



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **30<sup>TH</sup> DAY OF APRIL, 2014** AT 9:30 A.M.

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

Commissioner Fish left at 11:24 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Deputy City Attorney; Ben Walters, Chief Deputy City Attorney at 3:46 p.m.; and Jim Wood, Sergeant at Arms.

Item Nos. 376 and 382 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<b>367</b> Request of Sherry Fishman to address Council regarding issues in the Hawthorne Neighborhood (Communication)	<b>PLACED ON FILE</b>
<b>368</b> Request of Paul Fishman to address Council regarding Hawthorne Neighbors: a Coalition of Merchants and Residents (Communication)	<b>PLACED ON FILE</b>
<b>369</b> Request of John Light to address Council regarding problems with the use of public space in the Hawthorne Neighborhood (Communication)	<b>PLACED ON FILE</b>
<b>370</b> Request of Boo Rigney to address Council regarding loitering on the sidewalk effecting the Ben & Jerry's business on Hawthorne Boulevard (Communication)	<b>PLACED ON FILE</b>
<b>371</b> Request of students from REAP Inc. to address Council regarding Black Male Achievement: A Student Perspective (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>	
<b>372</b> <b>TIME CERTAIN: 9:45 AM</b> – Approve revised financial assistance guidelines for the Portland Housing Bureau (Resolution introduced by Commissioner Saltzman) 30 minutes requested for items 372 and 373 (Y-5)	<b>37068</b>

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<p><b>*373</b> Change the application timing requirements of the Multiple-Unit Limited Tax Exemption Program (Ordinance; amend Code Section 3.103.040) (Y-5)</p>	<p><b>186547</b></p>
<p><b>374</b> <b>TIME CERTAIN: 10:30 AM</b> – Proclaim May 2014 to be Older Americans Month in Portland (Proclamation introduced by Mayor Hales and Commissioner Fish) 20 minutes requested</p>	<p><b>PLACED ON FILE</b></p>
<p><b>375</b> <b>TIME CERTAIN: 10:50 AM</b> – Assess benefited properties for street and stormwater improvements from south of NE Whitaker Way to north of NE Prescott Ct in the NE 136<sup>th</sup> Ave Phase I Local Improvement District (Hearing; Ordinance; C-10036) 15 minutes requested</p>	<p><b>PASSED TO SECOND READING MAY 7, 2014 AT 9:30 AM</b></p>
<p><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p><b>376</b> Establish an agreement and policy between the Bureau of Environmental Services and the Portland Bureau of Transportation to govern management and cost responsibility for future sewer maintenance under streetcar tracks in SW Montgomery Street (Resolution introduced by Commissioners Novick and Fish)  (Y-4; Fish absent)</p>	<p><b>37069</b></p>
<p><b>Mayor Charlie Hales</b></p>	
<p><b>*377</b> Authorize an Intergovernmental Agreement with Multnomah County to accept \$20,000 to assist with the costs to host the 2014 Governing for Racial Equity Conference (Ordinance)  (Y-5)</p>	<p><b>186542</b></p>
<p><b>Office of Management and Finance</b></p>	
<p><b>378</b> Accept bid of Pacific Excavation, Inc. for the Bertha Service Area Improvements Project for \$512,611 (Procurement Report – Bid No. 116476)  (Y-5)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>Commissioner Nick Fish</b> <b>Position No. 2</b> <b>Bureau of Environmental Services</b></p>	
<p><b>379</b> Authorize contract(s) and provide for payment for the Price Agreement for Urgent Rehabilitation of Sanitary and Storm Sewers Project Contract for \$3,000,000 for a one year term (Ordinance)</p>	<p><b>PASSED TO SECOND READING MAY 7, 2014 AT 9:30 AM</b></p>
<p><b>Commissioner Steve Novick</b> <b>Position No. 4</b> <b>Bureau of Transportation</b></p>	

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<p><b>*380</b> Authorize agreements with May &amp; Associates and Jarvis Appraisals for replacement of On Call Flexible Service contracts as needed due to termination of original contracts for Right of Way Appraisal and Acquisition &amp; Relocation (Ordinance; amend Ordinance No. 186128)  (Y-5)</p>	<p><b>186543</b></p>
<p><b>381</b> Authorize a Supplemental Agreement with Union Pacific Railroad Company to amend existing At-Grade Crossing Agreement to include signal modifications at SE 8th Ave for the Portland-Milwaukie Light Rail Transit Project (Ordinance; amend Contract No. 33000108)</p>	<p><b>PASSED TO SECOND READING MAY 7, 2014 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Commissioner Amanda Fritz Position No. 1 Portland Parks &amp; Recreation</b></p>	
<p><b>*382</b> Authorize Procurement Services to enter into a contract for construction and payment of East Delta Park Synthetic Turf Fields (Ordinance)</p>	<p><b>REFERRED TO COMMISSIONER OF PUBLIC UTILITIES</b></p>
<p><b>*383</b> Amend contract with Nomarco, Inc. to add to their scope of work on the Delta Park Maintenance Facility Improvements project (Ordinance; amend Contract No. 30003351)  (Y-5)</p>	<p><b>186544</b></p>
<p><b>*384</b> Accept and appropriate a grant in the amount of \$32,000 from The Oregon Community Foundation for the costs of installing a drainage system and foundation waterproofing at the Hillside Community Center site (Ordinance)  (Y-5)</p>	<p><b>186545</b></p>
<p><b>385</b> Amend contract with Professional Roof Consultants, Inc. for additional services during construction on the Pittock Mansion Restoration project (Second Reading Agenda 363; amend Contract No. 30000135)  (Y-5)</p>	<p><b>186546</b></p>
<p style="text-align: center;"><b>REGULAR AGENDA Mayor Charlie Hales Office of Management and Finance</b></p>	
<p><b>386</b> Authorize an Intergovernmental Agreement with Multnomah County for the Revenue Bureau to administer the Multnomah County Business Income Tax (Second Reading Agenda 355)  (Y-4; Fish absent)</p>	<p><b>186548</b></p>
<p style="text-align: center;"><b>Commissioner Dan Saltzman Position No. 3 Portland Fire &amp; Rescue</b></p>	

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<p><b>*387</b> Authorize application to the Department of Homeland Security through its Federal Emergency Management Agency for a grant totaling \$1,900,000 to replace the Station 6 pier and dock and construct a boathouse for the David Campbell Fireboat (Ordinance)</p> <p>(Y-4; Fish absent)</p>	<p><b>186549</b></p>
<p style="text-align: center;"><b>Commissioner Amanda Fritz</b> <b>Position No. 1</b></p> <p><b>388</b> Report to Council on grant funded services for the survivors of human trafficking (Report) 15 minutes requested</p> <p><b>Motion to accept the report:</b> Moved by Fritz and seconded by Saltzman.</p> <p>(Y-4; Fish absent)</p>	<p><b>ACCEPTED</b></p>

At 12:38 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 30<sup>TH</sup> DAY OF APRIL, 2014 AT 2:00 P.M.

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

Commissioner Novick arrived at 2:07 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lisa Gramp, Deputy City Attorney; and John Chandler, Sergeant at Arms.

<p><b>*389</b>    <b>TIME CERTAIN: 2:00 PM</b> – Ratify a successor collective bargaining agreement between the City and the signatory Unions within the District Council of Trade Unions for the terms and conditions of employment for 2013-2017 (Ordinance introduced by Mayor Hales) 1 hour requested  (Y-5)</p>	<p><b>Disposition:</b></p> <p><b>186550</b></p>
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At 2:30 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland



By Karla Moore-Love  
Clerk of the Council

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

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

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

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

**APRIL 30, 2014      9:30 AM**

**Hales:** Good morning, everyone, and welcome to the April 30th meeting of the Portland City Council. Would you please call the roll, Karla?

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

**Hales:** Just some ground rules for those of you who are new to the chambers. I want to welcome you here today. If you're here to speak on a council calendar item, when you come up, just give us your name when you speak. If you are a lobbyist representing an organization and are required to register, make sure that you declare that and tell us who you represent. You'll be given three minutes to speak on a calendar item unless there is some prior arrangement. Please testify only to the matter at hand if you come up on one of the regular items. And so that everyone feels welcome, we have some rules about decorum here, which is if you agree with somebody, wave your hands, but please don't boo or cheer on the discussion of regular calendar items. We obviously do that when we have something to celebrate, but we like the public debate to be evenhanded. Disruptive behavior will not be tolerated, and if you are disruptive, you'll be asked to leave the chamber. If you have any handouts for the council, just give them to Karla and she'll distribute them. So thank you all for coming today, and we're very pleased you're here. We're going to start with a proclamation because this is an important week in the life of our community. We have a number of our Asian and Pacific leaders here this morning to talk about Asian Pacific American heritage month. I will invite some of them to come up and address us here as I read the proclamation. I think we're going to have Stephen Ying here, Simon Wong, I think, is here from the Bar association, Duncan Hwang from APANO, Kim Sugawa-Fujinaga from the Bar association as well, and there may be others who want to come up and speak. So I will read the proclamation, and please come up and address the council on this important milestone in our community. The proclamation says, whereas, Asian and Pacific Americans have lived and worked in Oregon for more than 200 years, contributing to the state's rich history, economy, and culture; and whereas, Asian and Pacific Americans have helped to advance Oregon's prosperity through their contributions to all fields of education, business, the arts, economic development, science, and technology; and whereas, Asian and Pacific American history in Oregon is marked by a struggle for freedom, equality, and justice prevailing over the adversity of exclusion, persecution, internment, and disparities; and whereas, Asian and Pacific Americans are working to achieve full partnership in the social, economic, and political decisions that affect their families, building stronger alliances across all communities in Oregon; and whereas, the vibrant history and diverse cultures of Oregon's Asian and Pacific Americans are a central part of our state's story and ought to be shared with all Oregonians; and whereas, the month of May is nationally recognized as a time to celebrate the contributions of Asian Pacific Americans to our society and to our collective history; now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the City of Roses, do hereby proclaim May to be Asian Pacific American heritage month in Portland and encourage all residents to observe this month. So congratulations, and let's have a few of our leaders come forward. Stephen, they're not going to let you do it by yourself, are they? [laughter] Ah, here we have another volunteer. Good morning, and welcome.

**Stephen Ying:** Good morning, Mayor, and city commissioners. My name is Stephen Ying, Chair of the Oregon Commission on Asian Pacific Islander Affairs, known as OCAPIA. The mission of the

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OCAPIA is work for the implementation of the establishment of economic, social, legal, and political equalities for Asian American and Pacific Islanders in Oregon, and to maintain continuous assessment of the issues and needs confronting Asian Pacific Americans. I'm also president of the Chinese Consolidated Benevolent Association, where our mission is to strengthen ties within the Chinese community here in Portland towards a common goal to improve the greater community as a whole. On behalf of both organizations, as well as for the Asian community as a whole, we humbly accept this proclamation as an acknowledgment that the Asian community has not only been present, but has also contributed to the culture, environment, and livelihood of the city of Portland for over 200 years. During this time, the Asian community constantly face issues of inequality and discrimination. It is extremely important that our city leaders acknowledgment of the contribution of Asian Americans to our city and understand our struggle as Asian Americans. Once we collectively understand and embrace our diverse cultural backgrounds, we can then step forward and work together to become a stronger, richer, and culturally diverse city. Thank you.

**Hales:** Thank you. Good morning.

**Duncan Hwang:** Good morning, Mr. Mayor and members of council. Thank you very much for the proclamation and recognition of the contributions of the Asian Pacific Islander community have made to our great city. Sorry -- Duncan Hwang with APANO, the Asian Pacific American Network of Oregon. I'm also an advocacy co-chair at OAPABA, the Asian Pacific American Bar Association. So, I do want to say thank you very much for your support of us in the past, but I would like to remind the council that our work is not yet done. Asian Americans still face tremendous disparities and challenges living here in Portland. Just to give some examples, the Jade district -- APANO manages the Jade district and NPI for the city of Portland -- faces huge challenges. Just this Valentine's day, one of our community elders was struck crossing the street and killed. And DEQ data shows us that Asian Americans in the city of Portland face the highest exposure to air toxins in the city due to our approximately between 82nd and 205. So we face massive disparities in terms of health and transportation, and I think that together, we can work to solve these problems and make our community healthier and more vibrant. Thank you.

**Hales:** Thank you. Good morning.

**Anne Nguyen:** Good morning, Mayor Hales and council members. By the way, my name is Anne Nguyen and I am sitting in for Kim Sugawa-Fujinaga for the Oregon Asian Pacific American Bar Association, also known as OAPABA. It's my honor to stand amongst community members in recognizing Asian Pacific heritage month. OAPABA is proud to represent almost 150 members of our organization who are attorneys, judges, law students, and legal professionals who strive to promote professionalism, development, and advancement of Asian Pacific Islanders in the legal community. We want to thank the city in being partners in celebrating Asian Pacific Islander heritage, our countless contributions and achievements that we have made to the city of Portland and statewide in Oregon. As Duncan Hwang said, our work isn't done, and we hope to continue our work and advocacy and work to eliminate disparities in partnership with the city. Thank you.

**Hales:** Thank you, thanks very much. Well, just reflecting on this proclamation, it celebrates the past and the present, but there's so much happening right now, and so much that you're working on. Just reflecting -- the last 30 days. I walked across Naito parkway to go to the Sakura festival, where our local Taiko drummers performed, and then we had a public forum at APANO, and then we had an amazing turnout of Pacific Islanders at our budget forum, many of whom had never spoken in a public forum before. So your role in getting people engaged in the community, getting issues highlighted that matter -- whether they are legal issues or political issues -- among the different Asian and Pacific communities that we have in the city is really having an effect. We all experience this as your council in the community life that we are immersed in every day. So just in the last 30 days, there have been these multiple encounters where your work shows up in the citizens from those communities participating in community life, and it's just great to see.

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**Hwang:** Thank you, Mr. Mayor.

**Nguyen:** Thank you.

**Hales:** Other folks that are here to speak? Other comments from council members before we present the proclamation? Great, well let's do a photo, please. And if there are other community leaders in the room that would like to join you, then let's take a photo with the council. Come on up. Thanks very much, everyone. [photo taken] [applause]

**Hales:** OK, let's move on to communication items, please, starting with 367.

**Item 367.**

**Hales:** They may want to come together if there is a group here. I think there is, so.

**Sherry Fishman:** Good morning, Mr. Mayor and city council members. I request permission to change the order of who's speaking when. OK?

**Hales:** Fine.

**S. Fishman:** Thank you.

**Item 369.**

**John Light:** I will start. My name is John Light, nice to see you all. I'm a resident in the Hawthorne area. The reason that some of us are here today is to address some persistent problems with, essentially, quality of life in the area. In some ways, it's unfortunate that we had to bring this sort of thing to the council. I would've expected we could've dealt with this at lower levels, but for three years we've been trying to deal with this with the police, with the park authority, and other city organizations without much success. Essentially, we live in a strongly mixed-use neighborhood. We have suburban style houses abutting right up against a vibrant commercial area, the Hawthorne area between approximately 50th and 32nd. It's a great neighborhood to live in. My wife and I moved there about four years ago, and we love it. We just couldn't be happier living there. But in this kind of a neighborhood, you're going to have certain kinds of problems, and we don't think the city is doing a very good job of helping us deal with those. In the course of attracting a lot of people to the commercial area and stuff, inevitably, we get some people who are a problem and they cause problems. But when those things happen, we're not getting much action from anybody. The other folks that are here with us today are going to speak to some specific issues. A couple of the things that I'm concerned about are, for example, people living in RVs on the streets. We've had a couple people who have been there almost a year now. Just rolled into the neighborhood and set up shop, you know. Nobody in city government has seemed to know what to do with that. We would like to see that dealt with. We also have a problem with, believe it or not, just trash. We have no trash cans on Hawthorne Boulevard, which is kind of an odd thing to me considering how large of an area it is and how many people that we have there. In general, I think that this is a matter of learning to make a neighborhood like this work well. For the most part, it really does work well. We're not looking for some kind of heavy handed, you know, vibe-killing police presence or something like that. But we think it's important to get more attention to our area, and that's really why we're here. I want to mention briefly that recently, the police started foot patrols, and we think that's a great idea and really a step in the right direction, and we're looking forward to seeing how that plays out over the summer. OK. So, Sherry is going to talk next and speak to some other issues that we have here. Thanks for your attention.

**Sherry Fishman:** Good morning. Thank you so much for having us here today. I am a retired teacher, counselor, and now I work full-time as a volunteer on issues of social justice and poverty with the Jewish community and with the interfaith community. And I have met some of you in various capacities before. We are so grateful to Commander Day for putting this foot patrol in the neighborhood. Our problem is about behaviors and not being able to navigate to businesses. When I moved to Portland with my husband Paul Fishman in 1978, I fell in love with this city, and still am in love with this city. I love our environmental ethics. I love the way people have been primarily very civil to each other -- everybody still says thank you to the bus drivers, and that's a wonderful

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thing about Portland, it really is. But things have changed. A lot more people live here and a lot more people need help. But what happened on our streets immediately adjacent to our home, is, as John said, people have taken the sidewalks as well as living in the neighborhood in RVs, and the sidewalks are impossible to navigate. We want to walk. We want to support the environmental ethos of the city and not use cars to go shopping. But trying to walk through sidewalks crowded with people selling wares, with dogs unleashed, who won't move aside or leave any space for somebody my age. Skateboarders come at me on Hawthorne where the sidewalk is substandard width. I'm 70 years old, and I have to jump out of the way. I can't do that anymore. I can't move as fast. People bicycle on that sidewalk. They sell their wares on the sidewalk, there's nowhere to step to if you have people spread out with backpacks. And they deal. They deal right there so that when my grandchildren were young, I always wanted to take them to Ben and Jerry's right around the corner from my house. It was a big treat. But walking through their parking lot or on that sidewalk now, with people dealing drugs and dogs that look kind of vicious -- it's not such a good thing for people to take their children there. They don't feel comfortable. I've heard my own guests come to my home and don't feel comfortable if they have to park and walk through that. They really don't. So, what's helped? That wonderful on-foot police patrol. They're not there to harass people, but their presence has made a world of difference already. I've heard it from residents and merchants, and I'm hoping and imploring you to keep this going. It's a community police approach. Their presence is not to threaten, their presence is to help, actually. Something that we all want to do. So, I thank you for your time and I hope that we can work together. I really feel that we can, and I really appreciate having the police. Thank you.

**Hales:** Thank you. Good morning.

**Item 370.**

**Boo Rigney:** Good morning. My name is Boo Rigney, and I am the owner of Ben and Jerry's on Hawthorne. And one of the things I can report is that since 2010 -- the shop opened in 1997, but since 2010 the sales have dropped 20, 25%. This is not a destination, you know, people don't come to Hawthorne just to have Ben and Jerry's. This is about foot traffic that's out there walking around, and certainly they come in and enjoy the ice cream. I'm easily able to say that the store is the same, the ice cream is the same. Our staff feel very threatened by a certain portion of these folks that sit out. Opposite our store is the corner of the Umpqua bank building, and recently, or a couple years ago now, a bike shelter was put in and enlarged, and there's a hedge there, and it is an optimal spot for folks to hang out. And they come into the shop and open our pint freezer when we are busy, and then they sit boldly out on the curb and eat it right in front of us. And our staff, these young people that I employ, -- I never have one person closing, even all through the winter, even though I don't need them because I don't feel that it's safe for them to be there alone. We have many incidents of people just hanging out. You can see by the photos there in the PowerPoint that these are not our customers, and we don't feel comfortable approaching them. I want to say thank you, as well, for speaking with -- like the Officer DeLand, who's come in and explained his approach and just talking to these people, getting to know who they are, which ones are more traditional Hawthorne colorful folks playing instruments and perhaps selling a few wares. But these other folks are not from Portland. They enjoy being there because nobody asks them to leave. Just simply the interface with the police lately has created a whole different sense. When we call them, they come and they're able to just talk to them. They're not arresting them right and left, but they're not comfortable being talked to. Someone is looking at them and watching them now. So, they come in and try to -- they move our pint freezer out of the way to plug in their cell phones. When we ask them to leave, they get very aggressive. We lock the doors and have to close because we don't know if they're going to come back in. These are not the people that have been on Hawthorne forever. And our customers are telling us they're not safe. They don't want to walk over. They would rather walk in the other direction or get in their cars and drive somewhere else. So we just want to say thank you for the

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recent presence, and hope it continues, and we're happy to work with you. Any ideas that you may have in other parts of the city to help us change our landscape -- perhaps remove the bike shelter because it's not used for bikes, I can tell you that. And thank you again.

**Hales:** Thank you.

**Item 368.**

**Paul Fishman:** I need to bring up this slide show. If I can find the right button.

**Hales:** To the left of the volume.

**P. Fishman:** Oh, I see. It's a different version than I have. Mayor Hales and Commissioners, my name is Paul Fishman. My wife Sherry and I own a home and live on SE Madison Street, not far from Ben and Jerry's. Hawthorne Neighbors is a coalition of residents and business people on a near SE Hawthorne Boulevard. And you just heard from the three people who were active in our group and in our community about some of the issues we face that have taken a heavy toll on livability in our neighborhood. The time limits today don't allow us to go into some of the other issues, so we're focusing on certain things here. The goals of the city of Portland that I took from the city website are certainly what every Portlander supports. However, I have to tell you that if we, in the Hawthorne neighborhood, were to grade you on achievement of these goals, we don't think you'd be very happy with your report card. The issues that we're talking about today are focused on behavior and public spaces. The Hawthorne has always been a unique area in Portland. We live there, we work there because that's a great neighborhood in many ways. But what we have seen is an increase in inappropriate behaviors on our sidewalks, on our streets, and even on our private properties. The Hawthorne Neighbors coalition was formed last fall because so many of us felt invaded over the past few years by people who don't share our sense of neighborhood pride and civility. We were frustrated by the inability of the city to deal with these issues. We've been working closely with the mayor's office, the police bureau, and Commissioner Novick's staff. And we thank you all for that assistance. I can't tell you enough how much we all appreciate the new police unit that's been mentioned before. This started in early April, early this month, where officers are now walking the neighborhood. We're hopeful this different kind of policing, using communication and compassion before enforcement, will make a difference this summer when things are typically the worst, as well as year-round. There remain, however, numerous issues that are not being dealt with because the police and other bureaus do not have the tools they need. In many instances, what we found is that there are ordinances in place that could be used to address these issues, but the police and some of the other bureaus have been told not to enforce them. This has had a major negative impact on Hawthorne businesses and residents. The Hawthorne Neighbors coalition is committed to working with you to improve the livability of our neighborhood. This includes the economic health of the Hawthorne businesses. We are asking you to do your part by providing the tools needed by the bureaus. Portland's a great city. We've lost the sense of civility that we used to have, and we've accepted inappropriate behavior in our public spaces as the new norm. We can change this by working together, so please do your part. I left the handout, which is a statement with names of businesses and residents who support it. It's just a small fraction of the people who do support it, and there is also a letter from another business that was not able to be here today. Thank you very much for your time.

**Hales:** Thanks for coming. Commander Day is here, so I'm glad he got to hear your report, and I hope you continue to work with him in the central precinct on making sure the foot patrol effort works the way you described, because that was the intention behind his initiative there. Secondly, you raised the issue of people camping in campers or vehicles, and both Commissioner Novick's office and mine are looking into that because it's both a transportation and a police question. It's not clear -- it doesn't appear to be the case that it's covered by our illegal camping ordinance today. So, that's an issue that needs further work on everybody's part to figure out what's appropriate and what the law says now and what it should say. That's a work in progress, but I think that your situation --

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frankly, more in other parts of the city has raised that issue of campers for the long run. The sheriff also is dealing with a similar issue in the river itself with people in boats, so we have a couple of new and strange ways that people are living long-term on the streets or otherwise in public spaces. So, we appreciate you raising that.

**P. Fishman:** Thank you.

**Fish:** Mr. Fishman, I have one question of your testimony. You said that the police had told you that there were some tools that they had that they were not able to use. Could you be more specific?

**P. Fishman:** Yeah. The -- as the mayor was just talking about -- I've looked through the city ordinances, I kind of do that for a living. There's one ordinance that talks about that it's not allowed to park a recreational vehicle on the public right-of-way unless you're actively loading and unloading it. And it defines recreational vehicles as a vehicle designed for temporary living. The slide I showed you is obviously a camper van. It was actually plugged into someone's house. Someone's been living in that thing for a year in our neighborhood on the same couple of block faces. Parking enforcement has said they can't do anything about it. There's a prohibition on the public camping or camping in public spaces. Also includes the term, in vehicles. But I've been told by police officers that they can't enforce that.

**Fish:** Mr. Fishman, I'd be interested in a list of any and all existing rules that you believe the police have been somehow frustrated in enforcing.

**P. Fishman:** I would be happy to provide that.

**Fish:** It's a place to start, the laws on the books. And if there is an issue that council has to take up and with the police bureau, we'll certainly do that. But if you could give us a comprehensive list of any laws or rules that you believe the police have been either directly or indirectly told that they cannot enforce.

**P. Fishman:** Certainly.

**Fish:** That's a good place to start.

**P. Fishman:** Great. We'll do that.

**Fritz:** Why do you see it as a problem that somebody is living in a camper plugged into a house?

**P. Fishman:** Because my residential street is not an RV park. So if I have two or three vehicles parked in front of my house or on my block with people living in them, standing outside in the morning and washing themselves, letting their dogs run around, they're having parties at 2:00 in the morning --

**Rigney:** They have no restroom facilities.

**P. Fishman:** They have no restroom facilities. Commissioner, I would like to give them your address and have them come park in front of your house. It's not an RV park. It's a residential street.

**Rigney:** I think it's the lack of the restrooms. We have a big problem with human feces and urination in all our planters and bushes. And a photograph of a gentleman doing just that. Where are they going to go? There's no public bathroom.

**P. Fishman:** Yeah, some of these folks party through the night and keep people awake. They do drug deals.

**Fritz:** It's the behaviors rather than the fact that they have no other place to live.

**P. Fishman:** It's the behavior.

**S. Fishman:** We are so compassionate about that. I see these as two separate issues. But truly, if it were a consistent thing in front of your home, and people were having sex in between your house and the one next door, and you have kids, how would you feel?

**Fritz:** Well, that's not legal behavior.

**Hales:** It's behavior you're talking about, right.

**S. Fishman:** It's inappropriate. If the city is supporting livability, to me it means I will fight for trying to resolve issues of poverty and justice and helping to find people places. And as a matter of fact, I remember talking with you at a private gathering for something. I would love to work on this

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issue and have been, that's why I go down to Salem and to D.C. I don't know what we can all do. It's not only our problem, you know that a lot of people just come here because they hear it's a great place to hang out. That is true, and that's what a lot of these -- you know, we have to separate that there are people who are desperate and living in cars, and people who choose a lifestyle running around in camper vans. They're called travelers, and sometimes we get the road warriors. This is serious stuff. If you had to have it in your neighborhood all the time -- I have to tell you one ironic story if you will let me. I had a meeting going on to show a film about hunger, hunger here in Portland that the community relations committee of the Jewish federation was putting on at I think either at the Baghdad or the Hollywood -- we've done it more than once to raise awareness and funds and food, and to raise a need for advocacy. While I'm having that meeting and we are reviewing the film -- we live right near 37th. There's a steep driveway that's great for skateboarding. Really great. Little kids come and do a few runs. Fine. But these are the road warriors who come, and they do this skateboarding down this driveway, and it sounds like a freight train in my home. It's not my property, that driveway, but it's right under the windows where I'm showing this film. It's very difficult to deal with things when there aren't clear laws or clear enforcement of codes that exist. I know it makes you guys look heartless if you are saying people can't live in cars. I mean, where can they live? On the streets? But I think that they are two separate issues. We're only here to talk about behaviors and helping us have livable neighborhood so we don't have to go out and do the job that -- we pay taxes for cleanup, and yet we're scooping up human waste, and picking up trash, and taking our trash can, you know, every two weeks, and having to put bags that have been dumped in our trash can.

**Fritz:** I think you just made an important point that there are various reasons why people are outside. There are people living outside or in cars in every single neighborhood in the city.

**S. Fishman:** I know.

**Fritz:** So, when we're trying to devise rules, and as you say, enforcement, it's challenging for our staff from many bureaus to draw a clean line -- or a clear line. There isn't a clear line between people who are not causing disruptive behaviors, not doing the things that you just mentioned --

**S. Fishman:** I understand that --

**Fritz:** And simply living in their car.

**S. Fishman:** And I've been working on that for years. These are different things. And I have to tell you, some of the people are coming to party.

**Rigney:** Can I -- ?

**Hales:** Go ahead. We've got to move on.

**Rigney:** A thank you to the officer. Because, like you say, it is very complex, and we don't want to appear to be against the homeless. These are not the people that need services. That's not what, you know, me, as an ice cream shop owner, am concerned about. I've got little kids and families who are not coming in, they don't feel safe. But when he goes out and speaks with them, he hopes to -- he tells me -- carve out who's who, and I think that if you are there every day, or almost every day, you're going to recognize who you can help and who doesn't want the help. There is a diverse population, and we recognize that. We don't want the whole population to go away. We just want the aggressive element.

**Hales:** Thank you. So, a couple of requests. One, continue to work with the Commander Day in our offices but with Southeast Uplift of your neighborhood coalition, obviously, you're founded in that. But we're going to need to hear from them, as well as you, in terms of what you believe we should do together. And again, as Commissioner Fish said, we need to know what laws and statutes are on the books, which ones are being enforced, which ones aren't, and which ones may need to be changed.

**P. Fishman:** Great. Thank you very much.

**S. Fishman:** Thank you so much.

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**Hales:** Thank you.

**Fish:** Thank you.

**Hales:** Next item, please.

**Item 371.**

**Hales:** Good morning and welcome. Good morning. Please tell us who you are and thanks for coming in.

\*\*\*\*\*: Hi. Good morning, Mayor and council members. My name Jiordani Nicholas and I attend David Douglas High School. I am from Haiti, and I am a REAP ambassador. And one of the many struggles that Portland youth Black men face is education, from struggling in school, keeping up with grades, or fitting in with teachers, REAP really impacts the youth to show them that the streets are not the answer, or jail is not an option. And I feel one thing to emphasize is anyone can have a lot of things taken away from them, such as money, your car, but one thing no one can take away from anyone is education. And I feel like no one should ever be deprived or at a disadvantage of getting an education. And some ideas, I think, are that the mayor and city of Portland can help is creating opportunities for young Black men, such as job training or activities, and just little things that can help to change the future. Thank you.

**Hales:** Thank you. Good morning.

\*\*\*\*\*: Good morning, Mayor and city council members. I am Johannes Alamayo. I'm from Ethiopia, and I am a REAP ambassador. The greatest challenge as a young Black male is dealing with being stereotyped. Black males are being labeled as a race with poor hope for success. I believe that there's not enough resources out there available to them, so they get distracted like stealing or fighting or hustling. And I believe if there are better mentorships or groups or clubs to join, Black males will be more involved with the community and help to better their lives. REAP makes a difference by empowering young Black males like myself, and makes change and a better future for us.

**Hales:** Thank you.

\*\*\*\*\*: Hi. I'm Ogae Chakuware from David Douglas, and I am a REAP ambassador. The challenges that Black males have in the Portland area is opportunity, and the reason why I say that is because there's not enough being done by the city, as I feel, to give young males like us that go to high school and middle school and elementary school activities to do after school that can better us for our future and prepare us for the real life, as I would say. And REAP is one of the groups in the southeast, northeast metropolitan area that help empower us to be better people for our futures. And I feel like that the city needs to find those groups to help give opportunities to us kids who are looking for guidance and better activities to do rather than hang out at a Taco Bell or, you know, go home and watch TV or play video games because they don't have money to go to a community center. And I want to thank you guys again for taking the time out of your day to listen to us. Thank you.

**Hales:** Thank you, and the other young men here for what you are doing to be leaders and to be advocates. We appreciate what REAP's doing to change the futures and outcomes for your friends and brothers. So we appreciate you being here and stepping up as leaders, that's part of what it will take to make a difference.

**Saltzman:** Mayor, I would just like to point out both the city and the county have a program called SummerWorks where we hire young people to work in various city bureaus and in our offices in the summer, get paid minimum wage, \$9.10 an hour. So if you are interested, now is the time to be looking into it, because we'll be making the decisions in May. So if you want to contact any of our offices about the SummerWorks program, please do, and we'll hopefully plug you in with some jobs for the summer.

\*\*\*\*\*: Alright.

**Fish:** Thanks, gentlemen.

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**Hales:** Thank you very much for coming in this morning. Appreciate it, thank you. Alright. So, let's begin -- yeah, I think that we should take that suggestion. [Applause] Thank you, Joe, good idea. Let's move onto the consent calendar. We have one request, I think, maybe two -- two requests to remove items from the consent calendar. One is 376, which is being pulled off for discussion. And the other is 382, which is pulled and referred back to Commissioner Fritz's office.

**Fritz:** Thank you.

**Hales:** Any other consent calendar items? Let's take a vote, please, on the balance of the consent calendar.

**Roll on the consent calendar.**

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

**Hales:** Approved. OK, now we'll move to time certain.

**Item 372.**

**Hales:** Commissioner Saltzman.

**Saltzman:** Thank you, Mr. Mayor. When the Portland Housing Bureau was established in -- I believe it was 2009 -- Council approved the adoption of loan products then being used at the Portland Development Commission. That approval was conditioned on the Housing Bureau bringing back revised financial assistance guidelines after a loan portfolio analysis and strategic planning efforts. Under the direction of then-housing commissioner Nick Fish, this process was begun. Commissioner Fish wisely brought in an outside expert in banking and lending to assist the Housing Bureau with its analysis. Working alongside with the in-house talent at the Housing Bureau, the team conducted an extensive review, which included interviewing other public lenders, private financial institutions, and for-profit and nonprofit developers and owners of affordable housing. Portland Housing Bureau's investments take into account the population being served and aligned the loan product with the project's ability to repay while servicing those most in need. The recently completed March 2014 audit by the city auditor reinforced some of the recommendations you see here today. The final pieces of these guidelines were crafted in response to this March 2014 audit, which contained a recommendation to determine the need for a grant type of a product. The Housing Bureau has been using a product which is, in many ways, a grant. It's called an equity gap contribution. I concurred with the audit recommendations, and directed the creation of a grant-type product that will not change -- and also not change the city's current legal rights to enforce the agreement to provide at least 60 years of affordable housing to the public or enable us to seek repayment should that commitment not be met. These guidelines also specify when the equity gap contribution, or grant, will be used, clearly stating it will be used only as a last resort when all other forms of the financing from outside sources and from the Housing Bureau are exhausted, and when it is truly necessary to bring an extraordinary affordable housing development to fruition. I also felt strongly that the product should require a higher level of approval authority, and directed the bureau to lower the dollar amount of its and my authority to issue this product. So, council will now approve an equity gap contribution when it exceeds \$1 million, instead of the current \$3 million threshold for council approval. The final change contained in these loan product guidelines, at first blush, would seem to raise eyebrows. The deletion of the requirement that cost per unit should compare favorably with Housing Bureau published averages. However, we're doing this because it's too late in the process to require a development cost threshold when we're actually at the point of negotiating loan documents, as the project will already have been selected for funding when the loan documents are drafted. So instead, we will be requiring more from our developers earlier in the process. In our next notice of funds availability -- which we'll be issuing very shortly -- which is the mechanism by which we seek to fund projects, the Housing Bureau will, for the first time, set maximum cost thresholds based on unit size. There's been much public concern about the cost per unit for affordable housing development in Portland. It's a topic that I hear at almost every public forum I attend, and we will be tackling this issue head-on in the next round of funding by setting

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maximum unit cost thresholds. So, I would now like to turn it over to Traci Manning, the bureau director, and Javier Mena, the assistant director to answer any of your questions. I know it's dense stuff, but it's important stuff.

**Hales:** Good morning.

**Traci Manning, Director, Housing Bureau:** Good morning. So, we don't have a presentation, we're just asked to be here.

**Hales:** Commissioner Saltzman covered it well. So, questions or discussion?

**Fritz:** I have one question and that is, who actually gets the money that we provide? Is it the banks or the developer?

**Manning:** The owner.

**Fritz:** The developer?

**Manning:** The land--

**Fritz:** The landowner.

**Manning:** Yeah, sometimes the developer and the owner are separate, but ultimately, it's a loan just like a mortgage or a grant to a homeowner --

**Fritz:** It's directly from us to that entity, instead of through a bank?

**Manning:** Correct.

**Fish:** I guess I'll jump in. Traci, a year or so ago, a year and a half ago, we came to council with an imaginably titled presentation on Portfolio Optimization Project. And it was a real page-turner, but it took us years to get our hands around this. So how much of the work that's before us now is part of the evolutionary process that you began under POP?

**Manning:** Well, I think that's exactly right, it's been really an evolution, and Commissioner Saltzman sort of started it with the founding of PHB and the original adoption of the PDC loan products. It's really taking a look at -- as was referenced -- what was in the loan portfolio, and how did we do our best work to stabilize and make sure that public investment in the affordable housing portfolio was going to be sustainable over the 60 years. So that's been the work over time, to see did the loan products that we were using really maximize that sustainability over the long haul for the public infrastructure. So the first thing we brought to council was exactly that. The portfolio optimization said that we've got some cases where our products are not sufficient. So, that's what we brought last year. That's exactly -- and this is never the end, but the end of this part of the process is requesting these adjustments.

**Fish:** Traci, my second question is -- my recollection is that in the audit, it looked at about 300 and something million dollars of loans and grants. And so that's about a quarter of that was issued by the new Portland Housing Bureau, and about three quarters predated and was administered by PDC. An issue that was highlighted had to do with, when is a loan a disguised grant? And what I learned through the POP process is that in some instances, our nonprofit developer -- partners need to show debt in order to get low income tax credits, even though effectively we treat it as a grant. Could you walk us through that?

**Manning:** Yeah. Well, leverage is obviously really important. We fund almost none of the affordable housing that we fund by ourselves. It's all leveraged with other sources, and one of the biggest sources for the more deeply affordable projects in particular is a low income housing tax credit that comes from the federal government issued by the state of Oregon. It provides equity in a project using the private finance market. So effectively, in order for that structure to be beneficial enough to induce the private market to participate, one of the benefits that they get is depreciation on the loan. And so if it's a grant, you're not going to get any depreciation, it's going to be treated as equity, the benefits to the private market are lessened, and they are less likely to participate. So this structure of a cash flow loan, presuming it meets the financial test it needs to meet, helps us hit the best of both worlds. We leverage private financial activity into providing very low income housing.

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**Fish:** A lot of the projects you funded over the last few years were funded with low income housing tax credits. And during the recession, the value of those tax credits got hammered. But does this change -- make it harder for our nonprofit partners to finance deeply affordable housing? Does the shift away from grants to loans make it harder to leverage the low income tax credit they often need to make these projects pencil out?

**Manning:** No, it doesn't. And I would like to give some credit and let Javier talk a little bit about -- what this change does is make things more clear and more equitable for our partners.

**Javier Mena, Housing Bureau:** What we did, and what we're proposing to change -- Javier Mena, Portland Housing Bureau -- and one of the issues brought up by the audit was that there wasn't a clear delineation between our cash flow share note and our equity gap contribution, and the perception of not being used equitably within our development partners. And so by separating --

**Fish:** What does that mean, not being used equitably?

**Mena:** That our underwriters may use different reasons to choose one versus the other, and therefore not provide a clear process as to why one would be chosen versus the other. And so by separating the products and clearly identifying the equity gap contribution as a grant that would only be used if a project truly cannot afford any debt versus a cash flow shared note as a tool that can be used for a tax credit project, that shows us that. And then gives a time that, in 15 years when the equity exits, that we can reassess to see if the project truly is not able to sustain that, or if it's something that we can give the flexibility to do. So, that's what this action does. It does not deter the investment into a tax credit project. Actually, it provides better direction to our underwriters as to when to choose one product versus the other.

**Fish:** That's helpful. If I could just shift a second, though, because the cost per unit issue is less clear to me. [coughing] We'll give Mr. Walsh a chance to clear his throat.

**Hales:** Inside or outside. [coughing]

**Fish:** Joe, do you need some water?

**Joe Walsh:** No, I'll be alright.

**Fish:** OK. Traci, I've seen some recent commentary in the press and suggestions that have been pitched over how we can lower cost per unit. And I've seen four in particular. One is that we not use prevailing wage on our project. Two is that we repeal an ordinance that Dan Saltzman championed, to provide for green building standards in our product. Three is that we repeal our equity guidelines that, among other things, promote opportunity neighborhoods. So, no longer invest in high-performing communities but just where the dirt is the cheapest. And four, that we back off the notion that our housing and services should be married. Because one of the cost-drivers in the housing you fund is that it's housing plus services, and they tend to add the total price and divide by the units, not recognizing that a lot of the building is service-intensive. So those are four ways that I've seen in editorials and in news stories suggested where we, with our public investment, could reduce costs. Are any of those four under active consideration by the bureau?

**Manning:** There isn't anything under consideration in isolation. I think what we are proposing to do -- and we addressed it in the letter back to the audit -- is I think it's prudent for any organization, and particularly one in service to the public, to periodically review the policies that we have put in place over time to make sure they're still relevant in the current environment to get the outcomes that we want to get. I think there could be some interesting points that people have raised. Green building is really important for the health of our community, but also for the health of people who live in the units. We don't have a lot of definition around what we will and won't pay for, and does that still make sense? So, it's not so much, is any one thing a problem. In my mind, it's a question of it makes sense to periodically review the paradigm that we've decided we provide this housing in and make sure that we're spending our affordable housing dollar the best that we can. What I would say would be a mistake would be exactly as you suggest -- to review any one thing in isolation.

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**Fish:** The other thing I'd just point out is that all four of the areas that I identified are council priorities. They're council policies. So, they are -- I think the beauty of our system is we periodically take a fresh look at existing policy. But would you agree with me that to the extent the city wanted to change its views on prevailing wage projects, green buildings, equity, things of that nature, that that ultimately is a council decision?

**Manning:** Absolutely, yeah.

**Fish:** The companion question I have is this idea of cost per unit. And I applaud Commissioner Saltzman for looking for ways to deliver affordable housing at a lower cost point. And one of the projects that you funded that I think illustrates the point is the NAYA housing in Lents, where they used prefabricated units, and I think that they constructed the complex in three or four days. It's fabricated in Oregon, which is a great example of leveraging jobs in Oregon. It's shipped and then it's put together. It's a beautiful complex, and you were able to drive the unit cost down because they came fully built. So, I applaud that. I guess the question I would have about a maximum cost per unit is, what's the process you're going to go through to determine what should be the maximum cost per unit? And how will we know that whatever number you set on doesn't fundamentally change the ground rules for people that seek funding from us?

**Saltzman:** Maybe I'll take a stab at that. So, we are developing the maximum cost per units that will be published in the upcoming NOFA, again based on the unit size. We've looked to the north. Both Washington state and Seattle have adopted some maximum cost per unit thresholds. And we're also being more precise about what we're going to look at in that unit cost per threshold calculation. So we're trying to make the maximum unit cost thresholds truly reflect the living space. So issues around community space for services and things like that will be also considered, but we're going to have a better idea of what the cost is for the actual residential unit we're getting. We also ultimately have the discretion -- both the director and myself -- to take into account unique circumstances of a particular project and to in essence override the maximum cost guidelines if we feel there are compelling reasons that a project should be funded.

**Fish:** So Traci, what's the public process you're going to go through to determine the maximum price and to give our public and private partners a chance to weigh in on that?

**Saltzman:** I would say it's going to be this upcoming Notice of Funds Availability, because we have maximum cost per unit thresholds in that document, and that's going to -- that'll start the conversation.

**Hales:** So you're going to take comment from all the providers, even the ones that weren't necessarily responding to that NOFA?

**Saltzman:** Sure, we'll take comments from everybody. But we do want to instill this principle at the outset of this \$17.5 million of money that we're going to be receiving.

**Fish:** Let me just jump in on that. Has the Portland Housing Advisory Commission weighed in on this question of an appropriate maximum price?

**Manning:** They haven't. It's not the kind of thing that they would typically review. We tend to go straight to our providers and the folks who build and own the housing.

**Fish:** So, what's the maximum price that you're currently considering?

**Manning:** I do not have that in front of me. It's per unit and it's based on the history of the last 12 projects -- new construction projects that we funded, and then inflated to take into account increases in construction cost over time.

**Fish:** Has that figure been shared with the development community, and have you gotten some feedback on it yet?

**Manning:** No, not yet.

**Fish:** Pardon me?

**Manning:** Not yet, no.

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**Hales:** I appreciate this discussion. Dan, I think I share some of Commissioner Fish's concerns here. I love the direction you're taking here, I think it's -- I'm totally in accord with where you're going. But from my experience here recently, I'm finding it's helpful to talk, for example, with people who are currently doing projects with PDC and people who are currently not doing projects with PDC because they find one or another of our requirements cumbersome and impracticable. So, I think that it would be good if you use this NOFA to cast a pretty wide net and say, whether you're going to respond to this Notice of Funds Availability and propose on one of these projects or not, we'd like to hear from you as a provider -- for profit, nonprofit, whoever.

**Saltzman:** Right.

**Hales:** Because I learned a few things in that kind of conversation, I plan to learn a few more, and more with those -- in some cases -- providers or private developers who kind of have written us off. I think you want to hear from those folks. I know you do. So, nothing wrong with that.

**Saltzman:** Yeah, we can cast a broad net when we release the NOFA, and invite comments from people who may not even be considering applying, but also get their feedback on these maximum --

**Fish:** When are you planning to release the NOFA?

**Manning:** This week.

**Fish:** So, it's -- but you can't tell us at council today what the maximum price is?

**Manning:** I don't have it in front of me. I could possibly fish it out of my email.

**Saltzman:** But they're there.

**Hales:** So you're going to publish that.

**Mena:** Correct. Just to add, I think, as Commissioner Saltzman mentioned, we are taking this as the initial process to really have the broad discussion to say -- an internal and external discussion, because we care about this issue, and what makes sense in terms of what's the right number. And it makes sense for us to be able to use this NOFA as kind of the starting tool to be able to have that discussion and be a broad-based discussion.

**Fish:** But Javier, let me push back on that for a second. The bureau has done a wonderful job developing the NOFA process. In fact, it was one of the great breaks from the PDC past, in that we created a process designed to create a level playing field. We ended the practice of, whichever developer got in the front door first got the best deal, and we created a set of neutral criteria that set the ground rules for everybody. We did it around equity, and we did it around lots of other values, and then we graded people accordingly. So every time you tweak that, you either intentionally or unintentionally shift the playing field in terms of who can compete and who gets funded. So it's one thing to say that there's a body of information at the back end, but I think while the council maybe shouldn't get in the weeds too much on this, I also want to make sure we're not changing city policy by changing some of the decision points, and in effect, changing who's really in the queue and who's likely to get funded. The debrief is good, but the debrief happens after you may have made decisions based on a new framework. And I think that the council has a role to play in understanding the framework.

**Fritz:** Yeah, it seems to me the question of the maximum cost per unit is a policy question that that the council should weigh in on and have a public hearing on. I'm not the housing commissioner and never have been, probably never will be. I get the emails berating me as a member of the council for funding things that people believe are excessively expensive. So, I'd like to have that discussion at council.

**Saltzman:** Well, I'm really -- I feel there has got to be some discussion to the housing commissioner and the Housing Bureau to try to move forward and achieve policies of providing affordable housing, but doing it in a way that looks, you know, pays due heed to what people are concerned about, and that is the maximum cost. I don't feel having a council hearing on these maximum cost thresholds is going to be all that productive. I think it's better to get it out there, get the wheels rolling, and get the feedback as we're doing it --

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**Fritz:** How would somebody like Michael Withey, for example, be able to comment on the proposed maximum cost threshold? And how would he know about it?

**Saltzman:** When we issue the Notice of Funds of Availability document.

**Fritz:** So, he's not a developer, so he wouldn't get that.

**Saltzman:** Well we just talked about casting a pretty broad net on who we would make it available to, we'll post it on our website and invite comments from anybody.

**Fish:** But I think the first question we've asked for this hearing is what is the maximum price and how was it arrived at, and whether that price shifts to the playing field in some way, and I can't answer that -- I don't know the answer to that question. Once you issue a NOFA, you've set the ground rules for a funding process. And that's not consulting with your stakeholders before you go out to the market, that's setting the ground rules for the game, and then debriefing it. So while I don't want to get in the weeds on this, the questions that I asked were actually basic questions to understand how the methodology of how you got to that number, and what its impact may be on funding certain kinds of housing. I do think it is a council decision if we are shifting our policy decisions around affordable housing --

**Saltzman:** We're not doing that --

**Fish:** And if you change the guaranteed maximum price sufficiently, for example, you could create incentives away from nonprofit housing and towards for-profit housing, intentionally or otherwise, that I think is a council discussion. I'm a little reluctant to have a NOFA issued before the council is better informed about what's actually in it.

**Mena:** If I can add some clarification in terms of that NOFA itself. In terms of the policy direction, nothing is changing in regard to the green requirements, in regard to the MWESB requirements. The scoring process is the same as it was last year. The only additional component is that we added this threshold on the maximum cost per unit, and that threshold was informed based on -- as Traci said -- the previous 12 projects that as we analyze and try to take into account just the living space and not the commercial space or other areas. And it was difficult for the staff, because we had not broken down -- we had not received that information broken down in that way, so we ended up making estimates. So that's why we feel that it's easier for us to have a broader conversation that will take a much longer period of time, but in order to make our funds available now, because we know that there are projects that are ready to go, that we can start this process and then continue to have the discussions as we move forward.

**Fritz:** But since we're having a public hearing now, could we maybe take public testimony and you could get us that number and come back and tell us?

**Manning:** Yeah. I'm trying to think if I can access it in my email now. But --

**Saltzman:** We can. We'll get it.

**Manning:** Another piece of information. The Oregon Housing and Community Services is also using a maximum cost number in their CFC -- I can't remember what that stands for -- effectively their funding cycle this year, which comes out in a couple of months. In a month?

**Mena:** A few weeks.

**Manning:** Very soon.

**Fish:** How does it compare with what you are proposing?

**Manning:** Very similar. I think there's some variation. Because their projects are statewide, both of us sort of used our existing portfolio as a basis, trying to take into account as we could market conditions that are appropriate for the geography.

**Fish:** Traci, it looks like we're going to break for a sec and take some testimony and bring you back. How does the scoring change based on having a maximum price? How does the scoring for the NOFA change?

**Mena:** The scoring has not changed. The cost per unit maximum becomes a threshold. So if they don't come under that cost per unit, then it does not get evaluated unless there is a project that, as a

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whole, we feel that it's important to the city, it's important to the community, and then the bureau has the discretion to move it forward --

**Fish:** But you still have the same equity guidelines that we've been using?

**Mena:** Correct.

**Fish:** So what's been the response of Oregon ON to the guaranteed maximum -- to the maximum price that you are proposing for this NOFA?

**Mena:** We have had many conversations with our partners in Oregon ON through this two-year process --

**Fish:** I'm talking just about whatever number you are putting in this NOFA.

**Mena:** We have not shared specifically the number we put in on the NOFA. We have talked about the need to have -- or the discussions about the cost per unit maximums. And what we have been told throughout the process is that they want to know what exactly -- where we are at, and we will work together to get things funded or to get the projects that we need into play.

**Hales:** Obviously their reaction is important, because if they say forget about it, then you have got no providers, right? I am oversimplifying a little bit.

**Manning:** [laughs] That would be true, yes. Yeah, they're aware there was going to be a number, they didn't know what then number was gonna be. Also aware that Oregon was going to have a number, I think that number came out a few weeks ago. I haven't personally received any feedback about it, but --

**Fish:** Let me be clear. I don't know what the number should be, and I have great confidence in your shop to come up with the right number. And I applaud Dan for wanting to have a price be a factor. But it just seems like this is a pretty fundamental issue, and to hear that -- first of all, we haven't been given the number so we'll correct that in a second, and we'll compare it to what we used to use. Dan has said that, that he's looked to Seattle for guidance, I don't know whether that's --

**Saltzman:** And Washington state.

**Fish:** And Washington state. I don't know whether that's a relevant comparison or not, but I think it's useful information. But my sense is that what we normally have done is talked to the development community and our advisory boards to get their feedback before we've cooked something in a NOFA. So I'm -- and not that I am high bound to excessive levels of participation on these things, but they are in fact the experts and could give us some feedback. And if their feedback is, this is a non-starter, have we not taken the risk of a NOFA that becomes a failed NOFA and we have start again?

**Manning:** Well certainly the risk exists. I don't believe that these numbers are at such a place that that's going to happen. Obviously, our primary goal is to provide the housing. As Javier shared, we took pains to try to extract or to differentiate between the cost of building the unit as opposed to the cost of providing more supportive services, a better location. The land cost is not included. Things that would tend to focus on who we're serving versus what we're building. There's different price based on bedroom size. We tend to incent people to build larger bedroom sizes, which is tricky sometimes in the market. So, we've done what we can. I am positive that we were imperfect about it, but hopefully we'll learn from it as well. We're doing a lot of information gathering.

**Fish:** And that NOFA that's going out this week is for how much?

**Saltzman:** \$17.5 million.

**Fish:** And this is CDBG, home.

**Mena:** And TIF.

**Fish:** OK.

**Hales:** So Dan's got the numbers here for us, and then other questions for Traci or Javier, and then we might take testimony and then bring you back up.

**Fish:** Do we have a comparison for -- this is a great chart, but do we have what the current maximum is?

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**Manning:** There is not a current maximum.

**Saltzman:** There aren't current maximums. These are very close, as I said, to what Seattle and Washington state have.

**Fish:** Do these reflect the average over the last 12 projects?

**Manning:** 12 new construction projections, which will be the more expensive per unit. If we had factored in the acquisition rehabs, the numbers would be too low for new construction.

**Fish:** You know, Traci, my mind doesn't work that great with lots of numbers like this. What project that you funded in the last year would not get funded under these guidelines?

**Manning:** Stephens Creek wouldn't have gotten funded, and in fact is one of the reasons that we created the exception process. Stephens Creek is a massive redevelopment of a Home Forward project that's going to provide really great amenities in a neighborhood where we don't have a lot of affordable housing. We leveraged tens of millions of other funds, and for our \$2 million investment. But because the project was extraordinary in so many ways, there's lots of reasons where the per-unit cost would have exceeded these numbers and in fact is, as I said, the reason why we put the exception process in. Because we said, that's a project that we want to have the opportunity to fund.

**Fish:** And we were such a small piece of it and leveraged so much of the money.

**Manning:** Exactly.

**Fish:** What's another project that might not have gotten funded at these levels?

**Mena:** Bridge Meadows.

**Manning:** Bridge Meadows. Yeah. Another project that was extraordinary leveraged, large site, multiple buildings, very, you know, took a long time to put together because they leveraged so much private funding. Again, a project that we would have wanted to be able to participate in, but because they did so many really interesting and innovative things, we would have wanted to participate, and it wouldn't have met the criteria.

**Fish:** Would any of the preservation -- would any of the 11 by 13 not have gotten funded based on these thresholds?

**Manning:** There're all acquisition rehabs, so they should all be under -- I don't think that we tested them against this, because acquisition rehab is almost entirely less expensive than new construction.

**Fish:** And Traci, could you remind us, does the location of the development have a big impact on the cost per unit? Is there a big difference between the developing multi-family and outer east per unit and, say, Hillside?

**Manning:** Certainly. We took land cost out of the equation so that we weren't penalizing people for building in great neighborhoods.

**Fish:** And that's -- by the way, that's an important point you just made, because some of the commentary I've seen seemed to forget that the land costs were a big driver, and so a cheaper housing in areas of distress where land values was the driver versus the value system of this council, which is we build in opportunity areas, and that sometimes means a higher cost. So, thank you, Mayor, I'd be interested in testimony.

**Hales:** Any other questions?

**Fritz:** Could you read the numbers into the record for those watching at home?

**Manning:** Sure, the maximum cost thresholds subject to a request for an exception with clearly delineated reasons: studio, \$185,000. One bedroom, \$250,000. Two bedroom, \$285,000. Three bedroom, \$300,000. Four bedroom, \$310,000. It excludes the cost of land, commercial space, and community service space.

**Hales:** Alright, thank you. Thanks very much. So, let's see who signed up to testify on this resolution.

**Moore-Love:** We have three people signed up.

**Hales:** Come on up.

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**Joe Walsh:** Good morning, my name is Joe Walsh. In all of the discussion that you had here, I'm reminded of the auditor's report, and basically, what she was saying, if I remember correctly -- and it's been a while since I read it -- that you spend \$300 million and you get a 15% return, which is about, what, \$60,000. Is that accurate?

**Hales:** No. No, I don't think that those are the right numbers, Joe.

**Walsh:** OK. Then would you tell me what the percentage of return is on your investment in low income housing? Can you do that?

**Hales:** I assume that it's negative, because we're actually making grants in some cases.

**Walsh:** I'm not talking about the grants, I'm talking about the investment into the buildings and the apartments that you've been talking about trying to figure out a reasonable number. And I'm saying, the auditor's report on housing that just came out -- it's not more than two weeks old -- and she was criticizing housing for two reasons. One, they're getting a 15% return on the money that they are spending. That's 85% going out the window, about \$300 million. Now, that may be justified. But it seems to me that that number, 85% could be dropped down to 80% or 70%. 85% -- I mean, I read that, and I said, Jesus Christ, what is that? That's spending money, not the grants. Forget about the grant for a moment, I'm talking about the loans that the nonprofits and the people that are building these low income housing. They're not paying back the loans. You are getting a 15% pay-back on that. Is that not accurate there, Commissioner? Mayor, is that accurate?

**Hales:** We'll get the staff back up with more numbers. But, please raise them.

**Walsh:** I mean, there's a commissioner of housing, can you tell me what the numbers are, percentage-wise?

**Hales:** Joe, go ahead and finish your testimony and we'll get staff back up and respond.

**Walsh:** Well, that's my concern. If those numbers are accurate coming out of the auditor's office -- and I trust her -- then there's something radically wrong with our whole system. I'm getting a little tired of hearing staff come up here time after time and say, you know what, it's going to be wonderful, it's going to be great. It's never in the past, it's always in the future. And it's never in the present. In the present, you've got a lot of money, and you're screwing around with it, and I can't figure out why. Thank you.

**Hales:** Good morning.

**Michelle Mundt:** My name is Michelle Mundt, and on regards to how the housing money is spent in Oregon and Portland, I would corroborate Joe's direction towards more transparency, and thank you for having transparency. I learned a lot today from Traci Manning's way of describing what I was watching go on with tax increment financing in PDC, as I was reading the facts there as a hired person. It was privatized even then, I was a privatized staffer. So I've been watching and I learned a lot today. I learned a lot about how the different words are used, yeah, and everyone is right on track. Thank you for the transparency.

**Hales:** Thank you. Good morning.

**Lightning:** Good morning. This is an important subject, if I go over a bit, I hope you'll allow me to do that.

**Hales:** Try to be succinct, but please proceed.

**Lightning:** Thank you. Again, I represent Think Lightning company, my name is Lightning. On the issue of unit price, obviously, you have a lot of different factors that go into play on square footage of units, quality of the units being built. But I noticed on the numbers given at the end that the numbers are within the right parameters off the audit because you hit 189,000 per unit to 387. You're showing studios at about 185. So I think you are within the range, I think we know that by looking at the micro-apartment unions or other developers, they are getting down to 75 to 100,000 per unit. So, your range for a good quality unit from a good developer is definitely within line. From my position, again, the Portland Housing Bureau loan program. Of the total portfolio of \$357 million in outstanding loans, Portland Housing Bureau estimates that only about 54 million,

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approximately 15% will be repaid. This limits the opportunity for PHB to invest in new projects in the future. Since most loan funds -- more than 300 million -- will be spent once rather than loaned and recovered and used again for additional future projects. In my opinion, the PHB loan program must be reformed with the many non-performing loans. These can be -- we can't have no other choice. Currently loans up to \$2 million can be approved by the Portland Housing Bureau director only. My recommendation for more oversight and transparency on any loan over \$500,000 -- so Mr. Saltzman, I think we're pretty close to being in agreement on that -- Portland City Council members need to approve these loans. This is a top priority situation here. There needs to be more amortized loans implemented and possibly a few deferred payment loans, if needed, at appropriate times. I recommend you discontinue cash flow loans and equity gap loans due to the simple fact they just don't get repaid. Repaying of Portland Housing Bureau loans must become the number one priority of the city. If ending chronic homelessness becomes a reality, a new culture of paying off loans must be established. Again, we can talk about the unit price all day long, but the bottom line is repay your loan if you're going to get a loan. The city does not have a never-ending supply of money we can just call a loan grant down the line, and do not call a loan to try to get some tax incentive down the line and switch it to a grant. That is inappropriate to do. If you are going to pay a loan and call it a loan, that's what it is, and that's what needs to be done. Thank you.

**Hales:** Thank you.

**Fish:** Lightning, while you're here, can I just?

**Lightning:** Yes, if you could, please.

**Fish:** You are one of the most thoughtful people that comes before us on a regular basis, and I just want to point out one fact. You can agree or disagree with this. But almost every issue that comes before us, you are the loudest and I think clearest, and sometimes most thoughtful voice on the need to invest in housing for the poorest people in our community.

**Lightning:** Yes.

**Fish:** You are also an effective voice for providing housing for formerly homeless individuals and families, and you have pointed out that we have a crisis in our community, we don't have enough units for people at the very low end of the spectrum.

**Lightning:** Yes.

**Fish:** And I'm just going to share one fact with you, you can agree or disagree with what I'm about to tell you. The reason the bulk of the money is invested either as grants or loans that don't get paid back is because we are providing deep subsidies to housing for the very poorest people in our community. And as the auditor pointed out, there is a way to change our financing that looks more like a traditional bank, and that is to invest more in units that are more expensive, and that have more of a market return. So, I'll talk to you privately about this, because it's complicated, but I appreciate your view about where the loan should go. But I just want to caution you, that if we extrapolate that out, we won't be putting our limited resources in housing for the poorest in our community, which requires the deepest subsidy. We can put it in market rate housing and get it back, but you will be back here chastising us for not addressing the most needy in the community, and that housing does not pencil out unless we subsidize it. So, just an observation.

**Lightning:** If I can comment on that, please. A lot of your values on these apartment buildings are determined by the current rents, or what the projected rent is or what you think that you can get. Let's face it, that's the way it's going to be determined off the cap rate in analyzing this. The reality on this is that when you're figuring out what these projects work, and you're doing the numbers, you are calculating that beforehand before you develop these. You're using certain numbers put into place. Now, I understand if a developer gets into a bit of a problem. Where I have a problem is that if these loans are written off, I would say to the developer, why don't we go interest only now, why don't we do a delayed payment plan, but do not expect us to call that a grant and do not expect us to write that loan off because we're going to take your building back before we end up doing that.

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**Fish:** Fair enough. And just so you know, if we took that approach, we would not have preserved 1000 units of housing downtown of older disabled people at risk of homelessness. We would not have added thousands of units in our ten-year plan to end homelessness. It's an approach which some in the business community have urged, but I just want you to know that if we take that approach, we would not be building housing for the poorest of the poor. You have identified a fundamental policy debate in the city, but I don't want you to think that just shifting to a loan only, as you suggest, with tighter restrictions is going to get you what you have advocated so passionately and effectively for, which is housing for the poorest in our community. We'll carry this on privately.

**Hales:** It's a good debate to have.

**Fish:** It is a fundamental question, which not surprisingly, you have raised, but it is -- I just want you just to be aware that your position on the loans may be at odds with your values position to us about creating a supply of housing for the poorest, and I just want you to know that there is a contradiction.

**Hales:** Give me a moment to respond to that, and then we'll close this portion of the debate. But it's a good debate.

**Lightning:** My point is, is that if we have to bring in Intel to get them involved in these projects, they have the wherewithal and the money to carry these projects if needed. We don't need developers stepping up to the table or bringing in Cedar Sinai, bring in Jordan Schnitzer, bring in Joe Weston, bring in people with the wherewithal to understand if we don't have that money in the future for these projects for the future, we're going to have more chronic homelessness in this city, and these are investments of the city's dollars that need to be paid back for future investments to keep chronically homeless people off the sidewalks, and that's the bottom line. There's plenty of money out there, big corporations who would love to step into these type of programs and have the wherewithal and need the tax write-offs, but they have the ability to understand if I need to carry this a bit farther, fine, I can do it. If I need to negotiate with the city for a delayed payment plan, I can do it. But I don't expect them to call it a grant in two years, and I don't expect them to write off the loan, because we need money in the future to get the homeless off the streets. Thank you.

**Hales:** Thank you very much. Are there others signed up on this?

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

**Hales:** OK. So, further council discussion? Staff, come back up for council discussion here. So more questions or follow-up?

**Fish:** If I can clarify two or three things, Mayor, I'm ready to move forward with Commissioner Saltzman's proposal. So Javier, just to recap. In this NOFA, you'll be putting these maximum cost thresholds, but they will be subject to exceptions that the director and the commissioner-in-charge can determine on a case-by-case basis. Correct?

**Mena:** That's correct.

**Fish:** All other elements of the NOFA around equity and all the other scoring remains the same?

**Mena:** Correct. There was some minor modifications from last year, but in terms of, for example in the equity scoring, it was 25 points last year and it's 25 points this year. But it's pretty much the same type of scoring.

**Fish:** Well, to simplify that, if there are any changes in the NOFA around scoring, would you send me an email to walk me through that so I can understand that?

**Mena:** Certainly.

**Fish:** And then the question that I would have, Mayor, is I think actually sometimes experimentation in the marketplace is a good idea. And since Commissioner Saltzman has a sense of urgency about getting money out the door -- and lord knows there's a need -- may I simply suggest that we get a report to council about the conclusion of this NOFA with what you've learned through these thresholds, so the council at that point could decide whether they would like to have a further discussion? Would that be acceptable to the commissioner-in-charge?

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**Saltzman:** Yes, that's acceptable.

**Hales:** Good idea. Thank you.

**Fish:** Thank you.

**Hales:** Other questions?

**Fritz:** Is there anything in the Notice of Funds Available scoring for coming in at lower than these thresholds, these ceilings? Do you get bonus points if you are able to come in with a project that's doing studios at 80,000 rather than 185,000?

**Mena:** Not specifically regarding the thresholds, but in the scoring itself, on the financing, there is a scoring component that's associated with efficiency. So from that perspective. But the cost per unit specifically is more of a threshold than getting bonus points and being able to come out with a lower number.

**Hales:** But by efficiency, do you mean cost benefit?

**Mena:** Cost benefit, correct.

**Manning:** So you would end up receiving a -- if you submitted a proposal that was using city money efficiently and effectively to build the same product of equal quality where we're going the same outcomes, you're going to score higher in the financing because you're being effective, which would take into account a variety of costs, including those associated with cost per unit.

**Fritz:** And how big of a score is that?

**Mena:** It's not -- to give you a summary of the score itself, the finance, I believe, has a 15-point total score. Equity has a 25-point, and we have -- there's two other areas that just skipped my mind, but all together it makes up 100 points. As you can see, being able to be lower than that threshold will give you some, but it's not something that will definitely push you over, unless there are two projects that are kind of at the same level in the scoring, and that puts one over the other. We will have, as we did last year -- we had an internal review process, and we have an external review process for the NOFA as well.

**Fritz:** OK. I appreciate the suggestion to have a report back and the willingness to do that. Thank you.

**Hales:** Other discussion? OK, so let's take a roll call on the resolution.

**Item 372 Roll.**

**Fish:** Well, this has been a fantastic discussion. I especially want to do a shout-out to Lightning, who is here at every council meeting adding a very thoughtful perspective. And I think we're not going to settle that question today, but it is a fundamental question about where we put our scarce resources. And I know other cities have things called forgivable loan programs. We have something a forgivable loan, except we don't call it that. We call it a loan, and it converts to a grant, and it creates confusion in the public because it looks like we started down one path and then another. The reason why we use things like forgivable loans is that the kinds of housing we're financing wouldn't get built otherwise. There is no market for housing for people who have no income. And if you don't provide that kind of financing to mission-driven non-profits, then you have more homelessness. So, it's a wonderful thing to say we ought to change our guidelines to have more money to invest. But it turns out that unless we put equity and grants into some of these projects, they don't get built. Now there's a very simple way to change that. We could just say that we're no longer investing in low income housing -- which I have heard from some people in our community would be a good idea. In which case, we can go up the income chain, invest in market-rate housing, and get our money back. But that is a policy choice. Let's not confuse that with good government or bad government, transparency or not. That's a fundamental policy choice that has to be decided by this council, and would represent a departure from 25 years of history. But at some point, we'll have that discussion, and it will be thoughtful, based on what I've heard today. Commissioner Saltzman, you have come forward with some guidelines that provide greater clarity about our rules and they seem thoughtful to me. And having worked on portfolio optimization for a year or so, I'm so glad

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it's now in your portfolio. [laughter] And I thank you for your good work and Traci and Javier, you know what I think of your work. Aye.

**Saltzman:** I want to thank you, Commissioner Fish, for beginning this process to making the Housing Bureau's investment standards more consistent and transparent. So thank you for all your work in this effort. I want to especially thank the Portland Housing Bureau's underwriters, John Marshall, Siobain Beddow, Karl Dinkelspiel, Barbara Shaw for the work they do on behalf of the city; and Javier Mena, the newly appointed assistant director for the Housing Bureau, for helping to finalize the guidelines; and Traci Manning for her leadership of the bureau. And I think this has been a great discussion. But this is -- we are going to test-drive this maximum cost standard and a lot of other things in this upcoming NOFA, but we're going to get this money on the streets and we're going to start cranking out affordable housing with this money, and we'll provide you with the feedback we get on our maximum cost thresholds as we move forward. So, thank you. Aye.

**Novick:** I want to thank the mayor for not giving me the Housing Bureau [laughter] because these matters are obviously far too complicated for a simple mind like mine to grasp. I appreciate the energetic discussion among my colleagues, and I'm pleased that I voted after the present and former housing commissioner so that I have no compunctions about voting aye.

**Fritz:** Ditto. Aye.

**Hales:** Well this is good discussion, and I appreciate, Dan, your leadership in carrying this idea to the next level, and Nick to all that you've done on this front. I think we've got policy issues here to debate. We've got performance questions to ventilate, and then we've got a question of public understanding, which we have a big gap in. Because these deals are hellishly complex -- and even for those of us who have been around housing for a while. I'm also glad that one of them has this bureau, because having served on REACH's board and been around the housing industry and having been involved in the public sector in a couple of different capacities, these housing projects are among the most complex financial transactions that the city does. And it's not our idea to make them complex, it's the nature of the industry in which we're trying to work in order to advance policy and get good performance. So we need to both really look at how we're doing, and that's the idea here. Are we getting cost effectiveness? Are we getting traction in our policy goals? And are we holding our partners accountable in appropriate ways? Of course, we have to subsidize these projects. And I think, Commissioner Fish, you highlighted that very well. If these projects would happen in the marketplace without our help, we wouldn't be having this discussion at all. But of course they won't. I think this is another area in city government where we can do better in terms of translation between how arcane and strange and niche this discussion is, and broader public understanding of what we're trying to do on a policy level, how much we're getting for our money, and what our partners are getting in return for their investment. Again, I think we have to -- the auditor plays her role of examining performance, but I think it's really our job to try to keep working on how do we translate what we're doing into terms that busy people in other lives who don't have a housing background can understand. I'm particularly interested in that aspect of this, because I think that's in part my job for the whole enterprise, regardless of bureau assignment. But I think it's an area where it's a challenge because it's so complex. I appreciate this work. I look forward to hearing the report back about this particular NOFA and the airing of this proposal in front of your partners. I want to reinforce my earlier point that we need to talk to our critics and to our non-participants, as well as the folks that we're used to doing business with in anything that we do in the city and this would be a good time to do that as well. Thank you. Aye. [gavel pounded].

We have another housing-related item. So you might want to stay right where you are.

**Item 373.**

**Hales:** Mr. Saltzman.

**Saltzman:** I will try to make this as quick as possible. It's also a little complicated but perhaps more simpler than our loan guidelines. Portland, as we all know, is experiencing a great multifamily unit

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development boom. And part of my goal since being tasked as housing commissioner is to try to make sure that we capture some market share of this new development for affordable housing. A lot of it is being built as market rate and above, and we need to try to capture as much of this as we can for affordable housing. We have two tools that are big things that can help persuade developers to make their units affordable, or some affordability. One is the system development charge waivers, which is not the subject of this item. But the other is the limited tax exemption, which can provide a 10-year property tax exemption for the value of the improvements if the owner or developer commits to making 20% of the units affordable at at least 80% of median family income. One of the requirements that came out the big look -- which Commissioner Fish and former County Chair Jeff Cogan and former County Commissioner Deborah Kafoury and Commissioner Amanda Fritz were involved in -- came up with some good guidelines. But one of the issues that I'd like to persuade the council to change is a requirement that a project that wants to qualify for the 10 year property tax exemption cannot have applied for its building permit. I think when the Big Look happened, we were at a time when there wasn't a lot of development happening, and this kind of made sense. We didn't want people developing projects but for this tax exemption. Now the situation is quite reversed, and we needed the flexibility to be able to say to a developer who's got some project underway or on the books, it's still not too late to make 20% of your units affordable to at least 80% of the median income. We're asking council -- and it is within council's purview, it doesn't need county sign-off. We've talked with the county and they're fine with this. We would like to change the requirement so that the multi -- let's call it the limited tax exemption -- can be granted even after a project has received a building permit. That's what this does.

**Fish:** Two questions -- and I'm prepared to support this. We learned through the tax, the Big Look, that the County and City can be in accord, but if the County assessor isn't, then we have a bigger problem. Maybe we could have someone on your team introduce herself and just tell us if we feel that that's been cleared.

**Andrea Matthiessen, Housing Bureau:** Andrea Matthiessen, Portland Housing Bureau. Good morning. That is an accurate assessment of the relationship dynamics between the administration by the Portland Housing Bureau of the tax exemption programs, and the Multnomah County tax assessor's office. In this particular instance that Commissioner Saltzman has introduced, we have done that due diligence fully with the County, who did also on our behalf engage the state department of revenue to confirm our collective interpretation that we are able to make this modification, which just reflects statute interpretation of the But For test.

**Fish:** And the reason we go state revenue is because we have a hope that the state revenue department guides the assessor in interpretation of what he can and can't do.

**Matthiessen:** This is correct, thank you.

**Fish:** The second question is does this change, alter the cap?

**Saltzman:** No.

**Matthiessen:** No, not in any way. It's simply a timing --

**Fish:** It's still a competitive process subject to a cap, in terms of foregone?

**Matthiessen:** Correct.

**Fish:** It's just a question of timing.

**Matthiessen:** Yes.

**Traci Manning, Director, Housing Bureau:** One other thing I would point out is that this is coming to you because Commissioner Saltzman directed us, Mayor, to talk to the folks who weren't using the program. And this is one of the things they pointed out.

**Hales:** Excellent. That's great, thank you. Other questions for the team? Do we have people signed up on this?

**Moore-Love:** I only had the one sign-up sheet.

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**Hales:** OK. But before I call for testimony, I see the County Commissioner Loretta Smith is here for the next item. But just wanted to make sure that if you wanted to comment on this as our partner in property taxes, that we gave you the opportunity. But you're really here for the next item -- oh, then please, come on up. Good morning.

**Loretta Smith:** Good morning, Mayor Hales, and city commissioners. I had a question about it. Now, is this approved with us? Do we have to do any of our due diligence to make sure that we're walking in step with you?

**Matthiessen:** In essence, yes. What's been introduced today is a code change that does need to be in compliance with the state authorizing statute. So the city of Portland, in conjunction with Multnomah County, we review that state statute together and generally we're in agreement on how that should be interpreted. And so, in this case, we were in lock step in that interpretation, and then confirmed that with the state department of revenue that guides the tax assessor's office.

**Smith:** And the next step, do we have to change our codes?

**Matthiessen:** No, it's a city code.

**Hales:** I had the same question, so you don't have to change your code.

**Fish:** Good question.

**Manning:** You're safe. This time. [laughter]

**Hales:** This time. Thank you very much. Anyone want to testify on this item? If not, then -- oh, Lightning, come on up.

**Lightning:** Yes, my name is Lightning. It may be a question directed to Commissioner Saltzman, if he might be able to answer this. You stated the MFI of 80% which would be \$55,500. Is there any reason why it is not 30%, which would be \$20,800?

**Saltzman:** Well 80% is the maximum. It could be anywhere from zero to 80%.

**Lightning:** You've answered my question. Thank you.

**Fish:** Good question.

**Hales:** OK, let's take a roll call on the emergency ordinance.

**Item 373 Roll.**

**Fish:** Aye.

**Saltzman:** This is a small change. I do believe the results of the change could be significant in the types and locations and development of affordable units in our city, which are sorely needed. In addition to the great work of the Housing Bureau, I wanted to thank Shannon Callahan of my staff for all of her work on both of these items we just heard. Aye.

**Novick:** Aye.

**Fritz:** Aye.

**Hales:** Appreciate the experimentation. Aye.

**Item 374.**

**Hales:** Mr. Fish.

**Fish:** Thank you, Mayor. I would like to invite forward our three honored guests this morning. Multnomah County Commissioner Loretta Smith; Leslie Foren, executive director of Elders in Action; and Lee Girard, senior manager of Multnomah County Aging and Disability Services.

**Leslie Foren:** Lee had to leave.

**Fish:** OK. Bill or Jay, do you want to join us? Well, you'll be testifying. Jay, why don't you come up? Good morning, colleagues. It's my pleasure this morning to present a proclamation celebrating older adults in our community. I would like to welcome our honored guest and please take a moment this morning to recognize and celebrate the valuable contributions older adults make in our community. The number of older adults is expected to almost double in the next 15 years. What a resource. It is more important than ever to ensure that our community is open and accessible to people of all ages and abilities. City Council was proud to approve an action plan for an age-friendly Portland last year, and we look forward to working with all of our partners to put that into action.

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And now I have the honor of reading the proclamation, which has been blown up to about a 25 foot so that I can read it. Whereas, May 2014 is national older Americans month; and whereas, the focus this year is on injury prevention with the theme of safe today, healthy tomorrow; and whereas, Metro projects an increase of over 100% in those aged 65 and older between 2010 and 2030; and whereas, the city approved an age-friendly Portland action plan in 2013 focused on improving safety, health, active participation for older adults; and whereas, older Americans make many positive contributions to the well-being of our community; and whereas, older adults are at higher risk of accidental injury and death than the rest of the population; and whereas, the city greatly values its partnership with Elders in Action, Multnomah County, to enhance the safety and health of older adults; and whereas, the city contributes to the vitality of older Americans through its efforts with Portland Parks and Recreation, partnerships with Loaves and Fishes, and our senior recreation centers; and whereas, the city of Portland encourages older Americans to stay active and engaged in keeping with the theme of safe today, healthy tomorrow; now, therefore, I, Charlie Hales, Mayor of the city of Portland, Oregon, here by proclaim May 2014 to be older Americans month in Portland and encourage all residents to observe this month and to support our older citizens who greatly contribute to our community. And Mayor, I have the honor of introducing Commissioner Loretta Smith, who is the county liaison to Elders in Action, and quite frankly is our community's great champion on behalf of older adults. Commissioner.

**Loretta Smith:** Thank you, Mayor Hales, Commissioner Fish, Commissioner Saltzman, Commissioner Fritz, and Commissioner Novick. It truly is an honor for me to be here before you today as a representative of Multnomah County and a representative of our older adults. I'd just like to say that Judy Shiprack, Commissioner Shiprack, would be here today. She's been home sick for a couple of days, and she would have loved to have been here because she's been my co-partner over at the County. And I know she would have been here and said all of these great things on what we're doing. But on behalf of Commissioner Shiprack and myself, I would like to thank the city of Portland for your ongoing partnership with Multnomah County. We have a wonderful, dedicated staff in our aging and disability and services division. These employees, they work with our community partners to serve our seniors and people with disabilities, making sure they can live as independently as possible. The division's efforts are increasingly important as the county is aging and the population continues to grow. We're also fortunate to have three fantastic advisory committees filled with people who volunteer their time to make sure that they hear diverse points of view and that we fully take into account the opinions and the experiences of people we are trying to serve. And our Elders in Action commission -- which Commissioner Shiprack and I are co-liaisons to the board -- it gives us advice on concerns and needs of older adults in the community. And this year's older Americans month theme is, as you say Commissioner Fish, safe today, healthy tomorrow. It reminds us that older adults remain at a higher risk of unintentional injury and death than the rest of the population. Multnomah County is highlighting the theme through our five local senior centers. We want to thank the city for their vital role that they play in funding the centers. The centers provide a wide array of services for older adults and they are a key part of keeping our senior population safe and healthy -- and, by the way, they did have some of the best lunches --

**Fish:** And healthiest.

**Smith:** And the healthiest. But we're so pleased to make this occasion by bringing attention to these important places for the county of older adults. We look forward to you -- and you've already done this reading the city's proclamation -- tomorrow during our board meeting. And I want to thank you for all of your support and all of your dedication and your commitment to older adults in this community. It has been truly a great honor and a partnership with the city and the county.

**Fish:** Thank you, Commissioner. Leslie, before I introduce you, Bill Gentile will you please stand? Bill is the board chair of Elders in Action, and thank you for joining us today. Leslie. [applause]

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**Leslie Foren:** Good morning, Mayor Hales and city commissioners. My name is Leslie Foren, and I'm the executive director of Elders in Action. I'm honored to be here today with Commissioner Smith, serving as our liaison on the county, as well as representing with Commissioner Fish as our city council liaison. Elders in Action serves as the federally-mandated advisory committee to the city and to the county. Since 1968, our volunteer advocates and staff have worked hard to help ensure that city services, its bureaus, its staff, and community partners are prepared to serve and engage this aging population. As we are here today to proclaim May as older Americans month within the city of Portland, it represents our work as a community as well as city council's commitment to making Portland an age-friendly city. A city that has structures and services that are accessible and inclusive to older adults, a city that emphasizes enablement and recognizes older adults as assets to our community, and a city that is friendly for people of all ages and all abilities. I look forward to our continued partnership within the city and the county on ensuring we all have the opportunity to age with dignity in the city we call home. Thank you.

**Fish:** Thank you. And Jay Bloom is with us. And I'm actually old enough to remember when Jay led an effort called the task force on vital aging under Chair Wheeler, which kind of got the ball rolling and now has culminated in the age-friendly cities designation. Would you like to share a few comments?

**Jay Bloom:** First of all, I'm representing Lee, I guess, who unfortunately had to leave from the county. She does an excellent job in the department that Loretta mentioned. I would be remiss if I didn't say all of you should be congratulated because Portland was the first U.S. city to participate in the World Health Organization's effort to become an age-friendly city. We are ground zero as a beta site for intergenerational living. We not only have young creative moving here, but families and empty nesters. And we're aging in place, as you can see everybody at the council. You're aging in place.

**Hales:** Yes, we are. We represent that statement. [laughter]

**Bloom:** So, congratulations on your effort on that. We have much work ahead of us, but it's a pleasure to continue to work with you. Thank you.

**Fish:** Mayor, may I acknowledge -- George, would you please stand? George Hocker is my liaison to Elders in Action and represents all of us so well in that body. George, thank you for your services.

**Hales:** Thank you, George. [applause]

**Smith:** Mr. Mayor, I would like to echo that. Because I always know I'm in the right place when George Hocker is there. He represents Commissioner Fish and the entire board very well in explaining all of the policies and ordinances that you all are doing here at the city. He is a wonderful representative, and it is an honor to know him. And I'd like to go off script for just a sec. You had Mr. Lightning up here, and it is so great to know that he is offering you his advice and the values that he cares about around homelessness and housing. And I told him, one of these days I'm going to find out who he really is, because he is so very thoughtful, like you said, Commissioner Fish, and he puts a lot of time into this. I so appreciate and I wanted to thank him personally and publicly for all of his work and all of his interjection. So, thank you.

**Hales:** Here, here. Thank you.

**Fish:** Photograph?

**Hales:** Yes, please. [applause] [photograph taken]

**Hales:** Thank you all. Thank you, Commissioner Fish. Let's move on then to our next item --

**Novick:** Mr. Mayor?

**Hales:** Yes, please.

**Novick:** I just wanted to make a comment. Since this next month is both Asian Pacific heritage month and older Americans month, I would suggest that anybody who is both an older American and of Asian Pacific heritage, should spend the next month totally going wild. [laughter] All others are encouraged to give them lots of free stuff.

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**Hales:** That's only fair. Let's move on to 375.

**Item 375.**

**Hales:** Good morning, Andrew.

**Andrew Aebi, Bureau of Transportation:** Good morning, Mayor Hales and council members. Andrew Aebi, local improvement district administrator. I will switch here to the presentation in a minute. We did receive one objection from one of the four property owners financially participating in the LID by last Wednesday's filing deadline. This was the first objection received against final assessment of an LID in nearly three and a half years, so it's been a long spell without any objections. That objection is summarized in attachment one of the Exhibit F of the ordinance that is before you today. While I'm waiting for Karla to hand out the presentation, one of the issues raised in the objection is that we did transition improvements on the first 80 feet of NE 136th Avenue. I will show you that in a moment on the map. Those 80 feet are transition improvements were budgeted for and were disclosed on the LID petition. And I think we're about ready to switch over now. Thank you. So, if you look at the map on the right, and you look at that pink property on the left side of 136th Avenue -- I should say the west side. You can see where that dash line ends. We also reconstructed the northern most 80 feet of 136th Avenue. And it was important that we do that for several reasons. And, again, we anticipated the need for this. By doing this, we were able to avoid putting temporary curb ramps 80 feet south of Whitaker Way that would have eventually have to be torn out at a cost of nearly \$3000, \$4000. We would have had to replace curb and reconstruct the pavement patch when we eventually came in and extended the sidewalk up to Whitaker Way. The Bureau of Transportation provided \$10,000 in sidewalk infill funding for this work that we estimated was about \$4400 worth of cost for that work. The other factor was that the curbs on 136th coming off of Whitaker Way. When we set up the street, it was set up for a crown section street on 136th Avenue at only a 32-foot wide curb width. This area is in a freight district. We needed to build a 40-foot wide street. We had to replace the curbs anyway, and by changing the set-up of the street from a crown section to a shed section, we were able to avoid tree removal and about \$41,000 worth of what would have been tree mitigation costs. We were able to avoid retaining walls, and we were able to avoid condemnation against public storage and possibly Almar Tools to build the retaining walls. And last but not least, before I move on to the next slide, we also were able to avoid impacting a relatively new water main at 136th Avenue, constructed in 1981 with an expected remaining service life of 169 years. Had we had to replace that water main, that would have been a cost estimated at \$82,000. What this map also shows you is that NE 135th avenue, the solid line on the black, that was an LID completed several years ago. So the properties in blue paid for the 135th LID. The property in orange, Public Storage, paid for 135th and is now paying for 136th. Properties in pink are paying only for 136th, and I'll explain the green properties in a minute. So 11 days after we formed this LID, one of the properties changed hands, and a previously fallow building was purchased by Bergelectric, which is doing a lot of construction work in the Portland area as the economy recovers. And the usage of 136th has increased substantially since we formed the LID. So, this is what the next block over looked like before we did that LID. And I have little doubt that 136th would've wound up looking like this had we not done the LID. It is particularly difficult for property owners to maintain abutting on paved streets as required by city code when they are in a freight district and they have trucks using their street. The next slide here shows the completed improvements. You can see the Almar Tools property there on the left. They have a much more attractive streetscape for the employees and for their visitors. On the right, we built a new employee parking lot access for Supreme Steel. Previously their only entrance to this parking lot was from NE 138th Avenue and their employees' only choice was to leave the parking lot via 138th where they had to compete with the traffic coming from the Parkrose Costco. One thing that I wanted to mention is that the LID did come in 29.2% -- excuse me, 29.1% below budget. When I spoke to Almar Tools at the outset of this project, he said he had spoken with the neighbor in the back who

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was pleased with the experience of the previous LID, and suggested it would be highly desirable if the LID could similarly come in below budget. We came within \$74.38 of bringing in this LID to the same proportion under budget of the previous LID, and we would have done that had we not found contaminated waste in the right of way and found an unmarked private sanitary line in the right of way, both of which we dealt with. On the left in this slide, you can see a FedEx truck waiting to make a delivery to Bergelectric. In the center, you will see a picture of a fire at a Public Storage facility. That didn't happen to this particular location of Public Storage. It did happen to their location on 82nd Avenue. This happened in March of 2011 after we formed the LID. I was approached by the fire bureau. They were concerned about their difficulty in fighting this fire, and they asked me to work with Public Storage to put in an emergency fire access, and you can see that picture on the right shows that we wound up building that for them. And then moving on to the next slide here, on the left is a close-up view of the portion of NE 136th Avenue that was not improved. And the properties in green will be part of a future NE 136th Avenue phase two LID. We don't imminently have plans to do an LID at this time, but none of the property owners participating in the previous LIDs will be asked to pay for this. One of the reasons why we did not do this portion of 136th Avenue -- I want to emphasize, this was not an administrative decision, this was approved by council and all property owners were notified prior to LID formation. Several reasons why didn't do this. First off, we had a property owner controlling a large chunk of the frontage here where we would have had to acquire right of way, and I was very concerned about condemnation costs. The last LID where I had to condemn for right of way, the right of way cost came in about 39% above budget. In this particular LID, the right of way cost came in 29% below budget. We also had a significant delinquency on one of these properties in terms of past property tax bills. So I was concerned about that risk to the city, in terms of financial risk. The picture that is in the lower right-hand corner here shows the intersection of 138th and Prescott Court. It's not a particular good way to access NE 136th Avenue because the intersection butts up with the right of way and NE Sandy Boulevard, and anybody coming in or out of there has to contend with the traffic from the Parkrose Costco and the other businesses to the north. It's not to say that paving the entire stretch of 136th won't eventually add value for all of the property owners -- it will -- but we just think that even after 136th does get fully improved, the preferred means of access will still be 138th and Whitaker and 122nd and Whitaker. In closing, I just want to say two things. Number one, we are not giving a free ride to the property owners on the south half of NE 136th Avenue. They have simply postponed their financial obligation, but at some point they will pay for these phase two LID. And then secondly, that little stretch of 136th is the last portion of unpaved streets in the Argay neighborhood. And Argay now has a lower proportion of unpaved streets than the Goose Hollow neighborhood in southwest Portland. So we are making progress in east Portland. And, finally, when we do move forward with the NE 136th Avenue phase two LID, if and when that happens, we'll make sure to budget additional funds for right of way acquisition costs. Almar Tools is here today to speak, and I hope you will give them a very warm welcome as this is their first council hearing. And just on a side note, they've been a wonderful community partner. They're very cooperative on the LID, and I know that they hire high school kids to start sweeping the floors in their business and then they promote them to working machine tools, and I understand that business is booming for them. So, I wish them the very best in terms of their future prosperity here in Portland. Thank you.

**Hales:** Thank you, Andrew. Questions? And come on up, please. And anyone else who wants to testify on this item. Welcome.

**Alex Heredia:** Hello, my name is Alex Heredia, I'm the owner of Almar Tools. I'm one of the owners. My brother couldn't be here. He's the other half. Andrew, can I go back to this -- and put this back up here? Back to the map? Yeah, that will work. Thank you. OK. We've been in business now for I think about 34 years. We've been in the Parkrose area since day one. Moved around, and we just keep -- for some reason, we just keep expanding. Now, when we first started this, we agreed

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to the LID. We were actually very excited to have this done. We thought we were going to have 136th paved all of the way down. Right before we were ready to start construction, it was proposed to us -- this wasn't going to happen. We said, oh, OK. So, working with Andrew has been really a positive experience. But when we found out that right above us, 136th, the pink, didn't have to pay the first 80, 100 feet -- we're absorbing most of the cost for all of that. I don't think that's fair. I'm not disputing what we have to pay. I just don't want nobody to get a free ride on my back shoulders on this. Extend the street through the curbs. I can show you satellite photos which we cannot put up there, but I don't think it's fair.

**Hales:** OK. Thank you.

**Saltzman:** Is that the property owner that is remonstrating?

**Hales:** Yeah.

**Saltzman:** Don't we have the ability, when we approve this, to waive remonstrances?

**Hales:** Or override them?

**Heredia:** Either they have to pay their portion of it. They're the ones using the most of this whole LID with the trucks.

**Hales:** Yeah, OK.

**Saltzman:** OK. We'll get Andrew back up here.

**Hales:** Thank you, appreciate it. So Andrew, come on back. Let's talk about that. Others here to testify? Any others? I don't think so. Oh, is there? No?

**Moore-Love:** Nobody signed up.

**Michelle Mundt:** I would. My name is Michelle Mundt, I would back up the small business owner. I see a tendency towards a monopolization of the area. And you know I like to talk about the bigger picture. I don't think the city or any powers that be, big money, big construction, big pharma, big anything -- I don't think they care if he lives or dies, that's why it doesn't matter if he pays [inaudible].

**Hales:** Thanks. Come on up, Andrew. What are our options here, if any?

**Aebi:** Commissioner Saltzman, could you clarify for me your question?

**Saltzman:** If a property owner is remonstrating, meaning they don't want to pay the LID assessment, does the city council have the ability to override that remonstrance and assess the property owner for the LID --

**Aebi:** Yes. And actually, just to clarify, the remonstrance happens at the LID formation stage. And Almar Tools signed a petition in favor of the LID. Almar Tools is absolutely correct, they signed a petition for the entire stretch of street. But keep in mind that council has the full prerogative to establish the project limits. And if you look at the ordinance in exhibit F, we sent a notification to all property owners, including Almar Tools, that the proposal was being made to shorten the project limits of the project. Had we known about this during the LID formation phase, we could have appropriately taken action. But there's nothing on the record of the resolution of intent or LID formation indicating that Almar Tools were displeased with the project limit changing. They were very emphatic in communicating that displeasure to me during the design process. But that happened after council had already directed me to build the shorter project. At this stage, what you have before you is an LID final assessment ordinance. So, property owners should submit their --

**Saltzman:** You're saying it's too late for council to weigh in on that individual property.

**Aebi:** Correct. I mean, your only option at this point would be to somehow reduce the assessment and then ask PBOT to pick up the difference. I would just point out that PBOT is already funding a significant portion of the overhead costs -- actually all of the overhead costs -- and also provided \$10,000 in sidewalk infill funding.

**Fritz:** If I heard the objection correctly, it wasn't objecting to Almar's assessment, it was that other properties are not paying. You said earlier that the properties would be required to pay in a later phase.

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**Aebi:** Absolutely correct, Commissioner Fritz. It's not exempting them from assessment, it's simply postponing their eventual assessment.

**Fritz:** When will that be done?

**Aebi:** At such time that the property owners petition for an LID.

**Hales:** Can't we initiate one?

**Aebi:** You could. That would probably be a good follow-up conversation for me to have with Commissioner Novick's office. But yes, we could do a council-initiated phase two LID.

**Hales:** We have that right but we don't exercise that very often. But with a case of property owner injustice here, in terms of some people paying and others sitting it out, I think there are members of this council -- I would be one -- who would be interested in taking up the question of a city council initiated LID under that kind of unique circumstance. Maybe not just under that unique circumstance, but certainly in that one. You feel that way also? We ought to at least look at the option.

**Aebi:** There are some limitations to council prerogative on that in the sense that council can initiate the LID. I would need to look and see how many waivers of remonstrance that we have, because depending on how many waivers of remonstrance we have, if we don't have that many, it's possible that council could initiate it. We get 60% remonstrances and then it's defeated and then we can't move ahead with it. The only down side would be that we would attempt to initiate it and we may not be able to form the LID.

**Fritz:** We can look into that before the vote next week, right? This is a non-emergency ordinance, so we can have that discussion before next week?

**Aebi:** Absolutely, yes.

**Hales:** Would that be helpful? Come on back up, please. We don't have to be that formal about it, so come on up.

**Heredia:** Can we go back to the map?

**Hales:** Yeah, we've got it in front of us.

**Heredia:** OK. When they did 135th, they did a beautiful job. And that's why we're really excited to have an LID. Now, Andrew, you're saying that when they did 135th, everybody in blue paid, and everybody in the orange paid, correct?

**Aebi:** Yes.

**Heredia:** How come the one in the pink -- now they got a free ride there on the other side, north of us, on both sides of the street? Right, on both sides of the street, on the corner.

**Hales:** A free ride for the moment. Maybe.

**Heredia:** Well, regardless, I got a \$61,000 bill. I'm willing to pay my share. I'm not going to dispute that.

**Hales:** I hear you.

**Heredia:** But if you re-appropriate all of the dollars for the first 80 feet on both sides, you will come up with a different number.

**Aebi:** I should probably respond to that. Alex's point is very much on target, and I weighed the same issue when we were forming the LID. I had conversations with the city attorney prior to forming the LID that we had already constructed that 80 feet. Granted, the land use was much different at the time that the properties were developed. And our conclusion was that the city would have been on a little bit dicey ground to put those property owners in a double jeopardy situation where they'd already built their 80 feet of frontage, the city had accepted that 80 feet for maintenance, and now we are coming in and widening the street for the benefit of the properties for the south and trying to go back to the properties on the north and then assess them a second -- in effect, assess them a second time for those improvements. I would also point that if we do do a NE 136th Avenue phase two LID and we have to saw, cut out a couple of feet of pavement to extend 136th to the south, we will not go back to Almar Tools or any of the other property owners and ask

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them to pay those costs. It was a difficult decision, but again, in consultation with the city attorney, we just felt we would be on a weak ground to demonstrate special benefit to those properties.

**Hales:** OK. I don't want to have a legal debate with the city attorney right now, but I think it would be worth taking a careful look at that. I did have occasion recently to look at that LID language in the charter. So I don't know it by heart, but the authority given to the council is significant and ought to at least be considered in a situation like this, I think.

**Aebi:** Yeah, and I would also point out, we didn't create lien record for those properties. So those property owners had no notice. So, it would be difficult to argue that council would even be in a position at this very late juncture to suddenly bring them in and ask to charge them for it.

**Hales:** Maybe not on this one, but.

**Aebi:** Yeah.

**Hales:** So, I guess Alex, my plea would be before we take this up next week, let's have another discussion particularly between Commissioner Novick's office and the city attorney about what our options are. But I think it -- I hope it's clear that council has heard you about, one, you're a good citizen, you're willing to pay a pretty substantial bill for the improvement, but you want justice here in terms of other property owners paying their fair share.

**Heredia:** That's why I'm here. That's all I want.

**Hales:** I can't imagine anyone arguing with that principle. The question is whether we can put that principle into action here soon one way or another. I'm certainly interested in that. I think there's probably consensus that we'd like to find a way to do that. The question is, do we have the legal means?

**Aebi:** And Mayor, I would in closing just note that we did disclose the transition improvements in budget for those. Those were clearly spelled out on the petition.

**Hales:** OK.

**Novick:** Alex, would you have a timeline for if this issue is resolved -- I mean if the inequity is resolved within x-years, you would be satisfied?

**Heredia:** Before I cut a check, I want to know what I'm paying for. We're willing to pay, you know, just make it fair. I don't think this is a fair at all. My brother, my business partner, he's my head finance guy and says this is not right. Those guys -- you know, there's no way -- especially those guys using it. They're the ones using the street with the improvement the most and they didn't have to pay a nickel of it.

**Hales:** We hear you. Give us a chance to work on that some more. I guess one thing -- you've been involved in this LID but we spend time with Andrew on a regular basis, and he's remarkably effective at --

**Heredia:** He's great -- it's just an argument. We just want it resolved.

**Hales:** Appreciate your kudos for him. We sometimes are a little gentler than we might need be and that's one of the reasons he has very few people objecting to these LID --

**Aebi:** Is that a polite way of saying I'm in for a thumping? [laughter]

**Hales:** No, but there may be a property owner that's in for a bill.

**Heredia:** Thank you for your time.

**Hales:** Thank you. I think the thumping happens to us here, Andrew. That's our job. Thank you very much. This will come back for a second reading but we will hear more from you in the meantime. [gavel pounded] OK. Next item.

**Item 386.**

**Hales:** Second reading. Roll call. It's not an emergency ordinance so Commissioner Fritz doesn't need to be in the room.

**Item 386 Roll.**

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**Saltzman:** Pleased to approve this. I just wanted to take a brief stroll down memory lane, and recall this consolidation with the city and county income tax collection was started by then-County Commissioner Dan Saltzman with then-City Commissioner Charlie Hales.

**Hales:** That's right.

**Saltzman:** One of those consolidations that seems to be working. Aye.

**Novick:** Aye.

**Fritz:** Aye.

**Hales:** Good idea then, and good idea now. [gavel pounded] Thank you, Dan.

**Item 387.**

**Hales:** Commissioner Saltzman.

**Saltzman:** Thank you, Mayor. Station 6 is on the river in northwest Portland. It's a vital marine resource. It has not quite received the same amount of love and caring as new Station 21 being developed on the east side of the Hawthorne Bridge. So we are asking for permission to apply for a grant that would allow Portland Fire and Rescue to make important improvements and repairs and upgrade Station 6. There was a 25% match requirement, which, if Portland Fire and Rescue does receive the award, the \$632,000 match would come out of the apparatus replacement fund. It has this money available in it. We have people here from Portland Fire and Rescue if you have any questions.

**Hales:** I had a question -- you don't need to respond at the moment -- but on the subject of consolidation, you and I have gotten some good things done on this score. There are proposals now in front of the county board and city council on our budgets to continue that progress. An area that we have not yet delved into much is the opportunities for -- if not consolidation, at least joint use of facilities between the Multnomah County sheriff's patrol, who operate boats on the river, and Fire bureau who operate boats on the river. We had this conversation with the fire chief only at that first superficial level. But I guess I want us to be creating an opening for that discussion, even if it's going to require making some changes in projects on both sides of that governmental boundary line. But if we're building facilities for publicly-operated public safety boats on the same river, we might not be achieving the ideal of efficiency between these two governments.

**Saltzman:** That's a good point. And I guess I would commit that if we do receive this grant to move ahead, we have conversations with the county about joint use of Station 6.

**Hales:** Always nicer to start a conversation when you've got some money. So this might be the right moment.

**Saltzman:** If we get the grant, we'll definitely have that conversation. I commit to that, yes.

**Hales:** Great. Is there anyone who wants to testify on this item?

**Moore-Love:** I did not have a sign-up sheet.

**Hales:** Anyone here? Any questions for the Fire bureau?

**Fritz:** I just have one question, and that's about the use of the apparatus replacement fund. When I thought about that, I thought more about trucks and pumps, and other such things. It's OK to use it for capital improvement?

**Saltzman:** I believe so. Yes, I believe the answer is yes. We have Jay here -- or we have two people from Portland Fire and Rescue who can answer that question definitively.

**Hales:** Does apparatus include docks?

**Fritz:** Well that new boathouse, too.

**Hales:** Or the boathouse. Or both.

**Tim Von Seggern, Portland Fire and Rescue:** My name is Tim Von Seggern, I'm an urban pilot paramedic.

**Jay Guo, Portland Fire and Rescue:** My name is Jay Guo, senior business operations manager, Portland Fire and Rescue. To answer your question, yes, this is for boathouse, considered as part of the package for apparatus.

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**Hales:** But Commissioner Fritz's question -- is it within the parameters of these grants or within our own apparatus replacement fund to use those funds for buildings and docks and not just for trucks and vehicles?

**Guo:** Those are fine. Right now it's a discretionary fund -- so, general fund discretionary. As general fund discretionary with council's approval, I think we can use for different purpose.

**Fritz:** I guess at some point I would like to see what the budget for that fund is, how much is in it and, you know, what -- we've had a lot of discussion over the years about making sure that that fund is available for replacing equipment, so I would like to know at some other time what --

**Saltzman:** We will get you more information.

**Fritz:** Thank you.

**Hales:** Further discussion? And this is an emergency ordinance to apply for the grant. Roll call, please.

**Item 387 Roll.**

**Saltzman:** Aye.

**Novick:** Aye.

**Fritz:** Aye.

**Hales:** Good luck. Aye. [gavel pounded]. 1.9 million is nothing to sneeze at.

**Item 388.**

**Hales:** Commissioner Fritz.

**Fritz:** Thank you, and thank you very much to the presenters who have waited very patiently to give this report. As council will remember, just back in December, we allocated general fund money to provide enhanced services for survivors of human trafficking, both for the wrap-around services, most of the women getting off the street, and a new innovation, piloting -- setting up a pilot project for a new BoyStrength program within our fantastic WomenStrength program. I'm going to start with that because it's actually an attempt to get ahead of the curve, recognizing that girls and boys are getting involved in human trafficking and problematic behavior in middle school, which is horrifying, and how can we help boys take some responsibility for their actions, as well as training girls how to be assertive. So with that, I'll turn it over to the presenter and give our report.

**Caroline Haycraft:** Thank you, Commissioner Fritz. Good morning Mayor Hales, Commissioner Saltzman and Novick. My name is Caroline Haycraft, I was here in December. And I just wanted to update you all on our goals for using the funding, the limited term funding for creating a violence prevention program for boys. So the first goal was piloting the program at two schools, and the second goal was to create a training that replicated the 34 year success model of training volunteers to teach violent prevention classes for women and girls in Portland. I'm going to talk about the first goal, and then Sarah Johnson, WomenStrength director, will talk about the second goal. We have completed BoyStrength violence prevention program, a six hour pilot at Catlin Gabel school for eighth grade boys. Our second pilot is in progress, and one class starts at 12:30 today at Vestal school for sixth grade boys. And then our third pilot will be at Open Meadows school for eighth grade boys starting this Friday. And what I would like you to know is that two of the sites that were chosen are located in at-risk areas for trafficking and recruiting girls into trafficking. So at the end of the pilot process, we will have successfully trained 96 boys in violence prevention, and we've also taken the GirlStrength program into those schools. So, it's great to hear this from me, but I think it's more powerful to hear it from the voice of a sixth grade boy, so we have a two minute news clip from KATU from Vestal School.

[video playing]

\*\*\*\*\*: -- thousands of cases of domestic violence every single year. And now they're trying something new to stop it.

\*\*\*\*\*: They're going into middle schools to teach boys compassion. We sent KATU's Ian Parker to sit in on one of the classes. I've never heard anything like this before, Ian.

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**[KATU reporter]:** Yeah, it is a novel idea, Steve and Deb. And the program is called BoyStrength, and it has one goal: give kids the strength to choose compassion over violence.

**[KATU reporter]:** Harvey and I are watching his BoyStrength class in the Vestal school auditorium.

**[Boy]:** They're teaching us a lot of stuff like when we get mad, to cool down is to take deep breaths.

**[KATU reporter]:** Do you find yourself getting mad a lot?

**[Boy]:** Yeah.

**[KATU reporter]:** And that Harvey is willing to admit that maybe proves how effective BoyStrength can be.

**David Rodrigues:** I see a lot of men that don't handle themselves with self-respect. They feel that anger is the only way that they can get across their feelings --

**[KATU reporter]:** Captain David Rodrigues really pushed the Portland police bureau to create this program, which has police visiting sixth graders like Harvey. Captain Rodrigues says he sees too many men hurting their wives, their children.

**Rodrigues:** We have to triage and take the most bad, the worst of the worst to actually work them and investigate them. So, there's a need for the program because we have a lot of domestic violence situations going on in the city of Portland.

**[KATU reporter]:** So he wants these kids to learn that real masculinity, real strength is sometimes choosing not to fight.

**[Boy]:** If somebody says, like, makes fun of you, you have strength to just calm down, sit down.

**[KATU reporter]:** So for an hour, twice a week, these boys share, they listen, they take time to look at themselves and say what can I do better?

**[KATU reporter]:** I've done a few things that I regret.

**[Boy]:** Yeah, me too.

**[KATU reporter]:** Do you wish that you'd had this class a little earlier? Do you think that might've helped you?

**[Boy]:** Yeah.

**[KATU reporter]:** PPB is looking for some volunteer mentors to help with the BoyStrength classes, and we have a link on katu.com if you're interested. The pilot program only lasts through June, but the coordinators are hoping to get some grant funding to bring the program back next year and put it in more schools. And Steve, Deb, what really impressed me was that these boys, sixth graders, 12-year-olds were willing to open up in front of their classmates and say, you know what, I'm having problems with this. This is a bad day because -- this is a good day because. You don't often get 12-year-olds to open up like that.

**[KATU anchor]:** And that is such an interesting time --

[end of video]

**Sarah Johnson:** Thank you. I just have to reflect for 10 seconds on being in that class. What impressed me was the boys were present for every single activity. And the counselor for that school, for Vestal school, is a GirlStrength instructor in the class with us, and told us during most of the day, most of those boys are high behavior, high-risk boys. During that classroom, they were calm and present. As I move into our other goals, I wanted to leave you with that. The two other pieces that we did that were part of the funding that we've met our goals for are staff and the volunteer training. So, staff. We have hired two assistant program specialists. One is focused on curriculum development, one is focusing on the volunteer training. And then the training -- we actually have a three-week training scheduled for June. It is a great opportunity, a first-ever training for men. We've had a really great time engaging men in the community. A great opportunity for men who want to volunteer, and not sure what to do, or men who are honestly angry about the violence they see in their communities. We currently have five candidates scheduled for interviews, and we hope to get 10 to 15 volunteers to go through the June training. We have scheduled in the summer two

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BoyStrength camps. Part of the training is for the men to teach BoyStrength camps along with trained GirlStrength instructors. So we'll have male and female co-trainers. That's the training. That kind of wraps it up. We wanted to be brief. I want to end on our future. In our future, when I look at long-term, I can see this program -- as I am sure you can -- being very, very successful. So we hope to replicate the cost-effective model that the police bureau has with WomenStrength and GirlStrength, which is one paid employee per 30 volunteer instructors. For each of us, we have 30 unpaid employees out in the community doing the good work. And that BoyStrength director would do similar roles like Caroline and I do with WomenStrength and GirlStrength, overseeing development and growth of the program and organizing and training new volunteers. The note I want to leave you on, which is our hope and our goal, is that we can actually save the city money in violence prevention costs. And looking forward, we are looking at a formal program evaluation -- should we deem funding in the future -- to look at the costs of juvenile detention fees, legal fees, costs for and services for survivors, along with hopefully lowering the numbers on gang involvement of youth and young boys being involved in trafficking. So, that's our hope.

**Fritz:** Thank you very much. Just as a reminder, this is a six-month pilot program with one-time funding that the council allocated. We will need to have discussions on the other process as far as the budget goes. Thank you for presenting here today. Appreciate it. Thank you so much.

**Johnson:** Thank you so much.

**Fritz:** Go off to your class. [laughter]

**Hales:** [inaudible] And Captain Rodrigues is here as well. Any comments from the police bureau?

**Wendi Steinbronn, Portland Police Bureau:** Wendi Steinbronn, lieutenant, family services division. My comment was to reiterate that once we train the volunteers, the program itself is very low cost. But in the future, we would like to hire a director. But I understand that's not part of the next budget cycle, but we would like it to be in the future. Thank you.

**Hales:** Others that want to speak?

**Fritz:** We have a presentation.

**Hales:** OK. Thank you very much.

**Fritz:** So the other allocation of funding was for services to survivors. And so we have Janice Youth, Lifeworks, and the Sexual Assault Resource Center here to tell us about that part. And, again, thank you very much for your patience.

**Kevin Donegan:** You're welcome. My name is Kevin Donegan, I work for Janis Youth Programs. Dennis Morrow, who you know, is in Eugene today, so Dennis asked me to step in and present to council. A couple of things. One is, thank you for the work that you do with the county on this issue and that partnership, because without that partnership, it would be difficult to provide this level of services. And I know we're here to speak about the one-time only funds, but that was a future thank you with the partnership with the city and county. I prepared a few statements here. This past winter, the city council approved additional funds to increase the age capacity of our program. Our program was meant for children between the ages of 14 and 17. And we had a need out there for individuals between 18 and 20 who needed some type of service that Athena House provided the residential program, but we were unable to provide that service. Harry's Mother, for 30 years, has always provided services to kids 17 and younger. And so, one would think it would be simple to increase capacity just a few years, and programmatically it was a struggle to integrate those populations. Jumping ahead four or five months, it hasn't been an issue. We foresee continuing this past the one-time only funding that the city is providing to keep that capacity from as young as 14 through 20-year-old young people coming into the program. So I think that was a long-term effect from the funding that was provided that was helpful. The next point I'm going to bring up initially is not related to the increased funding approved by the city council, but eventually will tie in to the outcome as to how the funds are being expended. The program's not an easy program to design or run because there isn't an evidence-based national model out there. I participate as a subject matter

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expert for the federal department of human services, the administration of children and family services, and we've convened a couple of meetings in D.C. and a few webinar meetings to talk with other experts in this area around what the needs are out there and what the services are needed to help out these young people. Our program has consistently been providing service to children and young adults involved in sexual exploitation for almost three years now, which is unheard of. Usually a program's going to open up for a few months, close down, open up for six months and close down. That's been our experience nationally. In late January, I held a focus group and had six young women, one of whom brought her 4-week-old daughter to the focus group. All of these young women had resided at Athena House anywhere from seven to eight weeks up to six months. I met with them for about three hours, and it was non-stop talking. There were many insightful observations that came up, but the two most important where, when I asked how the young people got involved in sex trafficking, all of them had a little bit different of an answer, but underlying it was the same issue: there was no caring adult when this child was 11, 12, 13, that cared enough about them to know who they were with, where they were going, what was going on. And so these children were left to fend for themselves. That was the common story. And I know that's a general statement there. Also they let me know loud and clear what was missing from the Athena House program. I will get to that a little later. Now I'm coming back to the reason for the additional funding. The moment we put the word out Athena House would serve young adults between the ages 18 and 20, we had four young people on our doorstep immediately the next day. The message was put out through social media, because our Athena House residential program staff kept in contact with the hundred -- I didn't count them all -- but the hundreds of young people that have experienced our program to say that we now can help young people over the age of 18. What ended up happening once that word got out was two of the youth immediately came back into the program to get out of violent, abusive, and dangerous situations as well as trying to overcome drug addiction. So it was pretty significant drug addiction, and they had difficulty getting away from that life without any support system in place. And so we were able to provide that. Since the winter, we've been able to serve a total of five young women, 18 or over. Some just needed a short stay as a safe place to get away from the exploiter, and others have been with us for months. The impact on the older youth on our younger youth program has been minimal. So again, we anticipate continuing this past this point. Now here's the important point that I think you want to hear: how has the additional funding benefited the program? Of course, we now have been able to assist young women 18 or over, which is what we agreed to do. We increased the age of capacity. But when I look at the day-to-day activities and track where the City of Portland funds went, I can tie it back to the focus group and what the girls in attendance wanted. They wanted to work with staff who had similar backgrounds of exploitation as minors, and staff that looked like them, primarily people of color. As a non-profit, it's difficult to have increased staffing when the staff aren't being paid for. So that was a struggle. And then trying to recruit people with a history of sexual exploitation, those individuals generally don't want to come out of the shadows. They don't want to acknowledge once they've been through that life -- they don't want to acknowledge they've been through that and come back for that. And then also, a significant population that we serve are kids of color. And so trying to find people with that background and also people of color is not an easy thing to do given the rate that we pay for social service workers that do residential work. And then also the struggle of individuals with that experience have a significant criminal history, and everyone that works in our agency has to go through a background clearance check through the state of Oregon and through law enforcement. And you can imagine the length of histories of some of these individuals. And so these funds have been able to provide me with a cushion to reach out and work with parole and probation officers, to have them identify people on their caseloads -- and I've had a parole officer get ahold of me and said, there's a woman here I think you would appreciate meeting. I met her and hired her the minute after I met her because of her experience and phenomenal attitude about coming back and

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wanting to help. And so I was able to provide her with employment when I didn't have an opening - which I couldn't do under normal circumstances. In addition, a young woman came back to me who had been through the life and that experience and said, would you ever employ somebody like me? Well, shortly thereafter, I took her up on her offer. The joint partnership with SARC has been instrumental, because the people I've hired have been able to go through their SARC training and have provided -- again, without the additional funding I would never have done that. When I place an ad for staff in our program, I generally get -- which is phenomenal -- but you can guess the type of individual. Generally young, generally college-educated, generally socially conscientious individual, generally Caucasian, who are all phenomenal individuals -- but, again, when I'm working with a household of young women who are primarily of color who don't come from those backgrounds, it's difficult for them to connect with some staff and vice versa. So the funding has increased the capacity, which is what we agreed to do, but then also really helped us to integrate survivors into our program, which I never would have been able to do. That part was an unintended consequence of this. So I thank you.

**Hales:** Thank you.

**Amanda Swanson:** Good afternoon. I am Amanda Swanson from the Sexual Assault Resource Center sitting in for Erin Ellis, who is in Hood River right now. Speaking with this pilot project, it has definitely -- I'll step back. About a year ago, we realized that 46% of our caseload was turning 18. With that, a lot of other services were falling away and we didn't feel it was ethically appropriate for us to get rid of services. Because once you turn 18, you don't automatically know how to be an adult and you don't know automatically how to navigate the adult system. With that, we built our transition age program, so 18 to 25 year olds. The beginning was very slow trying to just transition youth from our current caseload to the new program. With the pilot project we have seen our numbers blow up. These are the numbers in front of you -- the report that was given that have come from missions that the local Portland police have done. Right now, we have one case manager for the 18-25 year olds. She has 35 active cases. With this pilot program, it has opened up a lot of different avenues that we have gotten referrals from pretrial, from POs, from a lot of different community partners realizing that this population and this age group really lack services. Also, with the money, we've been able to have a relationship with the NOW program to be able to bring in the mental health component that we don't offer. So building that collaborative effort, they get wrap-around services with mental health, they get wrap-around services with housing with Janus Youth, and then advocacy working with life skills and helping them through the legal process. Mayor Hales actually met a few of our survivors at our leadership conference. For now, we are able to have a leadership group to build and help these women become active members of society and to help them speak up and stop the cycle. So, that is pretty much the gist of what we have been able to do with this money and with the pilot project. Thank you.

**Hales:** Thank you.

**Kristin Williams:** Kristin Williams, I'm with the New Options for Women program with Lifeworks Northwest. Good morning, male -- male? Mayor Hales. If you put them together, that's what you'd get. [laughter] And city commissioners. Good to see you all again. First and foremost, I want to thank you again for the pilot funding. This amount of money has changed a lot of what we can do with the NOW program and the larger collaborative, as you've already heard. So I wanted to thank you again for it. What I'm going to report today is what we've been able to do with that funding in this pilot project. So, for the NOW program, the treatment component, the mental health addictions and case management component of this whole collaborative -- we've been able to add a whole new set of programming for the 18 to 25-year-old population that I had just sitting on the table. I didn't have staff or time or resources to be able to begin. And I've been able to start that programming. And so we have mental health addictions and case management life skills, mentoring groups for that specific population. Prior to this pilot and that funding that allowed us to do so, every woman who

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came into our program who was under 25 years of age just met with me for individual counseling, mental health and addiction treatment. They never had the group process. They never were able to receive that group therapy, which is a really big component. Community is important, especially finding other people who've had similar experiences, because being in the life, being in the cycle of violence that is human trafficking is very isolating. I can't tell anybody about this because I'm the only one. We didn't feel it was safe or ethical to put the younger women in a group of older women who were 30 to 45 years old. So, we were able to take away that isolation and have groups for them. So this partnership with the Sexual Assault Resource Center and the case manager. We've had 10 women in this time so far referred to us, and we've been working with the Sexual Assault Resource Center to get these women into our services. That is a huge number. And this collaborative has been very crucial to making that piece work, because if we get a call from DHS and they have a girl who was 18 and she calls me and I tell her about the NOW program, and then I say, have you ever been hooked up with the Sexual Assault Resource Center? They say, oh, yeah, my case manager is -- And I say, I work with them and if you want to meet with them or talk with them and ask them about me -- because this younger age group is a total different ball game. And we're giving them the choice for treatment instead of later in life when they don't have a choice because they have been arrested and court mandated. So when they're sitting in my office, oftentimes at the beginning like this [slumped posture] versus they have the choice to come to treatment. And that, for outcomes -- from a mental health clinician perspective -- that is a huge change and shift. So, that has been one thing. We've been able to -- we have nine women engaged -- who are actively engaged, 100% of groups. So we have 10 women, but only nine women have come to 100% of what their programming is. So that's pretty good, in my opinion. Those nine women, without this pilot funding, they would go back to meeting individually, one on one with a staff member. The staff member that we were able to hire because of this pilot funding, she would go away. And so then all of that capacity would go back into my caseload. And so we would go back to that isolation. They wouldn't have the group and that community. The other part of this collaborative that is -- I'm so proud of and I know I've come and told you how proud I am of it a lot of times -- but we've coordinated our programming with the Rise program at SARC. And also, we've been working with the Athena House now that they have the increased age limits. We have created a system where our groups are on different days than the Rise program groups. So this group of women has a program to attend every day of the week for that support. I'm able to coordinate services for this younger population that has different needs with the Sexual Assault Resource Center in a capacity we were not able to before. I am not an advocate. I run a treatment program. But the treatment doesn't always work for this population, 18-25, and even the adult older women, without the advocacy and support that the Sexual Assault Resource Center and the Janis Youth programs are able to support and provide. This pilot funding allowed us to show the city of Portland the phenomenal collaborative that we have, but take it to an official capacity where we can actually give these women a choice to get treatment, to get clean and sober, to work through their issues of trauma and abuse and any mental health needs that they have so when they're older they're not arrested and sent to our program. So, in that, we've also helped three of these 18 to 25-year-old women obtain basic need items, such as ID. I think three of them have ID, a birth certificate, a social security card. And a couple other ones didn't need those items, but they were able to get bus passes and other basic need items that helped them to not go back to an abuser or go back to a situation because they don't have money for those things. The oldest woman in this current fiscal year who entered our program for the first time -- I know I'm getting off topic from the pilot -- but she's 54 years old. When she was between the ages of 18-25, none of these services existed. Can you imagine if we have this collaborative, not just as a pilot, but as a system in Portland now, if we had that for her then? Would she be now entering treatment at age 54? And there are seven other women in their 50s in this program this current fiscal year -- and we have two more months. And there's nine in their 40s. So,

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just think about that 54-year-old woman's life when she was 18. And this is so powerful that we get to do this, and I'm so grateful that you gave us this pilot funding money because it's only nine women so far, but we have I think four others in the process of -- from SARC referrals -- getting into our intakes. And we're able to have access every day for them to bring to someone to. And the SARC -- if I say SARC, is that OK? The Sexual Assault Resource Center is a mouthful. So, the SARC advocates do not drive people in their car. Now, the program has a car for the program that we drive. Now we are able to increase access by going and picking up the woman and the SARC advocate -- the SARC case manager -- I'm used to saying advocate because we never had an actual case manager for our population -- and bring them to our treatment program. So we're able to bridge that gap even more, and we wouldn't be able to do that without the pilot funding. So, I think that is everything I wanted to update you on. And so far this year, that woman who is 54 in our program for the first time, she is one of 93 women we have served so far this year. And if we had these services for her then, maybe we would have lower numbers, which I'm looking forward to when we have lower numbers in our program because that means we're doing our job. I want to thank you for this pilot funding and just -- I'm so proud of this collaborative that we have in Portland, and I really hope that you are proud of the work that we're doing. Because I'm really happy for being a part of this team. I'm going to stop because I get all -- Thank you.

**Fritz:** That's really impressive -- in less than four months. Because we didn't get money out of the door right away, either. So, thank you very much for your work.

**Hales:** Thank you all. Do we have others? Is there anyone else that wants to speak on this item?

**Moore-Love:** We have two people signed up.

**Hales:** Come on up, please.

**Michelle Mundt:** On the topic of sex trafficking, you would think I'm being funny, because when I get stressed out -- not trying to be funny -- but when I get stressed out, I make weird facial expressions, but I'm actually serious. And I want to refer to only one part of the last 20 minutes about the training for boys about domestic violence -- I think that was the topic. Abuse, it was abuse, sexual in nature, they were calling it man on woman and then they threw in that it could be male on male, I guess, too. So it's on the sexual abuse. To stop sexual abuse was the topic. I'm now referring to all of the programs, because we have been talking about sexual abuse for the last 20 minutes. I'm sorry, I am going to smile, because you will think it's funny, but I'm probably going to jump up and sit down. For me, the Portland police, which my note says cops equal domestic violence. Police are domestic violence. I'm repeating myself so you understand my main point. This class, helping boys not to rape girls, I think that is what was being talked about, and not hurting -- the cops and the Portland police need to be taught this class not to abuse people. I'm just saying it in another way. Take the program across the street. Did I say my name? Michelle Mundt. Are the police listening? Please, I do want to be known. Take the program for stopping sexual abuse across the street to Portland police, especially the male on male molesting portion of it. Be sure to include that. I'm sure there's a lot of heterosexual -- the reason is I have witnessed bloodied faces of male prostitutes across the street from you. And I saw police hit them in the face in a three-block radius. And I need to leave, because I've seen numerous incidents of the Portland police making young males cry out in pain under the auspices that they're handcuffing them and checking their pockets for stuff -- which they are. And I feel too triggered by all of this. I see Portland police hurting the tissue, and I see blood, and I see strawberries in the last two years, and it doesn't even pale between the other people getting shot in the back by Portland police over in north Portland -- using my little white privilege language, sorry. I can't report my reports because it doesn't compare with somebody getting killed. Mine are just minor. And they're getting away with it. I need to sit down. I love you guys for letting me say this. Please realize, they need jobs. Everybody needs a job. If you had a job, then you wouldn't need to prostitute yourself. And I'm not a former prostitute -- that you can't find a Black former prostitute in Portland to help out at that house? Give me a break.

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**Sarah Hobbs:** For the record, my name is Sarah Hobbs. This past December, I sat before you expressing a concern for the 18 to young mid-20 crowd that was aging out with those services. I never thought I would sit here and say this, but for once I'm sitting in front of you all feeling like I've been heard. But the word I kept hearing was pilot project. That says to me grant money that might go away. I ask that you keep supporting the effort. I got emotional. For the record, I am not a sex trafficking survivor, but one of my dearest friends is. So my opinions are based on a person who has lived through this nightmare. So please, keep working with these awesome groups. Thank you. But to kind of build on something Michelle was saying, what I do hear a lot from sex trafficking survivors, is if you are being -- and I'm going to use the language, forgive me here for a minute. If you are being raped, if you're being sodomized, if you're getting the shit beat out of you, why don't you call the cops? And the comment often is, yeah, we call cops, get arrested, and now we have a record that we have to deal with on top of everything else. I know there has been, down in Salem, some legislation that was proposed to have it -- the Oregon state law that if a -- and I don't say female, because there are male sex trafficking victims as well -- but if anybody is picked up under the suspicion of prostitution that indeed has been documented as a sex trafficking victim, that they don't be charged with prostitution, because then it falls on their backs. They have to go through the effort to get their record expunged. It's a pretty tough topic for me to talk about, so Charles is sitting here for moral support. Like I said, thank you for funding -- it's a very grave concern for me, it's for the younger group, and it's encouraging, but, please, keep the effort up and let's think about the vehicles for them as well.

**Hales:** Thank you very much.

**Charles Johnson:** Good morning, Commissioners. For the record, my name is Charles Johnson. I just wanted to echo some of the sentiments of these wise, strong women. And I especially appreciate Ms. Mundt's comments talking about the maybe not so unique or maybe unique situation faced by young men who are involved in sex work. The main thing I want to echo is her comment about pilot projects, and the need for the people who are experiencing these problems to get even more attention and resources from the government. I personally feel the mayor meets a little bit too often with some of the uppity-ups, such as Portland Business Alliance,. I hope in the schedule he can find time to meet with you and the people from this program, and Janis Youth services. A friend of mine who recently graduated from Reed, Sam Smith, works at the Janis program which I think does similar work to what was talked about here. This is one of the most important things that we can be talking about and I look forward to hearing more from city council about how you're having discussion among yourselves, the people from Cascadia, people who monitor emergency rooms, so that we can hopefully reach people involved in sex trafficking before they have an encounter with the police. And I hope you will see there is some reporting so that you get clear information from Chief Reese about how many people we've successfully diverted out of the expensive court system into a more humane -- still somewhat expensive -- but a much more humane and effective program. This even relates somewhat, unfortunately, to what we opened up this meeting with when I was gone -- I was at an eviction for an African American woman who can't have her water turned on by the Water Bureau. But this council opened with three or four people talking about their perspectives on the situation on Hawthorne Boulevard. And a small part of that is disadvantaged and unemployed youth who might also be having experience with pressure to be sex trafficked. So, this issue is unfortunately related to life in every Portland neighborhood, and it is related to some of the problems that we see on our streets. And the more we can find humane, well-staffed programs to deal with this, the more the police can concentrate on real crimes of violence. Thank you.

**Hales:** Thank you both. Thanks very much. Anybody else? Then we need a motion to adopt the report.

**Fritz:** So moved.

**Saltzman:** Second.

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**Hales:** And a roll call to adopt the report, please.

**Item 388 Roll.**

**Saltzman:** Thank you, Commissioner Fritz, for bringing this report to us and thank all of the providers, Janis and SARC and New Options -- did I get that right? OK. And Portland police, family services division. Thank you all for your great work. Aye.

**Novick:** Thanks again for your work and for the presentation. Aye.

**Fritz:** This project has already exceeded my wildest expectations, and I'm so grateful for your work. To hear that it has provided a system rather than a set of well-intentioned but disjointed efforts is music to my ears. And I'm so happy that ongoing funding is in the mayor's proposed budget with the agreement with the Multnomah County Chair Marissa Madrigal who also recognizes this. So thank you so much for that. And I believe there will be more good news when the mayor introduces this budget tomorrow, because it's very clear that this set of services is so needed. So we will be bringing a second report, as promised, on the pilot grants in August. And I can't imagine how well you are going to be doing at that point because this is really splendid. The one piece that I am concerned about, though, is ongoing funding for BoyStrength. That's something that we will need to be looking at in the police bureau budget. But what a great celebration of being the first in the country. Duh, how come nobody has thought of that before? But at least your wonderful people in WomenStrength did think of it, and the police bureau has been supporting it. There's also a great amount of work being done by the police in the human trafficking services who, in fact, don't arrest people. They do get them to services. I was at --

**Hobbs:** [indistinguishable] Find some help and get that information out. Because that is a --

**Fritz:** Well, let me talk then and get the information out, OK?

**Hobbs:** OK.

**Fritz:** I was at an event that was pulled together by Sargent Gallagher --

**Mundt:** Elite. Elite. Everything today has been all for the elites. All these jobs, Amanda --

**Hales:** No, you've gotta stand down, please --

**Mundt:** [indistinguishable] money to work, you're not giving money to Black people, you're giving money to the white women working in the --

**Hales:** I think she missed the point, but --

**Mundt:** [indistinguishable]

**Hales:** Amanda, sorry, keep going.

**Fritz:** That's OK. So, the work that's being done not only with these valued non-profits but also with the faith communities in setting up a system that the faith communities can be alerted when someone gets off the streets or into one of these programs to provide assistance. And it was astonishing for me to hear things like, number one, that we have faith communities that have 6000 members. Second of all, that they put out the message that somebody needs a plane ticket to Utah to get back to family, and that that need is met that same evening. And the same with clothing and with many other basic needs which mean so much. As well as the report that I believe Commissioner Saltzman is going to be bringing with the mayor, about how faith communities are partnering to truly help people who are homeless, and be their friends as well as their providers and benefactors. So, we're starting to put things together. It's been a very difficult five years with the recession, and this program shows that we have made some wise choices about investments that in fact are providing the system and improving things dramatically one person at a time. Thank you very much for your support for it. Aye.

**Hales:** Thank you, great report, and I really appreciate the collaboration. From my dealings particularly with the family services division -- but not just them, there are a lot of people on the police bureau that love these opportunities to make a difference upstream. And Lieutenant Steinbronn and Captain Rodrigues are among them, but there are a lot of folks in the bureau that see how valuable this is. In fact, I'm going to the graduation tonight for the 20 new volunteers for

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GirlStrength and WomenStrength. So, really excited about that program and the expansion to our young men. Our Black Male Achievement initiative is another effort at this to get upstream with the issues of family life and violence, because those two go together for positive or for negative. So, I like where we're headed. Thank you for your leadership. Aye.

**Fritz:** If I might just add, thanks to Cristina Nieves in my office and to the presenters today. It wasn't until I saw that KATU news clip that I promised we promised to bring a report in April and here we are April 30th. Thank you to Cristina. [laughter]

**Hales:** Made it. Very good. OK, we have one of them that we pulled from consent. It was item 376. **Item 376.**

**Novick:** Mayor, we have Kathryn Levine here to address the issue.

**Hales:** Kathryn is available to answer questions. Joe, I believe you pulled this off consent. Sewer maintenance is a topic that we're always happy to talk about.

**Saltzman:** Right before lunch.

**Joe Walsh:** For the record, Joe Walsh. Your staff met with me during this long period of time, and resolved just about all of my questions I had on this, on the land that department of transportation will pick up the bill if there's a problem down the line. And BES is not going to be stuck with that. The original question I had -- and I'll just throw this out -- is that the judgment coming from the judge, the \$1 million judgment that came out a few weeks ago -- one of the criticisms from the judge in his decision was our ability to negotiate the responsibility of digging up the street and replacing the pipes. It seems to me that whoever is requesting that you dig up the streets, for whatever reason, should be responsible for that and not BES. He was critical of that, but he said he couldn't do anything legally because we negotiated our rights away as the city to TriMet. So what I'm doing is saying to you, if this initiative fails, you have to pay attention to BES and their expenditures and also the department of water and their expenditures. And most of my questions that I had was actually misdirected. I had great concerns that we were going through the same thing again, and your staffer did a really good job explaining it to me. The writing and the paperwork that, as a citizen, that I have access to doesn't explain that kind of stuff. And I've criticized this before. When we look at it, we should be able to say what it is and what is going to happen and how much it's going to cost. And we don't get that. Even when you go in and you pull paperwork up, and you go a little bit further in depth, a lot of times you have stuff that we don't have at all, and we don't have access to. So it seems to me that if the write-ups were a little bit better -- like, there was a statement that there may be future costs. I took that as -- I don't like that. As an ex-union steward I don't like that wording. There may be future costs. However, when it was explained to me that the department of transportation would handle that cost, and not BES, then it was fine. But I hope I'm making my point. As a citizen, looking at the paperwork and the documents that we have access to, doesn't explain a lot of this stuff. If we did a better job maybe we wouldn't be wasting your time.

**Hales:** Thank you. OK. Anyone else? Thank you. Unless there are council questions we'll take a roll call on the resolution.

**Item 376 Roll.**

**Saltzman:** Aye.

**Novick:** This is an example of BES and PBOT being able to work together to address potential future issues rising from us having streetcar tracks over sewer line. And this is an example of the kind of cooperation we can have while the sewer system and PBOT are still under the same roof. And I'd be concerned that that cooperation might dissipate if the sewer system were under a separate government. Aye.

**Fritz:** Mr. Walsh, this is why we have five members of the council. Because each of our staff is looking into the resolutions and ordinances of other commissioners and asking questions. So, for anybody who has questions on council item first call 843-4000, and you'll be directed to the office managing it and you can get questions answered by the staff member putting it on the agenda. But

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then also you can call my office on Tuesdays and my staff will have looked into everything, and hopefully have asked many of the same questions you had. And they did. And I had this settled to my satisfaction. Congratulations. Aye.

**Hales:** Just as a little footnote from some of my other life experience, there's a ruinously expensive fight going on between the transportation bureau and the sewer bureau of the city of Cincinnati over just this issue. And I bet they wish they could get to an agreement like this. Thank you, aye. [gavel pounded.] And we are recessed until 2:00 o'clock.

At 12:38 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.

**APRIL 30, 2014      2:00 PM**

**Hales:** Council, please come back to order. Would you call the roll?

**Fish:** Here. **Saltzman:** Here. **Fritz:** Here. **Hales:** Here.

**Hales:** And we have one item this afternoon.

**Item 389.**

**Hales:** I'm very happy to see you here at long last on this item. Ms. Kanwit?

**Anna Kanwit, Director, Bureau of Human Resources:** Indeed. Mayor, Commissioners, Anna Kanwit, director of the Bureau of Human Resources. With me is Julia Getchell who is the city's chief spokesperson throughout the DCTU negotiations, and Patrick Ward, her second, is also here today. Yes, we are delighted to be able to present the contract to you today for ratification.

Negotiations began February 19th, 2013. We did reach one tentative agreement, as you know, in January, but the members voted down. But a second tentative agreement in March that was ratified last Friday by the DCTU members. This is a four-year agreement expiring June 30th, 2017. The city had several important goals for this round of negotiations with DCTU. Some of them cut across all six contracts that we were negotiating that had expired last June. One was in the spirit of shared sacrifice, due to the serious budget shortfall that the city faced this year, was looking at a 50% of the cost-of-living increase and offered .9%. The rationale behind that was both in terms of a budgetary savings, but also recognition of the need to provide some cost-of-living to employees. In the out years of this contract, we are applying the same formula of cost-of-living that we've used in the past, which is a floor of 1% and ceiling of 5%. For this particular tentative agreement, as with the other four, the increase in the cost-of-living is retroactive to August 29th, not back to July 1st. And that also is important for the city. It's important for all the parties to be negotiating at the table and get these agreements done as efficiently as possible. As you know, one of the major issues in the DCTU contract negotiations was contracting out, and I think although it was a long and arduous process, we did reach an agreement that I believe meets both parties' needs. The union was very clear about the need for job security, the need to have some statement regarding the city's unwillingness to privatize our workforce. And also of concern -- and this is a concern we learned late in the process -- about what would happen to employees' jobs as new technology came into play, new equipment. If what the city intended to do was either not train employees on that equipment or provide any of the training that was needed and end up contracting out that work. So the agreement was reached on article six addresses all of those concerns. It does provide the job security. There's a statement that the city doesn't intend to privatize the workforce. We did address the issue of new technology, but also addressed some important city concerns well within our current -- what was our current contract language, which was a complicated notification and costing process. That's no longer in the contract. Also we exempted out from the contracting out article, the contracts under the city's prime contracting program, which was very important in terms of our goal to diversify that work. And also the donated services piece. One of the other city goals was control of overtime expenses, looking at compensatory time. Our original proposal, as you know, was a hard annual cap of 80 hours versus the rolling cap. We did enter into a compromise agreement with the DCTU and put in a hard cap in of 120 hours annual cap, with an exception for employees on standby agreements who then can continue basically the status quo, which is a rolling cap. Also eliminated the automatic cash-out at

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the end of the fiscal year, which is a plus for bureaus' budgets. So again, felt this was a very balanced agreement. One of the things the city did concede was, in the last contract in the negotiations, we did attempt to move towards an overtime standard that's more akin to the federal fair labor standards act. One provision -- if an employee was going to work voluntary overtime and was sick that week, had vacation that week, they would not get paid an overtime rate for that overtime. They would be paid, but not until they had actually worked 40 hours a week. This, as you might know, was pretty unpopular. Was also difficult for the bureaus to administer. So one of the concessions that the city did make is we eliminated that language from article nine, the overtime language. Another important point for this negotiation for the city is this is the first time we came forward with an equity package. And what we alerted the union to is that there is contract language that we think impedes and negatively impacts our ability to not only diversify the workforce, but also to ensure that we are providing more promotional opportunities to a diverse workforce, which enhances our opportunity to retain the people that we are recruiting. Although, of course, city did not attain all of its goals in this area. There were some very important provisions that we put in. Working out of class. We're really excited about the career development program that Julia actually has agreed to take the lead on developing, which will provide the opportunities and training that is not simply based on seniority. We think that's a step in the right direction. Also for the article on promotions, there is language that if there are two or more qualified DCTU members on the list, one of those members will be promoted. The unions did agree to allow an exception that is if there is a qualified veteran on that list as well, that that person will be considered, too. Again, those are all steps in the right direction and we appreciate labor's willingness to work with us on some of those issues. The last part just to mention is there are some premium increases and wage increases in this contract above cost-of-living. The housing inspector 6%, senior housing inspector 6.5%, they go into effect on ratification. Those are premium increases. There's a wage increase for FMTs of 3% that goes into effect the last year of the contract --

**Saltzman:** What's an FMT?

**Kanwit:** Facilities maintenance technician. The acronyms come back to haunt. The overall cost of this agreement to the city is \$131,000, excluding the cost of the COLA increases. This fits with our goal over these negotiations that any item that was negotiated into the contract needed to be paid for out of the bureau's existing budgets. And that goal was accomplished in all of the agreements that we reached over this last round of negotiations. And this was the same for DCTU, so the additional cost to the bureaus is quite minimal. I highly recommend the tentative agreement to you. It meets the city's goals as a product of a lot of hard work and compromise by both sides. Again, I can't tell you how happy we are to be bringing this forward to you today.

**Hales:** Thank you. Questions?

**Fish:** Anna, do you think we could have the labor partners stand up and be recognized?

**Kanwit:** A couple did sign up to speak to you as well.

**Hales:** Well, if there's no questions from the team, let's bring up our partners from DCTU who would like to talk about this agreement. Come on up, please.

**Scott Lucy:** Good afternoon. I'm Scott Lucy, I'm a machinist union business representative.

**Rob Wheaton:** I'm Rob Wheaton with Oregon AFSCME council 75.

**Lucy:** First I'd like to thank everyone and especially you, Mayor Hales, for helping conclude these negotiations. They were some of the longest that I've ever been involved in. There is, however, one more piece that I believe is a barrier towards a more positive and, if you will, trusting working relationship. Out of these contentious negotiations there are ULPs that are in play and filed. I would ask you to use the authority and power of your office to direct the city attorney's office to remove those charges. They are indeed a barrier to a more positive collaborative working relationship. We all have important things to do. And the relationship needs to be repaired, we need to build some

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trust and a more positive working relationship -- collaborative working relationship -- in the future. And those things are barriers right now. Thank you.

**Hales:** Thank you.

**Wheaton:** Although this isn't the longest contract I've ever negotiated, it is the longest with a public employer. I've not had any of the cities or counties I've worked with from other municipal agencies take this long. It was a very, very difficult bargaining session. I think both sides made some compromises and we were able to reach an agreement that ultimately we were able to ratify and recommend to our members. I agree, I will not be -- Mark happened to get me a nice bottle of sparkling wine to celebrate the settlement of this contract. However, I'm not going to be cracking that open until actually we resolve all the issues outstanding, including these unfair labor practices that are associated with bargaining. So, yes, it's a great day, I'm really happy to be here. But we still feel like there's a shadow of bargaining that is outstanding. So thank you for all your help. I'd also like to thank my DCTU partners, Cherry Harris, for being a sounding board, and Julia and Anna for having the patience to sit through this on the other side.

**Hales:** Great, thank you. Questions for this part of the team? Thank you. Perseverance paid off at last, so thank you.

**Novick:** Actually I do have a question. What are you going to do with yourselves now that this is done?

**Wheaton:** Well, at one time I was going to go to Disneyland. We had plans. But now it's getting to summertime, so it's going to be too crowded. But tomorrow I'm putting on the John Day River and we'll be floating that for three days.

**Hales:** You picked the weather right, too, didn't you?

**Fish:** Mayor, just one thing that Scott mentioned. Reflecting, Scott said something about building a positive, collaborative working relationship. And I'm reminded that in labor relations, the relationship is more important than anything that's in writing. You can have a handshake or you can have a thousand-page document. If the relationship isn't right, it doesn't really matter. And so as we debrief this process, I think the council would welcome hearing from you as well as our team on what worked, what didn't. Because we're always looking for feedback and we're interested in ways of doing things better. But ultimately, there's no one up here who doesn't want a positive collaborative relationship with our labor partners, because we know that without the employees who work so hard for this city, we would not be the city that we are. So I just want to put that out there, that to the extent there are future conversations about things that you believe we can do better or differently, or you have suggestions, I think you'll find all of us receptive. But again, what's on a piece of paper is much less important than the trust and the relationship. And that is something we value and I think we are committed to strengthening.

**Wheaton:** That's good to hear.

**Hales:** Thank you, good. Anybody else that would like to come up? I just want to thank the rest of you here today to witness the completion of this work. Thank you for your hard work on this, as well. Other members want to comment before we take a roll call? Let's do that, then.

### **Item 389 Roll.**

**Fish:** I'm about to lose my voice, so I'll be very brief. Mayor and your team, congratulations for bringing this home. This is contract number --

**Hales:** The last. Six.

**Fish:** Six. It's been a long road, but you brought them home. To Anna Kanwit and Julia Getchell and the whole team, thank you for your great work. The public doesn't actually have a sense of how much time you spend conferring with us and engaging in shuttle diplomacy. There are five of us, and all the DCTU partners, so you have an immensely difficult job. Thank you for your good work. And to Rob Wheaton and to the DCTU team, I know that many of you feel this took too long and took two cracks. And so perhaps there's some lessons we can all learn. I want to reiterate, there's

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receptivity to understanding, from your perspective, how we might do things different in the future. And there's always room for improvement. And if we don't say that, then we lack humility as leaders. But what we do deeply appreciate is the relationship. And the relationship is what is most important. And frankly, today we are going to ratify a contract where there is significant shared sacrifice by the employees that you represent. We should acknowledge that, and we should say thank you for the service they provide to the city and for the shared sacrifice they were willing to enter into. I particularly appreciate all the creative work that went into getting article six right. My sense is that no one is currently happy with article six. And I once worked for a member of Congress who told me when that is the situation, you've hit the sweet spot. But article six was a flash point, but I think it is stronger today, and the city has some changes it needed and there's some language in article six that our labor partners needed just to be sure about our shared values. That was the toughest nut to crack, but I appreciate all the hard work and the creative work that went into it, because there are some things in article six which were new and different -- and probably were not contemplated at the beginning -- that came out of this collective bargaining process. So thank you to our DCTU partners, thank you to our employees for the great work they do. Mayor, thank you to you, and to HR and everyone who brought this home. I'm pleased to vote aye.

**Saltzman:** I want to thank the mayor and DCTU and our bargaining team. This did take a long time, probably too long. I'm going to support this agreement in the spirit of reaching a fair compromise, but I do want to go on record as stating my objections to the weakening of the overtime article nine, the notion that under that the fair labor standards act you get overtime once you've worked 40 hours. We are once again slipping away from that notion, which I think is a notion that makes a lot of sense to your average person on the street. And only us inside of government kind of lose sight of that idea that you gotta work 40 hours before you get overtime. And I think that's going to come back to haunt us when we seek approval by voters for other tax measures. They're going to be wondering, OK, how much of this is going to overtime, especially if it's overtime less than 40 hours a week. It's a baffling system, it engenders public mistrust, and I regret that we have slipped from where we were, I think, in the last contract, which was a modest gain in the notion of you need to work 40 hours before you get overtime. So I strongly object to the weakening of that position. But as I said on the outset of my remarks, in the spirit of a compromise and reaching an agreement that we can go forward on, I think this is a fair compromise and I'm very pleased to support it. Aye.

**Novick:** I actually was going to say that one of the most important things to me in this agreement was that change in how we calculate overtime. I think if you work on Monday, you're sick on Tuesday, but you wind up working four other days the equivalent thereof, then you are entitled to overtime. So I was actually very pleased with that change. I also wanted to say that I hope the world knows that the workers of Portland are not getting a full cost-of-living increase. That is quite a sacrifice. I saw a letter to the editor earlier this year that said, why doesn't government tighten its belt and do things like not give cost-of-living increases? And in fact, that is a significant sacrifice and it really is a permanent wage reduction that our employees are making. And I for one really, really appreciate that. I also wanted to say that in the course of the past -- what has it been, 465 days or something? -- I have periodically heard reports on the negotiations. And it seemed like on numerous occasions, one side was going for something that the other side didn't make sense, because they felt the side asking it for was just being paranoid and that would never happen. I think that to some extent, we have a resolution because each side finally agreed that it was worth putting in language that assured people that what would never happen would in fact never happen. I think it's maybe a lesson that we should always respect each other's paranoia, however silly we think it might be. Thank you very much, Anna, thank you very much, Rob, for the work you and your teams did. And as always, thank you to the mayor and to Josh Alpert. I've become convinced that if Josh Alpert ever leaves, the city would fall apart, so I hope that never happens. Aye.

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**Fritz:** I echo the comments of my colleagues. And also, Anna, this is your first full set of bargaining as the head of the Bureau of Human Resources and I think you've done a magnificent job. And the way of doing it, coordinating your weekly visits to each one of us. I was very skeptical about whether that was going to work, and you made it work. And I felt each one of the five of us had appropriate input and you were allowed to coordinate between us. So, you're the Hillary Clinton of our -- my highest praise that I could give you. So thank you very much to our workers, too, I very much appreciate that this was difficult, and I think we've gotten to a good place. Aye.

**Hales:** Well, thank you all. Yes, Josh cannot leave because he is indispensable and helped add value to the negotiations and I think helped bring us together, as it should be with our partners. Let me just reflect on where I see us going from here. Prior to my arrival, this city had been through a series of budget cuts driven by the recession. That was a terrible, traumatic time, and no wonder people were worried. And then there's an ideological battle going on out there that we occasionally get echoes or incursions of here into Portland. But there are a couple things going on I think ought to give us all reason to be optimistic. One, I'm going to propose a budget tomorrow that adds positions to the city's workforce for the first time in several years. And that's the direction not only that I want to take, but that all of us want to take. We want to start adding back services that we had to reduce, because we had to balance our books here. But our inclination -- and I think there's no better way to show that than a budget that adds positions -- our inclination is to give people services with our own workforce. We can say that and write that in agreements, but if we build that into our budgets and spend money that way, that's probably some of the best proof we can provide that we are on the right philosophical path here. Secondly, I think sometimes in local government we get visited with the disgruntlement that is going on about other levels of government. People see Congress as dysfunctional, and therefore all elected offices are dysfunctional and fight all the time. Actually no, we're not, and we hardly ever fight -- or at least we don't fight enough to slow down progress. And same thing with these broad generalities that organized labor that works for local government, they are overpaid. No, they're not. They are getting huge cost-of-living increases. No, they're not. They don't have a good work ethic. Oh, yes, they do. And it's part of my job to tell that story to the larger community, that we are a little Brigadoon here where people show up for work, gives us good day's work for good value. We do a great job of providing these public services. And this city council manages the budget in a prudent way. We have to keep telling that story, because again, there's always that noise out there about government, and there's some people who want to bring that noise into our city, politically, and we're working really hard to make sure that doesn't happen. I tell stories from the work I see all the time. There was a sewer crew in front of my house not long ago and I talked to them. I told the story to my neighbors about what they were doing. The first time I rode along on a paving machine, the crew were helping me guide it and were talking about how they wanted to make sure it was a really great installation of an overlay, because all the local contractors drove down that street and they wanted to make sure that the contractors saw that we were better than they were. I tell that story all the time, because it shows the work ethic and the values of the people that work for us. I think when we do something like this, sometimes it goes a little unheralded because it's good news, its government doing its jobs, it's a reasonable compromise between the interests at a bargaining table. But I think each of us has the opportunity -- and I'll certainly take it in any other forum I get a chance to speak in -- to let people know, it's different in Portland, we get to yes, we spend people's money wisely, we give our taxpayers good value for their dollars, and we take care of our workers. Who can disagree with that? Thank you all for great work. Aye. [gavel pounded]

**Fish:** Mayor, could I just make one comment for the record? The sewer work in front of your house was scheduled prior to January 1 of 2013.

**Hales:** It was, that's true. [laughs]

**Fish:** I want no implication of any untoward favoritism. But thank you for the shout-out.

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**Hales:** That is true. Thank you all, we're adjourned until next week.

At 2:30 p.m., Council adjourned.