thank you for responding to the moment we're in with this thoughtful proposal and recommendation that I believe is calibrated to the market challenges presented by covid. I'm going to testify quickly on two issues. First fully support the planning and sustainability commission's recommendation to extend permitting timelines including for those projects in conway. The impact of covid has hit those projects like every other and approval stage during this difficult time and this extension will help the community realize the full vision of the conway master plan. I also have testimony about psc's recommendation to extend the current i.h. Rates to 2024. I understand, mayor, from your presentation that the city has prioritized the study and is about to launch that study but was delayed like everything else by covid response. That study is badly needed to diagnose how we are truly doing on production of

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i.h. Units. This is anecdotally from my end of the continuum where I see projects trying to go forward and failing, it seems we're not yet delivering on our aspirations in production. I think we need the study why we have what seems like a lower count or more anemic response than aspired to and how to increase that production that is more badly needed than ever. Psc propose add 2024 date which would allow for that study and any changes that were necessary for the i.h. Program to boost productions but if what you're saying is that we're going to study this and we need a year to study it and as a result if we need further extensions because we need to adopt program changes that will help production of units that's also a result that would be positive as long as we understand and diagnose this issue and my clients can do what they can to help meet the city's aspiration on production of i.h. units. Thanks for this opportunity to testify.

Wheeler: If I could briefly respond, to be clear my interest in doing an i.h. Study has not waivered at all. I think it's incumbent when we pass any policy to know what the impacts of that policy is whether it's positive or negative and I have said that if the i.h. Program need a true-up or revisions i'm open to introducing that as the housing commissioner. I had proposed that study, I had funded that study that what happened, of course, is we went into an economic tail slide and many, many things that the city of Portland was planning on doing went by the wayside. As we sought to close the \$75 million budget gap that was prior to all of the questions around police expenditures and so we took the resources that had been allocated towards that i.h. Study and put it in emergency rental assistance instead through the housing bureau. So that doesn't mean i'm any less committed to it or think it's any less important I just had different priorities with the budget in the heat of the moment given that we have this massive budget shortfall and emergency community needs. I have a longer term question that we can talk about later which is I was prepared to do that market study this year assuming that we were in a relatively stable market. Right now I would say that the real estate market is anything but stable and i'm not sure this is the right time for us to do a market analysis in the midst of an obvious economic shock. So the question that I will have for everybody is what is the right time to reengage the study and have it be meaningful as opposed to right now where I don't think we have meaningful results. That's a longer term question. Thank you for your testimony. The answer is yes i'm committed to it and i'm just looking for the right time and i'm open to council's advice on that.

Moore-Love: Ezra Hammer.

Wheeler: Hi, ezra.

Ezra Hammer: Good afternoon, honorable mayor, honorable commissioners. Ezra hammer here with the homebuilders association of metropolitan Portland. Thank you for letting me join you this afternoon. We want to thank sandra wood and joe zehnder with planning and sustainability bureau for working on these critical amendments. We have been supportive of this process from the beginning and thank the planning and sustainability commission for moving forward we believe is a fair, reasonable package begins the severe economic downturn that the housing market has faced coupled with the city's necessary triaging of accepting new applications and processing existing applications in order to respond to the pandemic. These challenges create unique situations that we absolutely believe are parallel to the challenges we faced in the great recession. If you look at the number of dwelling unit permits pulled for march, april and preliminary data in june we're looking at 50% decreases year over year which will be tremendously impactful nine months and 12 months from now when those units are not available for Portlanders to purchase and rent. Again we urge you to move forward with this package quickly. We thank you for your consideration and have a wonderful day.

Wheeler: Thank you very much. Appreciate it, ezra, as always. Thank you for being here.

Moore-Love: Gwenn baldwin.

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Gwenn Baldwin: Good afternoon. So mayor wheeler, council, i'm gwenn baldwin, I'm here today as executive director of smart growth, an organization committed to walkable, livable communities, economically, socially and environmentally sustainable and feasible. We deeply appreciate the elements of the expiration date extension project and supports adoption of several amendments including an extension of the action for virtual neighborhood contact until 2024. The language that applies the extension to projects that have expired since march 8 or will expire when the impacts of covid-19 created a pause for many project reviews as well as the sdc fee increases suspension. These amendments are in line with the underlying goals of the ordinance and reflect an understanding and support of feasible housing and employment in these challenging times. At the same time I am concerned about the proposal to reduce planning and sustainability commission recommended three year extension of the inclusionary housing rate outside of central city to just one year. As the mayor has raised this concern would be mitigated if we knew that the housing study council approved more than a year ago was refunded and back on track. The alignment is really important. That if there is data and analysis known then we can apply it all of us to make good policy decisions into the future. But to have the expiration date happen before that data has been gathered and understood I think is pretty challenging. I truly appreciate the initial reprogramming of funds to address the pandemic. That was a tough time and everyone responded quickly and understandably. Now we're at a point where it's important that council restores that funding and develops a robust scope through the market study to look at all the elements of the program. So that the inclusionary housing program can produce the level of affordable housing envisioned to create. In the more than three years since council implemented the inclusionary housing program just 76 affordable rental units have been added to the market. That's not a program that's working as it needs to be to meet the need for housing affordability in the city so I urge council and the mayor to committing to moving forward a robust market study scope the stakeholders and time to inform data driven policy review at the conclusion of the extension. So very much appreciate it. If that timing is such that that year doesn't make sense I would encourage that to go back to the planning and sustainability commission recommendation for a three-year extension. I also want to just thank again the council, the mayor and particularly the planning and sustainability staff for your work on this package under very tight timelines. Thank you very much.

Wheeler: Thank you. Appreciate it very much.

Moore-Love: Next is Kurt Creager.

Kurt Creager: Kurt Creager I am with bridge housing we are a developer of affordable housing including the recently completed vera. Thank you, mayor, for participating in our virtual dedication ceremony last week. Bridge has about 1200 units of affordable housing in the Portland area. We have about six projects in our pipeline. Company-wide we have 12 projects under construction in three states and 76 affordable housing projects under way. We have been in business 37 years and we're committed deeply to social equity and furthering the goals of equity and inclusion through housing. We have a board of directors, ed mcnamara is our Portland-based director, and you may know him as a former city staffer for mayor hales. I would like to speak today to mayor's amendment 3. I was prepared to support the psc recommendation for the extension of the current offsets for inclusionary housing, but the mayor's recommendation with his sincere commitment to undertake a robust, transparent review of the offsets I think is very appropriate. I happened to be housing director for the city of Portland in 2015 to 2017 when inclusionary zoning was launched and take personal point of pride that we undertook a very robust, inclusive process in nine months from the date that the preemption on inclusionary zoning was passed by the Oregon legislature in a short session in 2016 which resulted in a unanimous vote of city council to make the ordinance effective february 2nd, 2017. We did that

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because we wanted the vested pipeline of projects that already had land under contract to be able to go forward. This obviously extends that vested pipeline a bit further. But it is appropriate to evaluate whether or not the financial and nonfinancial offsets to inclusionary zoning are correct and correctly reflect the marketplace as the mayor so eloquently mentioned. Be happy to respond to any questions you might have. Thank you very much.

Wheeler: Thanks, kurt. Appreciate it.

Moore-Love: The last person is Michele Vives.

Wheeler: Greetings.

Michele Vives: Thank you. Can you hear me okay?

Wheeler: Loud and clear.

Vives: Thank you. Good afternoon. Thank you. I'm michelle vives and I represent douglas wilson companies. Douglas Wilson companies supports the city and the bureau of planning and sustainability efforts to address the economic impacts of the covid-19 pandemic and the development market. We are the court appointed receiver for the property located at 1400 northeast Multnomah, commonly known as the mosaic superblock. Five acre site across from the lloyd center mall that is currently a parking lot. The project for the site was entitled in september of 2016 for two mixed use buildings with 677 apartments, 12 live-work units and approximately 38,000 square feet of retail, the project is supported by the sullivan's gulch, kerns and lloyd community neighborhood associations. As the court appointed receiver it's our responsibility to preserve enhance the value of this asset. The expiration date extension project ordinance seeks to provide projects more time to ensure the current state of the market in the midst of a great economic uncertainty and acknowledges the impact to city infrastructure to ensure development projects continue to move forward. To that end as noted in our submitted written testimony we suggest the following amendments to the expiration extension project and i'll read it out loud here today. Within the city limits final decisions that authorize 20 or more dwelling units and became effective between september 1, 2016, and january 1, 2021, expire if the city permit has not been issued or approved development by january 2024. Such approved development includes affordable dwelling units consistent with the requirements specified in chapter 33.245. We hope this feedback will be incorporated into the ordinance. At a time in Portland's history when housing and commercial development are greatly needed to bounce back from the economic impacts of covid-19 it's critical to protect local market asset value and capture investment opportunities that translate into a boost for the local economy. Thank you for bringing the process forward and we look forward to further discussion with you.

Wheeler: Good, thank you. Michelle, I appreciate it. I want you to know I put some thought into this as well, and I asked both the bureau staff as well as the city attorney staff to look into this and see if there was any way for this to be viable within this particular ordinance because the project that you represent I think is a very worthwhile one and represents a significant commitment to affordable housing, so it's something that philosophically I am very much supportive of and want to support. However, as your letter to the council indicated the permits to the project expired well before the pandemic. So this particular ordinance before us right now it's obviously aimed towards the land use board of appeals and its focused specifically on recommending the impacts of covid-19 to the development review process. So there are many development efforts that I would say are worthwhile that fall outside the scope of this particular proposal which we have to keep narrowly focused on economic fallout from covid, but I am committing my staff to creating equitable relief measures and I want to keep the conversation alive, I just don't think it's appropriate in the context of this particular ordinance that is focused narrowly on the covid piece. Given that your permits expired well before that, if we shoe horn it into this ordinance it

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puts the whole ordinance in jeopardy when it gets to luba. I wanted to give you full transparency on my thinking around that.

Vives: Mayor wheeler, I wanted to thank you for the opportunity as well say I do understand we will be further discussing this with staff and I appreciate that opportunity. Most certainly understand your point of view and do not want to at all in any way jeopardize the effectiveness of this ordinance so thank you very much.

Wheeler: Hang in there. Let's continue the conversation. Thank you.

Vives: Will do.

Wheeler: Very good. Does that complete public testimony?

Moore-Love: That's all who registered, mayor.

Wheeler: Very good. Karla, I don't know if there's any further comments or questions today.

Hardesty: Do you want to vote on the amendments?

Wheeler: No, we're going to keep those open. Commissioner eudaly, did you have a question?

Eudaly: I just wanted to make a couple comments before we end. I wasn't clear on how the vote was going to go. I just want to express my support for the i.h. Extension and say that my office has received a lot of input on this topic. Both for strengthening i.h. And for weakening the requirements. I'm also really interested in that analysis. I want to know that we are getting a fair deal as well as giving one to developers. Then I also support the delayed sdc increase. I know that pbot permitting has a three to four week backlog due to the covid shutdown and the challenges of development review staff working at home. It just wouldn't be fair to penalize developers for challenges that were from the city level. So thank you for those and that is it.

Wheeler: Excellent. Thank you, commissioner eudaly. Hearing no further questions or statements from my colleagues I want to thank staff who worked so hard to prepare this quickly to address the covid-19 impacts on our development review customers. The record for oral testimony is now closed. The record for written testimony is still open. It will close on July 15 at 5:00 p.m. This matter is continued to July 22 at 3:30 p.m. For a vote on the amendments. If council is in full agreement on the amendments and overall project at that hearing we have the option if we so choose of having an emergency clause and taking a final vote on the ordinance. Unless there's anything else for good of the order that concludes today's hearing. Thank you all. We are adjourned. Thank you.

At 3:04 p.m. council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

July 9, 2020 2pm

Wheeler: Good afternoon, everybody. This is thursday, july 9, 2020, this is the afternoon session of the Portland city council. Good afternoon, Karla. Can you please call the roll.

Moore-Love: Good afternoon, mayor.

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

Wheeler: Here. Under Portland city code and state law the city council is holding this meeting electronically. All members are attending remotely by video and teleconference. 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 and channel 30. The public can email the council clerk at cctestimony@Portlandoregon.gov. The counsel is taking these steps as a result of the covid-19 pandemic and the need to limit in person contact and prote physical distancing. The pandemic is an emergency that threatens public health, safety and welfare which requires us to meet remotely by electronic communications. Thank you for your flexibility, patience and understanding as we manage through this difficult situation to conduct the city's business. With that we'll hear from legal council on the rules of order and decorum. Hey, lauren.

Lauren King, Deputy City Attorney: Good afternoon. To participate in council meetings you may sign up in advance with the council clerk office for communications to briefly speak about any subject. You may also sign up for public testimony on resolutions or first readings of ordinances. The published council agenda at portlandoregon.gov/auditor contains information about how and when you may sign up for testimony while city council holds electronic meetings. Your testimony should address the matter considered at the time. When testifying 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. Presiding officer determines length of testimony. Individuals generally have three minutes 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 for the remainder of the electronic meeting. Please be aware all council meetings recorded.

Wheeler: Thank you. We have three items before us today. The first item is item 551. Karla, please read the item.

Item 551.

Wheeler: Very good. Colleagues we continue our work on the residential infill project. Before we begin our substantive discussion on rip we have our usual disclosures. I don't own any property in any residential zone that could be impacted by the residential infill project. I'm a renter, however out of abundance of caution i'm disclosing this as a potential conflict of interest. Anybody else?

Hardesty: I also don't own any property that would be impacted by our decisions on rip. Don't anticipate owning any but due to caution i'm declaring that I don't have a conflict of interest.

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Wheeler: That's good enough. Commissioner Fritz.

Fritz: Thank you, mayor. I own property in the city of Portland. I'll neither benefit nor harmed more than anyone else and therefore I do not have a conflict of interest.

Eudaly: I am also a renter, do not own any real estate and do not have any real or perceived conflicts of interest.

Wheeler: Great. Thank you. We're here to consider and take action whether to approve or reject proposed amendments. We have spent considerable time listening and discussing amendments to this proposal. We heard public testimony in January. We held two work sessions to more fully develop amendments to the proposed draft of the residential infill project based on that testimony and we of course heard additional public testimony on amendments last month. We used the map app in an effort to make it easier to read and submit comments. We closed the opportunity just over two weeks ago on June 18. I continue to be very impressed by the thoughtful and constructive engagement of so many of you in the community on this very important ordinance and I thank you for that. We understand and appreciate how many of you have been following this work for several years. After an impressive amount of work and coordination from staff, from several bureaus and from our city attorneys we're almost at the finish line. I just want to reiterate my thanks for all who have made this a much stronger proposal as a result of your input and your testimony. We'll now turn it over to Bureau of Planning and Sustainability Director Andrea Durbin to walk us through the agenda this afternoon. Good afternoon. Welcome.

Andrea Durbin, Director, Bureau of Planning and Sustainability: Good afternoon.

Thank you. As you just noted we presented the planning and sustainability commissions recommended draft to you at the beginning of the year and heard strong community support for the policies advanced by this project. We also heard concern on density and growth from some Portland residents. The residential infill project will increase access to multiple types of housing in all Portland neighborhoods by allowing more units at lower prices on each lot while reducing overall allowed size of buildings in these neighborhoods. A proposal is essential to reach our city goals for compact development and housing choices including smaller size but still family units in more neighborhoods. It will also help create more inclusive neighborhoods beginning to correct some of the harms incurred from exclusionary nature of single family zoning. Today staff will summarize the six packages of amendments for consideration. Council will then discuss and deliberate on the amendments before taking a vote on each to determine which has council support to include in the final as-amended draft. Staff will return to council on August 5 for final consideration of the package. If there are no questions about the process, I would like to invite Morgan Tracy from BPS to present.

Wheeler: Any questions, anybody, at this point? I'm not seeing anybody. Good afternoon, Morgan.

Morgan Tracy, Bureau of Planning and Sustainability: Thank you. Good afternoon, mayor, members of council. Are you seeing my screen?

Wheeler: Yep. There it is. There we go.

Tracy: Almost got that perfected. Getting closer. I'm Morgan Tracy, project manager for residential infill projects. Also with me is Joe Zehnder chief planner and Sandra Woods superbising planner. Today before you discuss and deliberate on the amendments I want to provide a quick overview to remind those watching of the subject matter in each of the six packages. The documents comprising the record are available on the project website at www.Portland.gov/bps/rip. There are many benefits to the residential infill project. It opens up our single family neighborhoods to people of more modest means, gives them a chance to live in our vibrant and accessible neighborhoods closer to transit, jobs, grocery stores and health care. It allows for more housing at lower prices on each lot while applying limits to scale and height to improve compatibility and is also an important tool to help reduce

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displacement. The amendments for your consideration today are the result of public hearings held on January 15 and 16 and work sessions held on January 29 and February 12, these specific amendments were then the subject of an additional public hearing on June 3rd and 18th. Recent public testimony centered around number 6, deeper affordability bonus, and number 7 the historic resource demolition incentive. Many who testified in support of amendment 6 were against amendment 7 setting concerns about living housing options, conversely many who supported amendment 7 were not supportive of amendment 6 based on concerns related to compatibility and other localized impacts. Amendment 1 is a set of technical amendments necessary to address changes to the code package since the planning commissions vote, they aligned code updates to reflect changes by better housing by design, a lot proposed visibility standards to match multidwelling zones, update the map changes to reflect changes pleaded as part of the 82nd avenue project and clean up language consistency issues. Amendment package 2 responds to requirements in the recently passed bill 2001 this bill specifies cities must allow a duplex on each lot that allows for development of a house. The current rip proposal limits duplexes on lots and the constrained sites or z-overlay, this amendment would align more residential infill project with that house bill. Amendment package 3 includes code changes related to the implementation of senate bill 534, this bill requires cities to allow development on preexisting lots unless the lot is deeply sloping, in the 100 year flood plain or within the environmental overlay zone. This creates standards to confirm the eligibility lots for development in compliance with that bill. The fourth amendment package is about streamlining processes to make it easier and less costly to reconfigure narrow lots and wider lots through a single replat process. Number 5 is a nonamendment. You may recall this was about adding further amendments to triplexes and four plexes on streets that lack curbs. Council approved changes to the local transportation improvement charge on June 24 allowing new housing types to pay into the Itic fund when they are located on these curbs streets. By pulling this amendment the planning and sustainability's commission initial limitation for triplexes and fourplexes on gravel streets remains unchanged. The deeper affordable bonus in amendment 6 provides for more floor area, more height to allow for three full floors and up to six units when at least half of the units are affordable to households earning up to 60% of the median family income and two meet our new visibility standards. 60% of the median family income for two bedroom units translates to about \$1200 a month, these would be income restricted to families earning less than \$48,000 a year. Number 7, this final amendment, relates to historic resources. When resources in conservation districts are demolished there's no demolition review required. This is something the forthcoming historic resources code project is evaluating. Number 7 puts in place a restriction until then that when these resources are demolished these sites would be ineligible for triplexes and fourplexes for a period of ten years. However they would still be able to add adus or convert historic houses in triplexes or four plexes. For next steps following deliberation and votes regarding these potential amendments staff will incorporate the necessary changes in the project report and draft code and return for your review on the as-amended draft on August 5 meeting. Once you have accepted the as amended draft you will vote at a second reading of an ordinance approximately a week later. There are several minor pieces of the proposal related to the implementation of senate bill 534 and the historically narrow lots. These changes would go into effect 30 days after their passage. The bulk of the remaining aspects of the project like additional housing types and scale and design changes are slated to go into effect August of 2021. That concludes my presentation. Back to you, mayor, to begin the discussion.

Wheeler: Very good. Thank you. That was short and to the point. I appreciate that. The amendments that were just described by Morgan, they have already been moved and

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seconded. So before I call a vote on each amendment in turn is there any further discussion or questions that people would like to ask about specific amendments?

Eudaly: I have a question on amendment number 7.

Wheeler: Commissioner eudaly.

Eudaly: Thank you, mayor. Morgan, number 7 I just want to be clear -- I don't have the exact language right in front of me. This is a temporary measure so is there an expiration built into the amendment?

Tracy: There's not a specific expiration built into the amendment the way this will work the historic resources code project when it comes to council part of that will be a proposal to include a demolition review requirement in conservation districts. As soon as that is in place then whatever demolition proposal or application that comes to the city would have to go through that review process and upon getting their demolition review approved those sites would then be eligible for new development of triplex or fourplexes.

Eudaly: At that time does this amendment automatically expire, do we have to take council action or do the new regulations supersede this amendment?

Tracy: The new regulations will override this amendment. At that time we'll have -- the only applicable situation would be someone who demolishes without approval through the city, in which case we would want to still have that business end in place.

Eudaly: Remind me when we expect those recommendations to come back.

Tracy: I'm not totally sure. We're going to planning commission with that package in the next month.

Sandra Wood, Bureau of Planning and Sustainability: We will be. This is sandra wood, bps. We are coming to the psc with a package in the fall. Probably be the new year by the time we see city council. This is a stopgap measure, disincentive for demolition.

Eudaly: That was the intention and I just wanted to make sure that I was straight on it and I also wanted any members of the public to hear it's a finite, temporary fix. Thank you. That's all.

Wheeler: And that's the final word from sandra's car. [laughter] that's awesome. The ultimate in multitasking. Very good. Any other questions on any of the other amendments? Very good. Then we'll start taking the votes. Karla, call the vote on amendment package 1, these are the technical amendments.

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

Wheeler: Aye. The amendment is adopted. Karla, will you please call the roll for amendment package 2, that's house bill 2001 related amendments.

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

Wheeler: Aye. The amendment is adopted. That gets us to amendment package number 3, this is senate bill 534 related to the amendments. Karla, can you please call the roll.

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

Fritz: You know, this is going to pass anyway and I just can not bring myself to vote to anything related to senate bill 534. It's reprehensible the way it was overriding local control. No.

Wheeler: Aye. The amendment is adopted. Karla, the fourth amendment package is the replat process amendments. Can you call the roll, please.

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

Wheeler: Aye. The amendment is adopted. Now we get to package 6, the deeper affordability bonus amendments. Karla, please call the roll.

Hardesty: So this is one that I have to just make a statement on. I went into this process and there's just no way we're going to be able to get deeper affordability. This is not an affordable housing issue, right? That's what I had been told from the very beginning. So I want to really appreciate all the community members and organizations that came out and demanded that we build deeper affordability into rip. I of course am a big fan of deeper

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affordability and did not believe that it was going to be possible based on the information that I had at that time. I am thrilled to vote yes in favor of deeper affordability for housing that will become permanently affordable because as we know the need is not going away any time soon. I want to applaud my colleagues who pushed as well as the community-based organizations who pushed and demanded that we add this component to rip. You know, as a community activist formerly, I always believe that we can get more than we thought we could get, and I was caught this time thinking like someone who was inside government and thought that I had a very narrow box that I could operate in and that was where I operated. I want to publicly say I was absolutely wrong. If I followed my instinct I would have been on the bandwagon from the begin. Congratulations, commissioner eudaly, for the incredible work you did organizing folks to come and demand that we could do better. Who knew putting people at city council testifying and writing letters and talking to their elected officials could fundamentally change public policy? I am very, very, very, very happy to vote aye.

Eudaly: I don't know if you heard it but I just breathed a sigh of relief. I wasn't sure where you were going with that initially.

Hardesty: I saw your face. Yes. [laughter]

Eudaly: Okay. I have said all along that while I support rip in principle i'm very concerned that upzoning is not going to lead to more affordable housing and will cause displacement. I think I believe that the planning bureau has put a lot of checks in place to mitigate that as much as possible and this is one of the many ways that we're attempting to do so. So this amendment will allow affordable housing developers to be competitive in rip zones. It won't on its own prevent displacement or ensure affordable housing at the level that we need it, but it will help. And i'm really happy to vote aye.

Fritz: This is the one element of the residential infill project that I do enthusiastically support and this is for the people rather than for the developers. So I appreciate that this was added. I commend commissioner eudaly for her sticking to it particularly insisting on the visitability requirement, that is very significant. I don't think we have done that before and I appreciate that very much. I still believe there's a lot of the infill development that's going to happen with this is going to be extremely expensive. This at least provides an incentive. Commissioner hardesty, the very first public body session I went to was metro council back in 1991. Nearly 30 years ago. Judy wires, who was presiding officer at the time, listened to six little citizens from southwest Portland to amend the green spaces bond measure and she said from the dais there's no point in holding a public hearing if it doesn't matter what the public says when they show up. That has been something --

Hardesty: Hear, hear:

Fritz: That has been something I have carried into the work. It's an unfortunately a well kept secret that it does matter when people write in, send testimony, speak up, participate. This is with the commissioner form of government especially when it's the most accessible way people can get to their elected officials and actually make a difference. So it's only unusual because of the zoning code because I think most people get to the zoning code and are like, oh, there's so much of it, so many things, and what the heck is floor area ratio, which people will still be saying that for years to come, but people can make a difference. Indeed elected officials can make a difference, thank you, commissioner eudaly, thank you, mayor wheeler, for your relationship on this. Aye.

Wheeler: I first want to express my gratitude to the community members championing this type of amendment since at least last winter. Thank you to our affordable housing developers who voiced their intent and their desire to use this should it pass. Thank you to the organizations organized around inclusive, smart growth like Portland neighbors welcome and antidisplacement advocacy organizations. I also thank the homebuilders association for supporting a priority focus on incentives for affordable housing with this

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bonus. This is a good one. Thank you, everyone. Thank you, commissioner eudaly, for keeping this in alignment. I vote aye. The amendment is adopted. That leaves us with package 7, the historic resources demolition disincentive amendments. Karla, please call the roll.

Hardesty: Caught me in mid bite. [laughter] aye.

Eudaly: I will just mention once again this mirrors the changes we made with better housing by design. It is temporary. I believe it will discourage demolitions in the short term and it is as we mentioned a stopgap measure until the historic resource projects completes and we have new regulations in place. I vote aye.

Fritz: I'm very enthusiastic about this too. Thank you, colleagues, for your support. Thanks to peggy Moretti and kristin minor and others in the community for making the case for this. It was also difficult to puzzle through. Thanks to the city attorneys and the planning staff who helped us all figure it out. It shows that you can have infill development and you can still preserve the historic resources which we have so few of. Aye.

Wheeler: This was really the most complex of all the amendments just in terms of wrapping my arms around it. On its face I really didn't see the need to adopt the amendment. I believe that restricting growth in specific areas for a certain amount of time can arguably hinder the city's progress in reaching our comprehensive plan, our climate action plank and equity goals and objectives, however on balance i'm mindful that this gives the necessary time so the bureau of planning and sustainability staff can propose a specific strategy to city council for how to balance adaptive reuse of buildings and districts that have historic significance and our need to accommodate more growth. As a remind their project is called the historic resources code project, which has been mentioned. I have directed my staff to work closely with bps staff and prosper Portland staff, the historic landmarks commission and community partners to help guide this project going forward. I want to make it clear that this project must move the marker on our smart growth, climate and equity goals in a measurable way. I want to set reasonable expectations. We won't have an answer to all of the questions or have all of the solutions in historic resources code project because as 2020 taught us you can only anticipate so much. That being said on balance this is a very good amendment and I vote aye. The amendment is adopted. So that was the last amendment up for consideration. Therefore i'll turn it back to bps staff to remind us of our next steps. Morgan, are you up next?

Tracy: I'm here. Thank you for that. Next up staff will take the six amendments that they just passed and incorporate those into our staff report and draft code and update the necessary documents to reflect those changes. We'll return for your review on august 5 at 2:00 p.m. Once you have made your decision about that draft, it will come back to you for second reading a week later. We still have to confirm that final date.

Wheeler: Very good. Thank you. That concludes today's hearing. This item will return on august 5th at 2:00 p.m. Time certain. Is there anything else, lauren, on this particular issue?

Lauren King, Deputy City Attorney: To be clear we'll be voting on the findings in addition to the staff report on august 5. And the record is closed and will remain closed.

Wheeler: What she said and that's why we pay legal counsel. Thank you. Our next item is two items that are going to be read together but they are time certain items at 3:30 p.m. So we will be in recess until 3:30 p.m. Thank you.

At 2:27 p.m. council recessed

At 3:30 p.m. council reconvened

Wheeler: Looks like everybody is back, we are now back in session on July 2. Karla we now ready for time certain items 552 and 553 if you could read those together please.

Item 552.

Item 553.

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Wheeler: Thank you. Commissioner eudaly.

Eudaly: I would like to move to accept the substitute ordinance, as you know, there's a matter of outstanding documents with the district coalition office, southwest neighborhoods, inc., and i'd like -- so i'd like to officially move the district coalition office ordinance as amended.

Hardesty: Second.

Eudaly: Thank you.

Wheeler: A motion from commissioner eudaly and a second from commissioner hardesty, is there any further discussion before we put the substitute on the table?

Eudaly: I can give an extended explanation of the amendment, if anyone wants no do that. Otherwise, I don't need to weigh in.

Wheeler: Let's hear from commissioner Fritz and then come back to you.

Fritz: I appreciate the amendment. If you could explain briefly for the benefit of those people watching.

Eudaly: Okay. In april, civic life requested a set of documents from swni after hearing multiple allegations of muss management and after members of swni's own board were prevented from seeing the documents. Swni responded with a host of questions, including questioning the city's authority to ask for such documents. Which civic life and our city attorney thoroughly answered, civic life offered to meet with them. They granted swni's requested extension to june 30, as of why 3rd down, they had yet to share 12 of the 15 requested documents for civic life, swni said that they would only turn over those documents once they had received \$31,885 for staff hours and attorney fees before they would submit them. This response was troubling, and necessitates that we do not award more funding to this organization until we can determine if there has been any issue with swni's governance or finances. I had certainly hoped it wouldn't come to this, but at this moment in time, I see no other options, swni has not upheld the terms of the contract they have signed. They have not complied or communicated in good faith within the deadlines they requested, and though alleged as of now, the nature of the allegations of financial mismanagement is serious enough that the city cannot responsibly grant funding to swni until we have clarity on what has happened. For these reasons, i'm putting forward an amendment that holds funding from swni until we resolve this issue. I think that civic life has handled this matter appropriately, they that have sought to understand for themselves the nature of the allegations, and only stepped in when swni failed to provide documents to its owner board members working with attorneys to provide swni with legal information they needed to comply, granting extension requests, offering to do followup meetings with them and reminding them of the deadline swni chose themselves, it is my hope they will promptly provide the outstanding records and we can quickly reconsider their funding once we have clarity on this issue. For now, I just ask that everyone support this amendment to ensure responsible financial partnership and due diligence for both the city and swni.

Wheeler: Commissioner eudaly -- go ahead.

Fritz: I thought we had decided that we weren't going to have an extended discussion about that, was my request for what's in the amendment was simply to tell people what's in the amendment. So what's in the amendment is that the funding for swni is still included in the overall total, but not directed to be disbursed until the results of the audit are known.

Eudaly: Okay.

Wheeler: If I can just ask a clarifying question. My understanding, commissioner eudaly, is that your office has met with swni and they have agreed that they will provide that information. Is that correct?

Eudaly: I believe the documents will be forthcoming.

Wheeler: Any further discussion before we vote on the substitute ordinance, seeing none, please call the roll on the substitute.

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Hardesty: I just want to thank the office of civic and community life for their due diligence in trying to resolve this issue before today. Thank you, commissioner eudaly, for, again, trying to resolve this issue before today. It's unfortunate we were not able to. I support your amendment, I vote aye.

Eudaly: Thank you, colleagues for your support. I vote aye.

Fritz: Just to be clear, many of the documents that are being requested have been locked up -- some are still locked up in the city archives, so there is that issue to be resolved before compliance can be achieved. Others of them are attorney-client privileged and not required under the contract. That said, we will have more time to decide these issues and make sure that all of the documentation that should be provided is providing. I hope to see the contract coming back in the next month or two. Aye.

Wheeler: I want to make it clear I support our neighborhood coalitions, they provide valuable resources to the community and they are valued city partners obviously in the wake of the covid-19 pandemic, many neighborhood associations and coalitions have really stepped up in important ways to serve communities even more. For that, i'm very grateful and in regards to the issue currently at hand, I support commissioner eudaly's substitute ordinance and strongly encourage civic life to work as quickly as possible with swni to retrieve the requested records and complete the audit. I expect no permanent decision on swni's funding will be made without engaging council offices, I appreciate the efforts civic life are putting into this. And based on my understanding, folks at swni are willing to work civic life and I think that shows that we have the ability to resolve this forth with, which I hope we do. I vote aye, the substitute is now on the table. Back to you, commissioner eudaly.

Eudaly: Thank you, mayor, because I believe that we have consensus on council, i'd like to move that we add an emergency clause since we are actually behind schedule on this, I believe.

Fritz: Second.

Wheeler: Second from commissioner Fritz.

Eudaly: Thank you.

Wheeler: Let's go ahead to vote to put the emergency clause on. Karla, please call the roll.

Hardesty: I'm sorry, mayor, did we actually vote on accepting the amendment. We did, because we all had a long conversation.

Wheeler: The substitute is on the table and now we are put an emergency clause in the ordinance.

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

Fritz: I should note that I withdrew my other amendment with the understanding that there would be the discussions that mayor wheeler referred to. And so that the -- so i'm happy to be able to get the money out to the coalitions. Aye.

Wheeler: Aye. The ordinance is now an emergency ordinance and will take full effect on approval. Commissioner eudaly.

Eudaly: Thank you again, mayor. Now on to the items before us this afternoon. Funding the district coalition offices, and diversity and civic leadership programs through next year. Covid-19 crisis has shown all Portlanders the value of resiliency and this funding will help maintain our community infrastructure and yield a more important Portland, this crisis and the national reckoning that we are going through also show how critical it is to continue funding by bipoc-led and culturally specific organizations. United Oregon, latino network, immigrant refugee community organization, native american youth and family center, momentum alliance and the urban league of Portland are front line responders during this time of crisis, working to prioritize the needs of Portlanders at the intersections of a public health crisis. Racism and other forms of oppression. And I hope that we provide them with

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additional support in the future. City investment is important under normal circumstances, and it's essential now. And now it's my pleasure to introduce director, Suk Rhee, andrea williams, Shuk Arifdjanov from the office of community and civic life to begin the presentation. Welcome, everyone.

Suk Rhee, Director, Office of Community and Civic Life: Good afternoon, to members of council, colleagues and community members, we do have a slide deck that Karla or Keelan will help us navigate, if that could be shared on the screen. Thank you very much. And you can fast forward to the next slide, too, the third slide. So for the record, my name is Suk Rhee and I serve as director for the office of community and civic life, today we present the ordinances to provide 2021 grant funding for the nonprofit district coalitions and diversity and civic leadership program partners, next slide, please. I will provide -- i'm sorry, I would provide a general overview, budget context and rational aligned with the city's covid-19 and racial justice respond that my colleagues will present the two programs and after that I will provide some additional notion the amendment just introduced. We want to acknowledge that the context in which these ordinance are brought forth, this is a transformative moment due to covid-19 and the rising up for racial justice. The impact of covid-19 on the city's resources are unprecedented, unpredictable and long lasting and we know what we know of as of today is subject to change, frankly, it is a little bit of awkward timing, we would prefer to have the revenue projections and updated budget guidance we expect during the fall budget monitoring process. These ordinances are presented at this time due to the practical matter our current contracts with these groups ended on june 30 and we want to provide a bridge from now until those fall bump conversations, to do so in a way to keep all of our options open. Next slide, please. With the information available at this time, we are proposing one year awards of fiscal year 19/20 levels to accomplish several important things, the first to provide some measure of stability for long standing partners, our dlc partners we have been with 4-10 years and we have contracted with the neighborhood district coalitions between 41 and 46 years. And I want to pause here to state that while we often discuss these two programs together, they really are not at all similar in their history, level of funding or relationship to the city. They are vastly different starting points and subject to different processes some of which my colleagues will share with you today. Next slide, please, the second objective is to preserve the city's ability to suggest a more clear revenue forecast in the fall including the possibility of meaningful reductions. So the fiscal year 2021 budget reflects 5.6 general fund reduction, about \$541,000 for civic life. Of is the lion's share, \$421,000 is largely through reductions to civic life staff through the elimination of furloughs. So an additional \$119,000 must still be identified in the fall bump. Civic life's budget situation is unique, we commit nearly 32% of the total bureau budget at the beginning of the year through 12 contracts including the dco and dcl contracts and for city staff, district coalition offices to maintain parity with the nonprofit dco's, this puts the bureau in a precarious position because we know larger cuts may be needed in the fall. If we commit such a large portion of our budget at the beginning of the year and we are required take larger cuts in the fall bump, it creates the problem of having the rest of the bureau carry those additional cuts on top of the cuts already taken in the budget while dco's and dcl's would not. This is not equitable and it disproportionately harms the bureau smaller programs. So we have first considered recommending lesser amounts than that reflected the probable need to cut further in the fall. So we considered should we offer 85 cents, for example, with hopes that it could be increased to a dollar later. Or should we offer the dollar up front and possibly have to reduce that amount? While cutting up front and adding back to the amount makes more logical sense and is probably more equitable, we do not have a cut amount to base it on. Next slide, please. We cannot determine better than the budget office or city council what the funding should be until there's a more clear revenue picture in august and then

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make corresponded adjustments through the fall budget monitoring process. So rather than independently picking a speculative number for reduction now, we apply the same approach that the city is taking and that is being offered by other bureaus, that is why it includes the critical provision these grants can be adjusted as needed with the rest of the civic life budget in the fall bump. Next slide, please. The third objective related to this approach is to allow us to transition to a more racial justice and climate action focused bureau as outlined in the covid-19 resiliency resolution and the recently adopted core values of antiracism, equity, transparency, communication collaboration and fiscal responsibility. As binding city policy, we must live up to these words in every decision we make, undoing institutional racism is for all the bureaus, for all of us, we have been working to do this at civic life. It must be said that neglect is also kind of a form of abuse, and civic life in the city has neglected many communities, that is real harm and another dimension of institutional racism. One-year awards ensures we keep options open in the coming years for investing in models and new realities that reflect the priorities and leadership of black, indigenous and people of color who are also people with disabilities, people who are un-sheltered and young people and more. So recent events amplified the long standing calls for investing in a broader range of community groups and not just generally for equity, but specifically to address antiblack racism. The dco program is fundamentally different than the dcl program. As we center bipoc communities in our covid recovery, we cannot lose sight of the fact that the dcl program is among only the few in the city that specifically invests with indigenous and people of color and we know that is only a starting point. We must add more voices and more communities in the coming years. So while we hope for the best, we need to keep all of your options open for when we have a better revenue picture in the coming months, a reduced revenue environment is exactly the most important time to apply these values to our budgets, programs and services. Those -- that concludes my remarks and next Shuk Arifdjanov, my colleague, will present the diversity and civic leadership program.

Wheeler: Commissioner hardesty had a question before we jump into that.

Hardesty: Thank you, just to hear you did you say that civic life is the only city program that invests in black --

Rhee: No. I hope I said that correctly, but no, I said it is one of -- I said it is unique, we believe it is only one of a few that specifically invest. So I am sure there are some others. I did not say that -- I did not mean to say it was singular.

Hardesty: That's what I thought I heard. That's simply not true.

Rhee: That's right. There are others.

Hardesty: There are others that invest in black people. I didn't want that to be left on the record, thank you.

Wheeler: All right.

Shuk Arifdjanov, Office of Community and Civic Life: Good afternoon, dear council members, my name is Shuk Arifdjanov, i'm civic engagement coordinator with civic life. Thank you. I will provide the overview of diversity civic leadership program to which we refer further to as dco, next slide, please. As director Rhee mentioned, we present to authorize the dco ordinance with six community organizations, immigrant refugee community organization, latino network, momentum alliance, native american youth alliance, unite Oregon and urban league of Portland. The total amount of \$851,646, which puts it at \$141,941 for each member. Just chronologically, the history of the dco program was initiated and authorized in 2010, with mentioned organization except momentum alliance at that time with a total amount of \$373,150 at \$74,710 each. Later, in 2012, the increase in funding were authorized for members at \$79,722. That's 5,000-dollar increase from 2012. And then since fiscal year 2013, the funding has been increasing through annual grant revenues. In 2016, momentum alliance was added to the dco program and

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authorized for \$65,000. Right now, currently, all dco partners are at the same dollar amounts in their grants. Next slide, please. We are allocating \$851,646 for this new fiscal 20-21. These are amounts in fiscal 2019 levels, at 141,941 each for each partner. If you look at the last column, that shows the ratio of civic life funding in percentage for their total organizational revenues. These are six organizations led by people of color, immigrant and refugee, involved in leadership development, racial justice and climate action. I would like to provide some highlights for each organization. Latino network implements the program, a program provides emerging leaders training on grassroots organizing and leadership skills. The training involves three elements, introduction to social justice aligning it with culture and exercise and class by action and reflection, so far the organization prepared over 300 leaders who are involved and engaged in the community at different levels. Debbie, a leader program graduate, currently serves on the woodburn city council. Unite Oregon has been working to build a unified movement for justice, they work to end profiling campaign, three-year expanding partnership of community and law enforcement, the legislation secured resources for tracking and ending police profiling through the state. The urban league, offers civic education, engagement opportunities and community led organized spaces to inspire them to use their civic power. The participants learn about government structures and engage decision-makers, urban league incorporates universal leadership while tailoring content to specific groups, young adults, in the youth program, adults with experience with policy and instability in homelessness as well unemployed people. Next momentum alliance provided three social justice camps for youth, they have opportunities to design the camp training, facilitate workshops from displacement to indigenous, solidarity and self care, just to mention organizations with 100% people of color, 85% of it youth 25 and under. During the current covid-19 pandemic irco and all these partners immediately used their communication channels to broadcast resources available to community members, in target languages. Including recommendations from Oregon health authority, Multnomah health department, emergency coordination center and cdc. Native american youth alliance provided nearly 100 boxes of food a week to insecure and needy families, while these are just some examples of great work. Our office of community and civic life, staff has been collectively working with all dco partners in improving livability and sense of community with a focus on communities of color, immigrant and refugees, as we look forward, we will build on steps undertaken over the last and current fiscal year for next levels of -- for the future. That is to say, potential to open up a partnership to existing and wider group of nonprofit community organizations through another competitive process in the future. I'd like to thank you for your consideration in authorizing this ordinance for this fiscal 20-21, for our dco partners. Now i'd like to turn it andrea williams who will present on district coalition offices. Thank you.

Wheeler: We have a question from commissioner Fritz before we do that. Commissioner Fritz.

Fritz: Thank you, and thank you for the presentation, Shuk, I appreciate that you gave me the credit for starting the civic leadership program in 2010. I actually give credit to mayor potter. He initiated it after south east uplift asked in 2007 and 8 when the first allocation went to latino network and the other four organizations were added also under mayor potter. I'm hoping that after i'm gone, that people will remember I did some good things. I want to put that on the record, thanks.

Arifdjanov: Thank you, commissioner.

Andrea Williams, Office of Community and Civic Life: Thank you, Shuk. Good afternoon, mayor wheeler, commissioners eudaly, Fritz and hardesty. I'm andrea williams, partnership's manager for the community and civic life. Keelan if you wouldn't mind going to the next slide, please. I'm going to present on the district coalition office ordinance, which would authorize one-year grant agreements from the community of civic life to four

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different coalitions to provide community engagement and neighborhood associations support services that improve the livability and neighborhoods in the city. I'll do a quick overview of the program. Review the ordinance and share some of what they've been doing in response to covid-19. Next slide, please. The nonprofit district coalition offices, along with the two city staffed offices provide support and technical assistance to the 94 recognized volunteer based neighborhood associations. In addition to support for community groups and individual residents. Five nonprofit neighborhood district coalitions have been the sole contractors with the city of Portland for this program since 1974. And over the last 46 years, since the start of the program, there has never been a competitive or open bidding process for these contracts. The ordinance we are looking at today, authorizes \$1,326,436 for grants to be divided among the four nonprofit district coalitions from July 1, 2020 through June 30, 2021. Next slide, please. The total funding will be distributed among four district coalition offices in the following manner. As you can see on the spreadsheet, this approach allows civic life to maintain fiscal year 19-20 core funding support to the district coalition offices, but we did want to mention it does not include the small grant funding. So just to quickly walk you through the spreadsheet, for example, central and northeast neighbors received \$284,695 in fiscal year 19-20 and of that \$10,000 was for small grants. This table also shows you that the grant amount made up 100% of their organizational budget. So for fiscal year 20-21, the ordinance proposes \$274,695 or what is exactly last year's grant minus the small grants. The small grant funding is a program the district coalition runs to support event or project-based neighborhood activities. Civic life discussed to cut small grants funding in order to meet our budget reduction requirements, while still maintaining core funding levels for district coalition general budgets, we think this is the best approach to provide some measure of stability our partners during this turbulent time. A few parts of the ordinance we wanted to be sure to highlight, finding no. 7, that talks about the council waiving requirements related to contracting, professional and technical expert services and waives a requirement to issue competitive application process. Just wanted to add a note that the language added there because the city has grant making practices and this language ensures that we are complying with those practices. We submitted exhibit a with the ordinance, and that gives you more details and background, we're not going to go through that right now, but if you would like, we can review them during the question time, if we need to. Also they're for your reference on exhibit a we wanted to point out section d, as Shuk described earlier, given civic life's unique position and the uncertain economic situation we are in, these amounts are also subject to full bump changes. The language in section d is offered by the city attorney's office to address the potential need to adjustment agreements in the fall budget process. Lastly, turning to the dco and district coalition's efforts during covid, I wanted to share that like so many other nonprofits and community groups, since the onset of covid-19, district coalition offices and neighborhood associations have been working hard to modify their plans and respond to community needs, and one example i'd like to share is the public health mailer that they sent out to over 200,000 households in the city and thousands more were reprinted for those providers in recognition of the digital vibe and the importance of connecting Portlanders to vital information. The district coalition offices collaborated to produce a bilingual spanish and english mailer to contain city and county public health information in an effort to reach all Portlanders. With that, that concludes my presentation, thank you for your time. I would -- if there are no questions from council, i'd like to turn it back to Suk to share more information about swni.

Hardesty: I have a question because i'm concerned we are mixing budget with policy. The way this was framed, i'm actually concerned about the framing around whether or not the district coalition offices have ever been out for rfp, as you know the charter now is very clear about what the process is. I believe today's conversation is really about a one-year

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funding opportunity as we await the budget, i'm concerned with how information is presented. I want to state my objection to how this district coalition office information has been presented because we are starting on some assumptions that have not been part of the dialogue of conversation today.

Rhee: No offense was meant. Item no. 7 in the ordinance refers to the fact that we have procurement and financial policies which are considered binding city policies that require council to waive the procurement requirement and also the grant-making bidding requirement. Because that's not been a practice, coming to council, we want to make sure you understood that you actually need to waive those requirements because those are our city policies. Those city policies were adopted in 2014 and -- i'm not sure when the procurement -- so that's the intention for introducing that context.

Hardesty: So we have been doing this since the 70s and had to waive every year in order to give neighborhood district coalition offices an allocation of funding.

Rhee: Actually, commissioner hardesty, I don't know. Is the exhibit on the slide deck andrea?

Williams: Yeah, it's after the questions slide.

Rhee: Could you forward one so we can just go to that exhibit to make it -- okay, right there. Actually, no, the pattern has been -- we have not looked at every single ordinance, but we have looked at a lot of them, in 2002 it was really clear that ordinance that council finds that it was determined that these services are subject to 5.68 which is the procurement code and waived the requirements related to the contract. And so that was the first time we saw that the city acknowledged it should be procured under 5.68 and waived it, as required. And as council can. Council can absolutely waive the requirement. And then we see that the following year, the next ordinance just extends the contract for another year. If you can advance the slide, please. And then another -- then in 2008, we are asked previously it was acknowledged that these should be contracts under 5.68. They are now grants in 2008, and in 2008, we did not have an open notification of competitive process for grants, but then -- then in 2010 we renewed the grants for five more years and if you can advance the slide. In 2014, through resolution 37086, city council amended binding city policy fin 2.04 that said grants shall be issued after competitive process. What we are trying to say here, we are catching up to the city's policies and practices and want -- we have not been consistent as a bureau in presenting it as such to city council, but we do have a record since 2010 that we know that we should. And that this -- we are making sure that council has appropriately exempted this ordinance from contracting and -- the grants -- the grant policy this year. So that we are doing it right this year.

Hardesty: I want to be really clear. What you're asking us to do today is only to fund a one-year extension of these contracts so that we can see what the financial picture looks like in the fall. We are not adopting any policy around what will or won't happen with these contracts in the future, am I correct?

Rhee: Actually, technically, our last ordinance, the grant agreement ended, so this ordinance is a new agreement period. So we have no authority to keep amending contracts, we are not adding another year to the last ordinance. The last ordinance was for a five-year period. So we were -- so we were -- we could do annual amendments after the budget was approved. This year is a completely new ordinance, setting a new contract, and it is for just one year.

Hardesty: I'm more confused now than I was coming into this meeting. I thought I came in really prepared because I thought the meeting was just about how do we get through this transition around the budget, I am concerned that you're asking us to make policy decisions in connection with this one-year grant that we have not had a fuller conversation on.

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Rhee: The policy, just so I understand -- the policy decision you're referring to is that it includes item no. 7, which is.

Hardesty: There's a lot of things that are up in the air as it relates to the coalitions and neighborhood association, the dco groups, and those are conversations that I am assuming we'll be having. So passing policy before we have actually concluded where we are going seems to be a little bit backwards, it seems to be -- i'm concerned that you're fixing something that's been broken for a long time, without having the policy conversation.

Eudaly: I'd like.

Wheeler: Commissioner Fritz and commissioner eudaly, I think would like to jump into this conversation. Commissioner Fritz, you had your hand raised first. Just on this issue, they might be able to provide some clarity. Commissioner Fritz, then commissioner eudaly and back to commissioner hardesty.

Fritz: Thank you, mayor. Commissioner hardesty, I appreciate your points. Normally, we would be doing a five-year new contract. We had the discussion back when there was the debate before covid about what should happen and at that point we were thinking do a three-year contract because we are up in the air, we don't have the code changes done, you're absolutely that, there isn't consensus on what should be done. So we had said it would take three years to actually have a proper inclusive process to decide how to promote community engagement moving forward. And then because of covid, we are just doing the one year, I agree this is not saying that we are definitely going to do -- we don't know what else we are going to do. We'll have that discussion either later this year or next year.

Eudaly: Thank you, commissioner, yeah, I just want to clarify. It's understandable why you are confused because there's lots of complexities with procurement and grant-making, and this has been our de facto policy without actually taking the step to waive those requirements. Suk is a very thorough person and wants to make sure that everything is in the document that should be in there. This language should have been in the contracts because we have been disregarding existing city rules every time we have renewed this contract. So it's actually not adding anything or changing anything, we are just dotting our i's and crossing our t's.

Hardesty: Excuse me, commissioner, I disagree we are not changing anything, what we are fundamentally doing is changing the policy under which these contracts would be awarded in the future. And without actually having a conversation about -- it's like we have been doing it for -- since 2014, wrong, then why change the policy today without having the policy conversation prior to changing the policy.

Eudaly: It does only apply to this one-year contract. This has been the de facto policy. The language has just been left out. I apologize for adding confusion to this issue. We are really just trying to correct some irregularities that have -- we discovered, but -- it's necessary in order for us to move forward with this item, to waive the requirements, whether the -- and we would be waiving them whether the item 7 was in there or not. But I think including item 7 makes the agreement more correct. I'm starting to get confused too.

Hardesty: I just think that it's important that the public knows what to expect, right? Because we are all kind of in limbo because covid has delayed a lot of work that would have happened. I can certainly appreciate that. But, again, I did not want to take a vote that actually committed me to a policy decision without actually having a policy conversation.

Eudaly: Yeah. It's what we have done every year, without stating it. So we are just asking to do it this year. Otherwise, I don't know how long it would take for us to advance these contracts and allocate the grants. But I -- that will be part of the conversation.

Hardesty: Money out the door. I was concerned both -- I still have an objection with how the information was presented because it was presented based on some value statement

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that actually hasn't been actually articulated and agreed to by the council. I mean, right, the reason it hasn't gone out to bid was because it wasn't how we gave contracts to neighborhood coalition offices, not saying that that's right, wrong or indifferent, that was the city policy at the time. And so framing is very important and the words we use are important. So I just don't -- I don't see any bad people in this effort, right?

Eudaly: Right. To be clear, if anyone's in the wrong, it's the city that's been in the wrong. This is not any kind of condemnation of the recipients. And I -- I mean, these are just facts that we are presenting. I mean, I think the basic point is that we have been disregarding our own regulations and need to get right with ourselves on how to do it going forward.

Hardesty: Both of those programs do not have competitive bid processes at all. We don't have a model that we should hold up as an example of what works when we are trying to engage our community. I appreciate that, thank you.

Wheeler: Commissioner Fritz.

Fritz: I really appreciate if we can focus on getting this money to the coalitions and avoid the things done wrong in the past discussion because that's not what we are here to discuss.

Wheeler: With that, let's move on, who's next?

Rhee: So I'm next. Speaking to some parts of the new amendment. Can you put the slide deck back up. I will try to move through this quickly. And I believe after this, maybe it's slide no. 20 to start on. Right there. So because -- that's good. Because some of this information was presented in the introduction of the amendment, I will only briefly review the time line, and there is another section about issues of concern that I would like to spend time on. I'll try to highlight some of the items not written on the page.

Hardesty: I would just say this is not in a necessary for you to go through again.

Rhee: I will just then go right to the -- skip through -- this is not about the time line. I will take your direction and skip through issues of concern. Okay. I want to say that -- forward.

Wheeler: Before you begin commissioner eudaly and commissioner Fritz have their hands raised. You have your hand raised.

Fritz: We have what I thought was a consensus compromise on the table. There are many discussions that need to be had, and trying this issue today, is not necessary. We have a way forward, we say we are not going to be funding swni in this -- so I don't think it's helpful to be putting things on the record which could be disputed.

Rhee: I would say -- if the council does not want me to go over this, that is -- I will, of course, agree to your direction, but I want to say that theses next few slides are not related to the records request. This is related to areas of concern that are happening right now in 2020, we do not have to present it for you, there's public testimony, other people who would like to add to the record, but there is information about.

Eudaly: I agree, just advance through this. It's not necessary. We have come to an agreement. And there's going to be plenty of public testimony.

Hardesty: Some things are just not appropriate to bring to the council, right? This is work that happens behind the scenes, and when we have it at council, it's because we come to a conclusion, right? This is not where dirty laundry gets aired. Right, we are about solutions. I feel like this -- I agree with commissioner Fritz, is that we have all been briefed, we know what's going on, we have taken appropriate action, let's just go to whatever is next on your agenda.

Rhee: That's fine, commissioner hardesty. Actually, because you moved so fast, this was submitted before agreement was reached, so I agree with you, we can move on. This was submitted previously to there being agreement. So now we can move forward.

Wheeler: If I may be so bold, director Rhee, you have four commissioners who are ready to support your request on these ordinances. And I would encourage you to continue to move on, if you want these ordinances to be adopted, and my assumption is you do.

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Rhee: Yeah, i'm encouraged and i'm in agreement, thank you.

Wheeler: Good, thank you.

Rhee: There are no more remarks, sir, unless there are questions, public testimony is also --

Wheeler: Do you have any invited testimony, director or go right to public testimony.

Rhee: No invited testimony.

Wheeler: All right, very good. So Karla, we will go now to public testimony. How many folks do we have signed up.

Moore-Love: I show 22 had registered.

Wheeler: Very good. I just want to be clear on the public testimony. We have as a council withdrawn the funding through the substitute ordinance for the swni organization until we can get the information and have a thorough review of the information. This is not the time for people to make additional allegations, this is the time for us to adopt the two ordinances including the substitute ordinance that commissioner eudaly has put on the table. We'll ask that testimony be germane specifically to the substitute ordinance, as well as the ordinance related to the grant agreements. With that, commissioner hardesty, you have a comment.

Hardesty: Excuse me, mayor. I have a hard stop at 5:00. So i'm not sure that emergency clause is going to work if we have 20-some people signed up to testify.

Wheeler: Let's see how many people after my stipulation we actually have to testify. Because we don't want to lose the quorum, let's go ahead and take two minutes of testimony each and we will see where we are at 4:59. If it's the will of the sponsor, then perhaps we will take the votes that we can pass it on an emergency basis and leave it up to the sponsor. First individual, Karla. 2 minutes, name for the record, hello, linda. Linda, are you muted still? Let's see, is she on the phone.

Moore-Love: Looks like she's on a computer.

Wheeler: Linda, the mute is down, if you drag your cursor to the lower left hand corner, that should show you a mute button. If you're on the phone, star 6.

Linda Nettekoven: Upper right, thank you.

Wheeler: You have the upper right. Okay, good. You figured it out, smarter than me.

Nettekoven: Different device than I usually use, sorry. I just wanted -- I just wanted to speak to the possibility of budget cuts in the fall bump, I only wanted to ask that council recommend that if such adjustments are needed, that a process be set up that brings the dcl partners and coalition people together in some appropriate way, given covid, to really work together to find solutions in keeping with the values articulated, a way identify gaps and work to bring resources and opportunities to the greatest number of Portland during this crisis time. This is a transitional moment, and the more we have a chance to understand each other's goals and missions and histories, as organizations all trying to do civic engagement, I think the more creative we can be in terms of dealing with cuts and adjustments that are needed. This could also be a first step towards those conversations that need to happen next year about the future structure and role and funding for coalitions. So it seems as though it could be building that first step. So that's all I wanted to say, please consider using the crisis, if it occurs, to bring this conversation to the forefront and allow the people that have been doing the work to work together to come up with ideas for cuts. Thank you very much.

Wheeler: Thank you, linda, appreciate it. Hi, sean.

Sean Green: Hi. Thank you, council, i'm sean green, i'm chair of the northeast coalition of neighborhoods. I'm here to speak in support of the funding of the northeast coalition receives from the city and would like to take an opportunity to share some of the work we are doing to support our community that's made possible from your support, over the last four years the northeast coalition of neighborhoods has been working to expand beyond

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the traditional neighborhood association system drawing inspiration from the grassroots effort that created the coalitions from which Portland became a national community on community-led efforts, we have become more inclusive and collaborative in our community and environmental efforts and speak to the intersection of our own work, collaborations with environmental, local food providers and other grassroots organizations, work to protect our community and build capacity, resilience and awareness and support for common issues we all face, the northeast coalition just published or 15th edition of our free quarterly newspaper and expanded those resources to an online platform. We are currently investing in community driven media at a time when mine stream media is being consolidated and have used or expertise to partner with the Multnomah and other coalitions and organizations to create a bilingually all city covid-19 mailer. We have worked and joined forces with mckenzie river gathering foundation to support organizations and efforts to provide a safety net to the most vulnerable members of our community, we have contributed to efforts and joined the city in raising awareness around missing and murdered indigenous people and continue to do this work through involvement and related to resources invested in public safety. Invest in our community by providing fiscal sponsorship and technical assistance and project management support. We hope to continue this work to support small nonprofit organizations whose existence is at risk, active members of our organization through this work in part by serving own nonprofit boards to strengthen our relationships and collective work. Our current effort under way by encn partnership with the interfaith alliance on poverty hopes to demonstrate community support for efforts to ensure our community - everyone in our community has a safe and decent place to sleep and access to hygiene resources. We have prioritized conversations and advocacy that works in community and has placed equity at the heart of our work I participated in the 3.96 code change.

Moore-Love: That's two minutes.

Wheeler: Thank you, appreciate it.

Moore-Love: Mayor, the next group of about 18 are sharing a powerpoint, we were going to call three at a time.

Wheeler: Good luck with that.

Shannon Hiller-Webb: Hi. My name is shannon hiller webb, and mayor, can you hear me.

Wheeler: Yes, I can hear you.

Hiller-Webb: I do understand the direction that you've just provided, and I would like to beg a moment of your time to discuss it with you. We have spent tireless hours trying to document what we believe should inform some of the investigation that's going to be forth with and as you review these documents around swni. I think it can provide context for a valuable investigation.

Wheeler: So, look, I do want to hear this presentation, and it's important, and I know you've put a lot of work into it, but it is no longer germane to the ordinances before us today. So I would like to hear it, and i'm sure some of my colleagues would too, but i'd like to hear it at a different time, not today.

Hiller-Webb: Do you have a time idea.

Wheeler: I will absolutely commit right here and now to carving out time for you to give that presentation to me, and I will set -- how long does it typically take.

Hiller-Webb: We prepared 3 minutes -- 2-3 minutes of testimony, we have 17 people within this powerpoint who have -- to be present.

Wheeler: I totally understand that, I get it, commissioner eudaly.

Eudaly: Thank you, mayor. Shannon, I just want to really appreciate all the work that you've put into this and all the work that you devoted to swni. The challenge is testimony really needs to be germane to the item, and because it's clear that we have consensus, everyone is supporting this amended ordinance, and we are withholding funding from swni.

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It's just not the correct time to share all of this. If -- I mean, everyone who signs up has a right to give testimony, but the testimony should be do you support this ordinance or do you not. Not airing -- i've read through the presentation and I really appreciate it, it was very enlightening to me, I do encourage my colleagues to view it as well. But I just -- we have a quorum and we would really like to move forward.

Wheeler: Commissioner Hardesty would have a comment.

Hardesty: I'm happy to see it at another time. It is not germane to the vote we are going to take today.

Hiller-Webb: I'm happy to take the direction of city council and it appears that we will remove our testimony from today.

Wheeler: I will make sure that I work around your schedule and accommodate your schedule. I would very much like to hear this presentation, and i'll absolutely be engaged on it, it's just not you appropriate any longer in combination with these ordinances.

Hiller-Webb: Can I -- i'm sorry, commissioner Hardesty.

Hardesty: As will i. I want to hear what you have to say, it's not germane today because of the change we have made.

Hiller-Webb: Well, I thank you for the vote that you did on the amendment. I appreciate the time and energy that you're going to spend on doing the investigation to get to the truth. And I look forward to having opportunity to share further -- greater concerns.

Wheeler: And I thank you and I thank your colleagues who have taken the time to show up today, I know that's no small commitment. I do appreciate it and look forward to hearing the presentation in full.

Hiller-Webb: Thank you.

Eudaly: Mayor, I want to make sure that we are not cutting off anyone that does have relevant testimony to give or maybe doesn't support the ordinance.

Wheeler: Yea, I absolutely agree.

Eudaly: Can we redo the numbers and have people briefly support it or not.

Wheeler: If people would like to testify on the ordinance -- substitute ordinance as it is or the grant agreements that are part of 553, absolutely, we want that testimony. Karla, go through them at one at a time and they'll say yeah, i'm interested or no, i'm not. 2 minutes. Jim mcloughlin.

Jim McLaughlin: Good afternoon. Understanding what the council has done today with the substitute amendment, my testimony today is not necessary. I provided each of your offices with written copy of the testimony. It's in the record, and when we reconvene at a future time, we'll give it then, thank you.

Wheeler: Thank you, jim, appreciate it.

Alsan Newson: Yeah, i'm good for tonight, thank you, though.

Wheeler: Thank you.

Blythe Olson: Yes, I defer to Shannon on this and look forward to providing testimony in the context of her presentation not future, thank you.

Wheeler: Thank you, appreciate it.

Merilee Karr: Thank you. Thank you for your concern with SWNI's lack of transparency. I agree with the amendment you passed, I have further information on SWNI's resistance to equity mandates, but I can deliver that at another time.

Wheeler: Thank you, appreciate it.

Sally Eck: Hi there. I'm happy to share at the next testimony. Thank you.

Wheeler: Thank you, appreciate it.

Carol Porto: Yes, Carol Porto, me too. I will testify at a different time, thank you.

Wheeler: Thank you, Carol.

Janet Coleman: Yes, I am also willing to save my testimony for a future date.

Wheeler: Thank you, Janet.

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Kathryn Daly: Yes, I will be available at a later date, and I yield my time.

Wheeler: Thank you.

Wheeler: Hi, danielle.

McClymont: I think Danielle is disconnected.

Wheeler: I don't see danielle. Do you see her, Karla.

Moore-Love: I do not see her. Sorry about that. Let's go --

Robert Lennox: I too support the amendment and i'm looking forward to testifying at a later date.

Wheeler: Thanks, rob.

Moore-Love: Marie -- marie. Sorry. I don't see I don't see marie.

Wheeler: I don't see marie on the list. She may have already disconnected.

Moore-Love: How about diane victoria, not seeing her.

Diane Victoria: Yeah, i'm here.

Moore-Love: I'm sorry.

Victoria: I need to delay my testimony to another time.

Wheeler: Thank you, I appreciate it.

Victoria: Yeah.

Wheeler: Commissioner eudaly, do you have your hand raised or is that residual? Okay, very good.

Adam LaMotte: Thank you, mayor wheeler, commissioners for all that you do, I will delay my testimony until another time, thank you so much.

Wheeler: Thank you, adam.

Shane Graff: Yes. I have submitted my testimony, live in hills dale, went to wilson high school, and you can read it at your convenience and I will submit it at a later time.

Wheeler: Thank you, shane.

Chuck Stilson: My name is chuck stillson, i'm a resident of hillsdale, and seeding my time to give testimony in order to play the video today. Thank you.

Wheeler: Thank you.

Amelia Fowler: I'm here, sorry. I am also a resident of hillsdale and agree with the amendment and want to thank everyone that was here and gave their time to testify today. I will also be available to testify at a later date.

Wheeler: Okay, thank you, amelia.

Melissa Kenny: Yes. Thank you. Hello, thank you, mayor and commissioners, I also will reserve my testimony for the scheduled later date and have submitted my testimony for the record. Thank you.

Wheeler: Thank you, melissa.

Terry Dublinski-Milton: Yes, hi, I would like to testify because my testimony is actually just tertiary to southwest.

Wheeler: Hi, terry, how are you today.

Dublinski-Milton: I did prepare 3 minutes, i'll go as fast as I can and cut out the irrelevant stuff. As co-chair of southeast I run up the ranks from the neighborhood. From -- unlike the other coalition boards, like southwest, which only has code 3.96 required neighborhood reps, southeast uplift has added 12 spots for groups and individuals represented identities not normally represented on boards, and through our executive committee and working with a highly diverse staff over the last couple of years, we increased representation of people of color and support development of Portland united against hate and concurrently the executive committee spent a year educating the board on race and white privilege in preparation for discussion of code 3.96, then elections, new people came in, started discussing code 3.96 I was so offended by the discussions of some of the new members that I realized that the system was fundamentally broken, this is my resignation letter. The reaction of migels life experience as a person of color at the September board meeting

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was unacceptable, the symbol ritual of a established board member not even being at the table while sitting board members rolled their eyes was racist. I'm embarrassed by the representative of my own neighborhood, this shows discussing race with guest speakers was not successful because our code defined board structure prevents us from having a role in who our members are. The white fragility proved to me it is a fundamentally broken system. I began my public services in the early 90s fighting for gay rights at the height of the aids crisis, I survived difficult rights, but I'll no longer give my energy trying to reform a system. So I thanked everybody and since then, southeast -- I wrote my resignation, just this week, passed an amazing diversity and equity and inclusion statement. We must update -- eudaly is right, we must update code 3.96 to bring other reps and organizations on par with the neighborhoods. Thank you, I appreciate the time. How did I do.

Eudaly: Thank you, terry.

Wheeler: Did it on time as well, I believe.

Moore-Love: 14 seconds left.

Wheeler: With 14 seconds to spare.

Wheeler: That's good. Thank you, terry.

Dublinski-Milton: You're welcome, thank you.

Debra Kolodny: Hi there. I will defer my testimony for another time. I appreciate your decision-making today on the substitutions, so thank you very much.

Wheeler: Thank you, we'll look forward to seeing you next time.

Moore-Love: That's all we had registered, mayor.

Wheeler: Thank you, everyone, for accommodating those needs and commissioner hardesty and I will make sure that we work together to set up that opportunity for us to hear what folks had to say specifically. With that, Karla, is -- if there is no other, we now have made both of these emergency ordinances, 552 and 553, correct?

Moore-Love: Yes, we did, we are using the same language for the emergency clause on both.

Wheeler: That is correct. Lauren do you have any problems with that.

Lauren King, Deputy City Attorney: I guess I understood the emergency clause to play to the substitute ordinance, which was 552, if you could amend 553 as well.

Wheeler: I'll entertain a motion on 553.

Eudaly: So moved.

Fritz: Seconds.

Wheeler: Motion from commissioner Eudaly, second from commissioner I believe that was Fritz.

Fritz: Thank you.

Wheeler: Karla, please call the roll. Really roll call vote.

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

Fritz: On the emergency.

Wheeler: We already added the emergency on 552 and 553 now we are actually voting on the underlying ordinance.

Eudaly: I thought we.

Wheeler: I'm sorry, you guys are right. I'm wrong.

Hardesty: Again.

Wheeler: This is on the emergency on 553. We are adding the emergency clause on 553. Sorry.

Fritz: I think that after so many months i'm finally getting quicker about saying second, even over the telephone. So thank you very much. I'm glad we are able to get the consensus on this, aye.

Wheeler: Aye. Now we go back to the ordinances as amended with the emergency clauses in all of their glory. Please call the roll on 552.

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Hardesty: Aye.

Eudaly: I'm going to save my remarks for the second vote. I vote aye.

Fritz: I appreciate all the council working together to be able to find a resolution in a very fast time frame since we became aware of the challenges and thank you so each of my colleagues for this. I also am happy to view the testimony of the folks that chose to defer today. Aye.

Wheeler: Aye. The ordinance is adopted to 553 as amended. Please call the roll.

Hardesty: Aye.

Eudaly: I'm getting confused here. So I want to thank director Rhee, Shuk and andrea williams from civic life and my senior policy advisor, hannah, for their work on these items and thank my colleagues for working with my office to reach an amenable agreement we could all support today. Thank you to all the organizations that received funding today for your partnership with the city and your dedication to our community. I regret that we can't give you more financial certainty until the full bump, the council passed its recovery resolution which outlines how bipoc, immigrant and other communities most impacted by covid will be central to how the city prioritizes and funds recovery work, I expect this will also inform how council addresses the inevitable budget cuts this fall and how we distribute the impacts of those cuts across our services and community. We need to do more work to ensure we are investing in organizations that reflect our values and priorities as a city and are committed to the needs of our least well served populations, but I am pleased at the steps we are taking here today I vote aye.

Fritz: I'm really glad to see that the organizations are getting the same level of funding as last year, compared with the cut made to the district coalitions. As Linda Nettekoven pointed out throughout the recession, we had conversations, and everybody agreed to hold the leadership harmless. I'm glad to see that's been continued, i'm glad we are able to add the emergency clauses, because the momentum alliance, which was our most recently funded group, that the funding they get from civic life is 25% of their budget, so it's really important we get that money to them, i've been really excited when we did the request for proposals to see which groups would be added to the previous five, they kind of came out of nowhere, I was really excited to learn about their organization, and i'm very pleased with the work they're doing, i'm pleased with the work the other organizations are doing as well, just wanted to give them a shoutout. I'm happy to vote aye.

Wheeler: I vote aye.

Fritz: One more thing, I forgot to thank clair Adamsick who has done phenomenal work at the emergency communications center, I would not be able to sleep tonight. Sorry to interrupt.

Wheeler: Not a at all. I want you to get the sleep you so richly deserve. The ordinance is adopted as amended, that completes our business for this afternoon's session. We are adjourned. Thank you, everybody.

At 4:43 p.m. Council adjourned