



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 2<sup>ND</sup> DAY OF JULY, 2014 AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Chief Deputy City Attorney; and Jim Wood, Sergeant at Arms.

**Motion to elect Commissioner Saltzman as President of the Council:** Moved by Novick and seconded by Fritz. (Y-5)

Item 724 was 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>712</b>            | Request of Tessa Roberts to address Council regarding status of Police accountability, post public testimony and open hearings (Communication)               | <b>PLACED ON FILE</b> |
| <b>713</b>            | Request of Bill Goman to address Council regarding Police efforts addressing camping in the Central Eastside (Communication)                                 | <b>PLACED ON FILE</b> |
| <b>714</b>            | Request of Randy Lauer to address Council regarding Police efforts in the Central Eastside dealing with the homeless/camper issue (Communication)            | <b>PLACED ON FILE</b> |
| <b>715</b>            | Request of Bob Wentworth to address Council regarding Portland Police Efforts to control camping in the Central Eastside Industrial District (Communication) | <b>PLACED ON FILE</b> |
| <b>716</b>            | Request of David Davis to address Council regarding homelessness and ideas to end homelessness in Portland (Communication)                                   | <b>PLACED ON FILE</b> |

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|---|---|------------------|
| <b>TIMES CERTAIN</b>  |   |                  |
| <b>*717</b>   | <b>TIME CERTAIN: 9:30 AM</b> – Grant revocable permits to Alli Sports, LLC for events and activities related to the Dew Tour street style skateboard and bicycle competition from August 15, 2014 through August 18, 2014 (Ordinance introduced by Mayor Hales) 30 minutes requested<br><br>(Y-5) | <b>186704</b>    |
| <b>CONSENT AGENDA – NO DISCUSSION</b>   |   |                  |
| <b>Mayor Charlie Hales</b>  |   |                  |
| <b>718</b>  | Appoint Chabre Vickers and Rebecca Naga to the Human Rights Commission for terms to expire October 31, 2014 (Report)<br><br>(Y-5)   | <b>CONFIRMED</b> |
| <b>719</b>  | Reappoint Tom Kelly to the Portland Development Commission Board for a term to expire July 9, 2017 (Report)<br><br>(Y-5)  | <b>CONFIRMED</b> |
| <b>Office of Management and Finance</b>   |   |                  |
| <b>*720</b>   | Authorize the termination of an agreement with Travel Portland for Downtown Marketing Initiative Services (Ordinance; amend Contract No. 53081)<br><br>(Y-5)  | <b>186697</b>    |
| <b>*721</b>   | Authorize an Intergovernmental Agreement with the City of Milwaukie for the maintenance and repair services of City of Milwaukie vehicles (Ordinance)<br><br>(Y-5)  | <b>186698</b>    |
| <b>*722</b>   | Authorize continuance of a sublease with Multnomah County for office space for the City operations located at the 14 <sup>th</sup> floor of The Portland Building through June 30, 2017 (Ordinance; amend Contract No. 52937)<br><br>(Y-5)  | <b>186699</b>    |
| <b>Commissioner Dan Saltzman</b><br><b>Position No. 3</b><br><b>Portland Housing Bureau</b> |   |                  |
| <b>*723</b>   | Change the Homebuyer Opportunity Limited Tax Exemption Program to remove homebuyer opportunity areas and clarify compliance process (Ordinance; amend Code Chapter 3.102)<br><br>(Y-5)  | <b>186700</b>    |
| <b>*724</b>   | Update the System Development Exemption Program to reflect current administration by the Portland Housing Bureau and establish Administrative Rules (Ordinance; amend Code Section 30.01.095)<br><br>(Y-5)  | <b>186712</b>    |
| <b>Commissioner Steve Novick</b><br><b>Position No. 4</b>                                   |   |                  |

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**Bureau of Transportation**

**725** Increase time period for property owners to repair existing driveways to 60 days (Ordinance; amend Code Section 17.28.130)

**PASSED TO  
SECOND READING  
JULY 16, 2014  
AT 9:30 AM**

**Commissioner Nick Fish**

**Position No. 2**

**Bureau of Environmental Services**

**\*726** Designate and assign a property at SE Sherrett St between 34th and 36th Avenues, owned by the Bureau of Environmental Services, to the Bureau of Planning and Sustainability for use in the Diggable City Project (Ordinance)

(Y-5)

**186701**

**727** Authorize contract with ESA Vigil-Agrimis, Inc. for professional engineering services for the design and implementation of the Fanno Creek at SW 45th Culvert Replacement Project No. E08676 for \$365,928 (Second Reading Agenda 686)

(Y-5)

**186702**

**728** Authorize the Director of the Bureau of Environmental Services or designee and the City Attorney to enter into tax liability reimbursement agreements with six settlement agreement recipients affected by the SW 86th Avenue Pump Station construction (Second Reading Agenda 687)

(Y-5)

**186703**

**REGULAR AGENDA**

**Mayor Charlie Hales**

**Bureau of Planning & Sustainability**

**\*729** Accept a grant in the amount of \$117,000 from the Oregon Community Foundation Penstemon Fund to make renewable energy accessible to a broader segment of Portland's community (Ordinance) 10 minutes requested

(Y-5)

**186705**

**\*730** Authorize an Intergovernmental Agreement with Portland Public Schools to establish roles and responsibilities regarding the placement of a solar electric system at Oliver P. Lent School as part of the Solar Forward Program (Ordinance) 10 minutes requested

**Motion to amend Exhibit B, Section B (5)(c) to clarify language:** Moved by Fritz and seconded by Fish. (Y-5)

(Y-5)

**186706**

**AS AMENDED**

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|   |  |
|---|--|
| <p><b>731</b> Authorize a Grant Agreement with Hacienda Community Development Corporation to install a 10 kW solar electric system on the roof of the futsal court located at the Ortiz Center at 6736 NE Killingsworth as part of the Solar Forward Program (Ordinance) 10 minutes requested</p> <p><b>Motion to amend Exhibit 1, Attachment D, page 4 to clarify language:</b><br/>Moved by Fritz and seconded by Fish. (Y-5)</p> | <p><b>PASSED TO<br/>SECOND READING<br/>AS AMENDED<br/>JULY 16, 2014<br/>AT 9:30 AM</b></p> |
| <p><b>Office of Management and Finance</b></p>  |  |
| <p><b>732</b> Accept bid of Emery &amp; Sons Construction, Inc. for the Kenton Sewer Rehabilitation for \$2,626,500 (Procurement Report - Bid No. 116786)</p> <p><b>Motion to accept the report:</b> Moved by Saltzman and seconded by Fish.<br/>(Y-5)</p>  | <p><b>ACCEPTED<br/>PREPARE<br/>CONTRACT</b></p>  |
| <p><b>733</b> Authorize CityFleet to purchase replacement Police Patrol Vehicles at \$2,332,375 (Second Reading Agenda 704)<br/>(Y-5)</p>   | <p><b>186707</b></p>   |
| <p><b>Commissioner Dan Saltzman<br/>Position No. 3<br/>Portland Housing Bureau</b></p>  |  |
| <p><b>*734</b> Authorize a subrecipient contract with the Community Alliance of Tenants for \$161,400 to provide for a tenant hotline, relocation referral services and fair housing services (Ordinance)<br/>(Y-5)</p>   | <p><b>186708</b></p>   |
| <p><b>Commissioner Steve Novick<br/>Position No. 4<br/>Bureau of Transportation</b></p>   |  |
| <p><b>*735</b> Amend contract with Portland Streetcar, Inc. to provide additional project management and other professional services for the Portland Streetcar Loop Project and increase compensation by \$40,400 (Previous Agenda 706; amend Contract No. 37251)<br/>(Y-4; Fritz absent)</p>  | <p><b>186709</b></p>   |
| <p><b>*736</b> Amend contract with Portland Streetcar, Inc. for vehicle engineering services related to streetcar vehicles being procured from Oregon Iron Works for the Portland Streetcar Loop Project and increase compensation by \$119,170 (Previous Agenda 707; amend Contract No. 3000 1193)<br/>(Y-4; Fritz absent)</p>   | <p><b>186710</b></p>   |
| <p><b>Commissioner Amanda Fritz<br/>Position No. 1<br/>Bureau of Development Services</b></p>   |  |

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**737** Amend the Comprehensive Plan Map designation and amend the Zoning Map for property at 2730 SW Multnomah Blvd, at the request of Rich Attridge with the City of Portland Office of Management and Finance (Second Reading Agenda 710; LU 14-104931 CP ZC)

(Y-5)

**186711**  
AS AMENDED

At 11:00 a.m., Council recessed.

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

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5. Commissioner Fish arrived at 2:02 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn Beaumont, Chief Deputy City Attorney; and Greg Seamster, Sergeant at Arms.

The meeting recessed at 4:44 p.m. and reconvened at 4:55 p.m.

|  | Disposition                       |
|--|-----------------------------------|
| <p><b>738 TIME CERTAIN: 2:00 PM</b> – Improve land use regulations related to accessory short-term rentals through the Regulatory Improvement Code Amendment Package 6 (Previous Agenda 578; Ordinance introduced by Mayor Hales; amend Code Title 3 and Title 33) 3 hours requested</p> <ol style="list-style-type: none"> <li><b>1. Motion to put on the table amendments from BPS memo dated June 30, 2014 items B. Carbon Monoxide Detector as amended to add “where a detector is required by law”, D. Primary Residence and E. Designees:</b> Moved by Fritz and seconded by Saltzman. (Y-5)</li> <li><b>2. Motion to put on the table amendment to allow accessory short-term rentals in multi-dwelling structures beginning January 1, 2015 and require that the application for a Type A accessory short-term rental permit be signed by the resident, the property owner, and the president of the Home Owner’s Association if one exists:</b> Moved by Hales and seconded by Saltzman. (Y-3; N-2 Fritz, Fish)</li> <li><b>3. Motion to put on the table as a condition of receiving a permit to operate short-term rentals the applicant has to agree to list the permit number in any and all advertisements:</b> Moved by Novick and seconded by Fritz. (Y-5)</li> <li><b>4. Motion to approve amendment A. Inspections from BPS memo dated June 30, 2014 to require an initial BDS inspection self-certification for renewals every 2 years and another BDS inspection at year 6 over the change of ownership:</b> Roll only (Y-5)</li> <li><b>5. Motion to approve amendment B. Carbon Monoxide Detector from BPS memo dated June 30, 2014 amended to require the dwelling unit be located on the floor of a dwelling equipped with a functioning carbon monoxide alarm where the detector is required by law Section 33.207.104A.4.c.:</b> Moved previously by Fritz and seconded by Saltzman. (Y-5)</li> <li><b>6. Motion to approve amendment D. Primary Residence to require resident to occupy the dwelling unit for at least 9 months:</b> Moved previously by Fritz and seconded by Saltzman. (Y-5)</li> </ol> | <p>Continued on<br/>Next Page</p> |

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7. **Motion to approve amendment E. Designees to allow a resident's designee to operate the short-term rental as opposed to only the owner occupant:** Moved previously by Fritz and seconded by Saltzman. (Y-5)
8. **Motion to amend City Code to require license number be posted on all advertising and in the dwelling unit:** Moved previously by Novick and seconded by Fritz. (Y-5)

**PASSED TO  
SECOND READING  
AS AMENDED  
JULY 23, 2014  
AT 9:30 AM**

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At 5:23 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.

July 2, 2014  
**Closed Caption File of Portland City Council Meeting**

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

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

**JULY 2, 2014            9:30 AM**

**Hales:** Good morning and welcome to the July 2nd meeting of the Portland City Council. Karla, would you please call the roll.

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

**Hales:** Well, before we begin our formal calendar this morning, we have a couple of other items of business. One is a proclamation about somebody who served our city for quite a while in a couple of different capacities. So, Gary, would you please come forward. Instead of being behind the scenes, for once, be on scene. Gary Crane has actually been on the scene in lots of ways. Gary Crane is a retired 26-year veteran of the Portland Police Bureau. He rose from officer to sergeant, and actually had a great deal to do with how we train our officers in firearms training. He continues to specialize in that -- in fact, he's a consultant around the country -- but we know him best for the last 10 years as he has led G4S here with the city, three different mayors, multiple members of the council, and multiple city bureaus. He's served as project manager for that role over the last 10 years, in addition to continuing this role statewide and nationally as an expert in training on firearms. He's been responsible for managing our team here, 1100 to 1500 man hours a week on the city of Portland's contract, always updating orders and procedures and keeping the system working and keeping everyone safe. He's a big believer in annual firearms training, and he has direct responsibility for making sure that our private security folks who are armed are properly trained. As I said, he's not only a resource for us, but he's one nationally. We've just appreciated him so much, his endeavors have left a lasting impression on the staff at G4S as well as many employees and management employees at the city of Portland, and we all appreciate him very much/ And now, therefore, I, Charlie Hales, Mayor of the city of Portland, the city of roses, do hereby proclaim July 2, 2014, to be a day of recognition for Gary Crane in Portland. We ask all to observe this day and wish him well on his retirement from this role. He's still going to work nationally as a consultant, but his service with G4S ends next week.

**Gary Crane:** Thank you.

**Hales:** Thank you for your service. [applause] So while you're here, what should our police officers or anyone else that deals with firearms do to make sure that they're safe and that they're properly prepared if they have to use a weapon?

**Crane:** Well, I happen to have a very biased opinion about that.

**Hales:** That's why I asked.

**Crane:** Training is absolutely the pinnacle of what they had to attain for. That's their goal. And I was explaining, I'm very excited to have this new training facility, and they'll have an adequate location to properly train their people. That's such a great deal. It's a long time coming.

**Hales:** Before that, the officers had to go off-site to train.

**Crane:** We borrowed and borrowed resources everywhere over the years, and finally we have a place of our own -- that's pretty exciting for me. It's been nice.

**Hales:** We wish you well in that endeavor and want to thank you for a long career both in the police bureau and here with G4S.

**Crane:** Thank you very much, sir.

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**Hales:** Thank you very much. Congratulations. Let's hear it for him. [applause] We've had some impressive people who've been with the city a long time leaving us lately, and we'll have to keep recruiting some new talent. OK, our next item of business is an internal one to the council. Every six months, we elect a president of the council to serve in the mayor's absence. And the time arises for us to do that, this being the first meeting of July. So is there a motion to elect Commissioner Saltzman as our next council president?

**Novick:** So moved.

**Fritz:** Second.

**Hales:** And no discussion? Roll call, please, on the motion to elect Commissioner Saltzman council president.

**Roll on motion to elect Commissioner Saltzman as President of the Council.**

**Saltzman:** Thank you for your support. Aye.

**Novick:** Aye.

**Fritz:** Aye.

**Fish:** Aye.

**Hales:** Aye.

**Hales:** Congratulations, sir. OK, now, we're going to move to the regular calendar. We have communications items up front, we'll call those folks first, and then we will get to the regular agenda and time certain items. So, if you would call the first communication item, please.

**Item 712.**

**Moore-Love:** She called this morning and is not able to make it.

**Hales:** Oh, OK. And I think the next three might want to come together, is that right?

**Item 713.**

**Item 714.**

**Item 715.**

**Hales:** Good morning.

**Randy Lauer:** Good morning, Mayor and members of the commission. My name is Randy Lauer, and I serve as the general manager for American Medical Response here in Portland. During my 35 years in emergency medical services, my colleagues and I have helped a lot of people in need. I'm not so naive to think that we can solve everyone's problems, but I have learned that when we work together, we can make a difference. For the past 10 years, I have served on the board of the Central Eastside Industrial Council, and have co-chaired the southeast community policing committee. CPAC's goal is to bring businesses, neighborhoods, police, and social service agencies together to improve the livability and viability of our district. To effectively pursue the goals, we need to first recognize that many of the livability problems we face in the central eastside are a direct result of mental illness, drug addiction, loss of income, and other problems that create barriers to living healthy and productive lives. People first need a safe place to sleep, and then access to services that they can help them overcome those barriers. At the beginning of the year, Commander Bob Day of the central precinct developed plan to focus some of his resources on livability in the central eastside. Commander Day's team of Sergeant Darby, and Officers Lisa Fort and Chris Gjovik have made a definite and positive difference in the central eastside. They haven't done this by arresting people and throwing them in jail, but rather by initiating a dialogue, gaining trust, and getting people access to shelter and social services. Many people today are living safe, healthy, and productive lives as a result of those efforts, and we want to formally recognize and applaud them for their good work. We all know that there are not enough public resources to address every need, but consider this: when someone gets the help they need, gets a job and a place to live, they stop drawing from public funds and start contributing to them. Converting an expense to an income is good for any plan. Commander Day's program in the central eastside, combined with your commitment on housing and mental health services is good for both business and humanity. And we urge you to

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sustain that funding, and to continue supporting the positive efforts of Commander Day and his team. Thank you.

**Hales:** Thank you. Who's next? Bob?

**Bob Wentworth:** Good morning. My name is Bob Wentworth, I'm a partner in Wentworth-Chevrolet and Wentworth-Subaru. I'm also on the Central Eastside Industrial Council board. Around the first of year, the issue of camping structures in our area grew quite rapidly. In our Subaru building, which we lease space to two different businesses -- a pharmacy and the health care organization -- they have approximately 50 employees combined, mostly women. We currently employ around 125 people ourselves. All our employees and tenants that drive to work utilize on-street parking. I received numerous concerns about their safety and the accumulation of the sidewalk structures. They also expressed public health concerns, because there's no public bathroom facilities in the area. I called Commander Day more than once to express my concern for the safety of the customers, tenants, and employees. I took this photo, which I've passed out. I took this photo of a number of these sidewalk structures that have just moved two blocks north on 3rd, and this is what was left behind. There's still one occupied structure on the far side of the block. Across the street from this sidewalk is a full city block of permitted parking. The following week, the city with the help of JOIN and the Portland police helped to relocate the structures and completely clean the area. The feeling of safety was tremendously improved after this improvement. It is important that Portland maintain a safe environment for businesses to remain viable so they can keep providing employment and paying taxes to support the public services we so desperately need. Could we have those in attendance raise their hands that might support this message? I want to express my thanks to the council and to the Portland police department for their efforts in partnering with JOIN to help find services for these people in need of help. Thank you for your time.

**Hales:** Thank you.

**Bill Goman:** Good morning. I'm Bill Goman, I'm the safety and health coordinator for Goodwill industries, and I am the vice president of the CEIC board. Last year at this time, business owners in the central eastside were faced with increasing incidences of unacceptable behavior. What do business owners and their customers find unacceptable? The use of public spaces as toilets directly in view of shops and businesses is not acceptable. Having customers look out store windows to see sexual activity is not acceptable. Storage of personal belongings on public sidewalks to the point where they are not passible by anyone is not acceptable. Faced with this reality and more, we entered into a conversation with city council, the Portland police, and a number of social service agencies, and asked for help. Quite simply, we asked that all individuals and businesses in the central eastside be held accountable to be good neighbors. The city council and Portland police worked with service providers to offer assistance to those in need, and the results have been excellent. They have helped to make our neighborhoods more livable, and provided service opportunities for many in our neighborhoods that are most in need. Our members have reported that conditions have improved dramatically in the first half of this year. We are grateful to the city and the Portland Police Bureau for being responsive to an immediate need. My strong desire at this time is that council and the police bureau find a way for this effort to be sustainable over the long-term. I would like to see even more funding for mental health professionals and organizations that have been critical to this success of this effort. Towards that end, the CEIC will continue to look for ways to support you and these programs so that they are ongoing. The CEIC communicates with all our member businesses and property owners through our website, email newsletters, and quarterly meetings. We have used all of these methods to educate our members in the area of public safety, and asked all members to hold all of our neighbors accountable for their behaviors. We meet regularly with the Portland police to discuss their efforts and any steps that we might take to help. I have met with members of city council and your staff, and greatly appreciate those conversations. As we further these conversations, I will continue to ask you for ideas on things that we can do

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differently or better in order to support this council and the Portland police, service providers, and all of our neighbors. And last, I would like to thank you all for this opportunity. I also want to specifically thank Officer Chris Gjovik, Officer Lisa Fort, and Commander Bob Day for all of their efforts, and their humanity. Thank you.

**Hales:** Thank you. Council, comments and questions?

**Fish:** Mr. Wentworth, many years ago I bought a fully-loaded Geo Prizm -- [laughter]. And about two weeks after we bought it, we were involved in a car accident, and so that was the end of that, but it was a great car.

**Wentworth:** A couple weeks?

**Fish:** But I noticed you are in the process of renovating your flagship store in the central eastside, and that's a big bet on that particular neighborhood. So I want to give you a chance to give us an update on your plans are. And why do you still believe that that's a great location for selling cars?

**Wentworth:** I know there's a lot of people probably asking me the same question. We've invested a tremendous amount of money in that facility, both seismically and cosmetically, and we feel that the downtown area is a vital area to provide service. We service vehicles for the entire downtown area, and sell vehicles for the downtown area, so it's been a viable market for us and we hope to remain so. We've been doing business down in the city of Portland since 1903, started in Front Avenue and 50 years on 10th and West Burnside where Powell's is, and now we've been over here 36 years. So we have always felt strongly about doing business in the city of Portland.

**Fish:** Thank you for making that investment.

**Hales:** A couple comments. Once, I really appreciate the CEIC and you individually taking a really thoughtful and constructive approach to this partnership with the police bureau and with the various agencies that are serving the community. I guess I want to encourage you to continue in that conversation on a couple of fronts. One, there's another government that happens to be located in the central eastside, which is Multnomah County, and a new chair there who's really committed to working in partnership with the city on these issues. So, I hope you're spending time with them as well, on two fronts. One is the implementation of health care reform means that folks that are living on the street or otherwise homeless, have access to medical services that they didn't necessarily have access to before. And, of course, you're deeply involved in that process one way or another, whether as employees or as AMR. Secondly, the legislature will be meeting next year and will be taking up the question of the priority of mental health funding and the state budget, and that's a subject of great interest to the five of us as well as the Multnomah County board. So I think that we have a chance to work collaboratively with the business community, with city government, with the county government, with the state on carrying out your objective of a more robust and complete mental health system that reaches everybody, not just folks that have a fixed address. So there's a real opportunity there, I think, for multiple layers of government and anybody else that cares about the issue to actually work constructively, as you are with central precinct. Let's all continue that discussion. Thank you very much.

**Novick:** Mr. Mayor, I actually wanted to take the opportunity to thank Mr. Lauer for his and AMR's engagement in trying to figure out how to make the emergency medical system more efficient and effective through the pilot project. And also, at some point in the future, I would like to hear a briefing from Mr. Wentworth and Commissioner Fish -- as a former owner of a Geo Prizm -- on exactly how fully-loaded a Prizm can be. [laughter]

**Fish:** I can answer that. It actually had a sunroof. And it had a nice radio, and it was still one of the most affordable cars on the market. And it was a car made in this country.

**Wentworth:** They also made Toyota Corollas in the same plan.

**Fish:** And it was a less expensive --

**Wentworth:** Either package A or B, that was it.

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**Hales:** But we digress. And Bob, while we're digressing, I will exercise that privilege, too. One subject that you might take up with a fellow businessperson is maybe the streetcar hasn't done that much for your business yet, but we found when we built the first phase of the streetcar, the Les Schwab tire dealership over in northwest was pretty concerned about what's this going to do for us. And they started giving out free tickets to their exercises, since they could drop off their cars, have their tires addressed, and pick it up on the way home. That's now the second highest grossing Les Schwab dealership, as I understand it. And I think they buy a thousand passes a month. So once it's actually a streetcar loop, instead of a streetcar dead end --

**Wentworth:** It has to go somewhere, yeah.

**Hales:** You might find that folks that work at OHSU or anywhere else in the central city might do with your business and service calls what -- to their surprise -- found happened to Les Schwab out there in northwest.

**Wentworth:** Well, we hope so, because we're all participating in that also.

**Hales:** You're paying for it, so hopefully you get some value out of it.

**Wentworth:** Very good.

**Hales:** Thank you very much. OK, I think that we have one more person signed up.

#### **Item 716.**

**Hales:** Mr. Davis, you're welcome to come and speak, but you understand the rules of the chamber. You're not going to be naming individuals in any sort of criminal complaint, and we ask you to maintain decorum in how you address the council.

**David Davis** I always do.

**Hales:** Please do.

**Davis:** Government power combined with private profit leads to and invites corruption. And I saw you guys were praising G4S security today, and actually, those guys actually run the Israeli torture camps, if you're aware of that or not. OK. And you also do business with HSBC financial group, and they launder money for Hamas, Palestinian terrorists, Iranian terrorists, and also Mexican drug cartels. And honesty is far less profitable than dishonesty, maybe that's why I'm homeless and you're the Mayor. I would like to see some moral consistency among the mayor and city council and cancel all the contracts with G4S security and HSBC. And also, I was here last week, and you made a comment saying, I'm sorry, folks, sorry, we have a number of people that need help in our community, and some of them come here, so bear with us -- acting like I was crazy for what I was talking about. You know what, I'm not crazy. All my stuff is based in reality. And Amanda Fritz, how do you feel to be working with someone like Mayor Charlie Hales, who openly mocks people with mental illness? Do you approve of the Mayor's comments last week?

**Hales:** Keep going, sir.

**Davis:** Giving money and power to politicians is like giving whiskey and car keys to teenage boys, you know. And doing business with HSBC, who launder money for Mexican drug cartels and Hamas terrorists, and then giving multimillion dollar contracts to G4S security, I don't know what you're thinking. Maybe you're the one with the mental illness, not me. That's just how I see it. And I thought people with mental illnesses have the right to exist and have a voice in this community. Apparently not in the mayor's eyes. You know, Portland's been under investigation for the past three years for their treatment of mentally ill people by the U.S. Justice Department. The review had three goals: to reduce crime, to ensure respect for the U.S. constitution, and to ensure public confidence in law enforcement. And I don't see how you are maintaining that by making fun of people with mental illnesses. And yes, I do have Post-Traumatic Stress Disorder, so maybe what you did was actually a crime, and maybe it's an impeachable offense, actually. Have you ever -- did you ever think about that? Have you ever played chess? Well, you're not playing a good game of chess up there. You're not really doing a good job as Mayor, either, and you wage a cultural war on

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the homeless people in this town, and do all this stuff. Well, you want to know what? 40% of the homes in Oregon are vacant -- [beeping] -- and 37% of them are in the Portland area. [beeping]

**Hales:** OK.

**Davis:** Maybe you guys need to invest in some of these foreclosures.

**Hales:** Sir, your time's up.

**Davis:** Maybe you need to invest in the foreclosures instead of these other agencies that just seem to give money to slumlords and not really do that much for homeless people, you know --

**Hales:** Thanks.

**Davis:** Maybe instead of letting these buildings rot and burn and get taken over by squatters, maybe you should put some homeless people in there and maybe get a bunch of homeless people to have construction skills and stuff like that. How about also, instead of just housing people, create some businesses --

**Hales:** We're working on that, but we appreciate your testimony. Sir, your time is up.

**Davis:** I'm a skilled silk screener, I could start up a T-shirt shop [inaudible] and make money off it -  
-

**Hales:** OK, good luck. Thank you.

**Davis:** I don't need luck, OK? I got [inaudible] on my side, and good positive things --

**Hales:** Thank you. So, let's move to consent calendar. We've got one request to pull an item to regular agenda, which is 724, right? Anything else? OK. So, let's take a vote on the balance of the consent calendar, please.

**Roll on consent calendar.**

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

**Item 717.**

**Hales:** Good morning, and welcome. This is an interesting and fun opportunity for our city, and pretty pleased to welcome this team. It's going to put the national spotlight on our city right on Broadway. I guess this is the tenth anniversary of this event, right? Part of our vibrant athletic scene and part of what makes Portland a great place to be in the summertime, so I think it's a great fit, and this team has worked really hard to make it practicable to do this. So Susan, I think you are on first, welcome and good morning.

**Susan Hartnett, Office of Management and Finance:** Thank you. Good morning, Mr. Mayor, Commissioners. I'm Susan Hartnett, the spectator facilities and development manager in the Office of Management and Finance. With me is Chris Prybylo from Alli Sports and Drew Mahalic from Oregon Sports Authority. I'm going to provide you an overview of the ordinance package in front of you and turn it over to Chris to tell you more details about the exciting event. Drew will add some comments about the benefits of this event to Portland. After a two-year absence from Portland, Alli Sports, which is a subsidiary of NBC Universal media, has requested the necessary permits to return to Portland and hold its annual Dew Tour sports competition for skateboard and BMX bicycle on SW Broadway on Saturday and Sunday, August 16 and 17. The site was selected in large part because the Portland sign on the front of the Arlene Schnitzer Concert Hall will be prominently featured as part of the backdrop. And this is a televised event, so it's an event that clearly says, this is Portland. It also has a hill, which I think figures into the event as well. The events will be open to the public for viewing, and free of charge for that. They will also be, as I mentioned, broadcast both nationally and internationally by NBC sports. The ordinance provides that with specific requirements and conditions being met, we will provide revocable permits for the requested activities and events. The permits allow street closures beginning at 7:00 p.m. on Friday, August 15 on SW Broadway between Salmon and Jefferson, and on SW Main and SW Madison between 6th and Broadway at the same time. SW Main will begin its closure between Broadway and Park at 12:01 on Thursday, August 14 to allow them to set up the dirt bike course that goes along with this competition. The permits also cover the traffic management plan for the detoured traffic, which was

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prepared by Kittelson and Associates and reviewed by the city traffic engineer, both of whom are here today -- representatives from Kittelson and the city traffic engineer -- if you have detailed questions. The street closures and detours are included in your packet as attachment 1 to exhibit B. And Chris will talk a bit more about what all we're doing, and as I said, there's others here to answer really detailed questions. The permits allow Alli Sports to set up the competition courses in the closed portions of SW Broadway and SW Main. And Chris will also go over what that course will look like and the kinds of activities taking place there. But the details of that are covered in the ordinance as attachment 2 to exhibit B. The permits also cover the range of event-related activities such as the filming and broadcast, the sponsor engagement areas, and some spectator amenities, such as bike parking and portable toilets. The ordinance includes an emergency clause to allow the city to require that certain conditions be met 30 days before the event dates, so we need the ordinance in effect immediately. So, subject to the conditions contained in the ordinance and the exhibit, no city bureaus object to the granting of these revocable permits. So, unless there's questions, I would turn it over to Chris at this point.

**Hales:** Thank you, Susan. Good morning, Chris.

**Chris Prybylo:** Thank you very much for considering. As I think Susan mentioned, we were here for seven years prior, and we had a great seven years in Portland. And we left, and I promised Drew if there was an opportunity to come back, we certainly would. So we're thrilled to be considered to come back. A little bit different shape and form, which I will take you through and give you a little bit of our background and show you what we're looking to do. I draw your attention to -- I'm assuming the screen is in front of you. NBC sports owns the Dew Tour, always has. And it's part of the NBC sports group, which has grown significantly over the last several years, adding another network -- NBC sports network -- and a variety of assets to show Portland to the world. Marquee action sports event. And what we're bringing to Broadway is an event that we created in San Francisco, and I think there's probably only one city that has the skating culture and the lifestyle that really fits this, and it's really Portland. And was for prior years, so we're excited to do something like this in Portland. I'm assuming skateboarding is still a legal mode of transportation, which was our call seven years ago. We're for events, action, sports, and lifestyle. Working with the Portland's 5 theaters to actually involve all the local businesses. So from Salmon to Jefferson, we've talked to and figured out how to work with everybody there. You're going to see the top athletes, we're going to have a great crowd, and as I think you mentioned, Mr. Mayor, it's the tenth year, so it's a great season and we're happy to have Portland a part of that. We want an event that impacts the Portland community as a whole. Like I said, working with the community businesses was important, showing Portland in the light that you want to the national and international audiences is important to us, and we really want to make this a win-win for the community. Domestic paralleling. We're in 70, 80 countries worldwide. We're on NBC, we're on NBC sports net, we're live-streaming this, significant marketing promotions, and, you know, great economic impact. So we try to make this a significant event for the city. More about the broadcast. It will be two hours on NBC, three hours on NBC sports net, and a lot of storytelling, a lot of technology. This is the A team of broadcasting, same group that produces the Olympics. We'll integrate Portland with beauty shots, verbal mentions, the sign will be prominent, graphics -- we'll make sure that people have a sense of place so if you're looking at the sporting event, you will know where you're at. It will definitely be prominent that we're in Portland. You know, PR is significant. You're looking at a shot there. That's from San Francisco, we actually built a skate park right in front of city hall and we had incredible PR, and we expect -- the Portland media was great in the past and we expect it to stay the same here. Touched on the economic impact. Significant hotels, significant labor production, goods and services. We were here before, and we expect a similar impact again. But to show you what this is -- since this is a little different from the prior version of this -- this was taken from San Francisco, so a similar hill -- but it's a neat looking competition, so we're going to show this to you.

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[video]

\*\*\*\*\*: The Dew Tour is definitely one of the biggest events of the year and one that I always look forward to.

\*\*\*\*\*: Dew Tour is definitely the only one that's doing the street style thing. They put the contest literally right smack dab where the heart of the city is.

\*\*\*\*\*: Street style is amazing. You get to bomb a hill -- that's the most fun in skateboarding. Whatever comes your way, you hit it. You gotta be quick on your feet and improvise. That's how you see real style.

\*\*\*\*\*: It's a free expression on your skateboard.

\*\*\*\*\*: The street style thing can really open people's eyes to seeing what BMX street really can be.

\*\*\*\*\*: An all-around type of event where a rider gets to fully put their own style and their own creativity on the line.

\*\*\*\*\*: I love it in San Francisco. It's also a good format to take to other cities. We can do this everywhere. It's a great contest, I absolutely love it. It's fun, it's fast, it's just raw.

\*\*\*\*\*: [crowd cheering] Are you kidding me?

[end of video]

**Prybylo:** We're going to give Ryan credit. He said we could do it everywhere, so we're hoping you agree. You know, here's a course map, and I don't know if you want to get into the detail, but we expand from Jefferson to Salmon, obviously affect Madison and Main. We've planned for everything, we've worked closely with Kittelson and all of your internal staff to make this work and to make sure that all the different businesses, all the different concerns are impacted. It will be similar on the next page to what you witnessed on the video. It's a very quick setup and then a very quick pare down so we stay out of your major traffic patterns after 7:00 p.m. on Friday. And then we'll be -- it will be cleaner than it was when we took it on Monday morning. So that's an overview of the course. A couple photos there. You're more than welcome to come down and give it a shot if you feel like it.

**Hales:** I'm not sure if our medical plan covers that.

**Prybylo:** There is the entire -- and again, that's obviously small. We've got a blowup here if you would like to see it, but we worked with Kittelson to put it together and the traffic detour plan, did a lot of research on the traffic patterns, and you know, they're certainly experts in putting that together, and we worked with your internal city departments, as well. So, there's our traffic plan, and Kittelson is here to answer questions if we have any questions. We're hoping to seek approval, we're hoping to bring a great event to Portland back to Portland, and make it a win-win for the community.

**Hales:** Thank you. Drew, good morning.

**Drew Mahalic:** Good morning, Mayor Hales, and council members. I'm Drew Mahalic with the Oregon Sports Authority. Pleased to be here today to offer our support for your approval of the Dew Tour's return to Portland. As you know, our organization was a driving force behind bringing the Dew Tour here back in 2005. It resulted in a terrific partnership where Portland was the only city in the nation to serve as the host site for seven consecutive years of the Dew Tour. Now, we're proud again to play a key role in bringing it back here to its roots for the tenth anniversary. This really reflects well on Portland. Sometimes, it's easy to bring an event for one year -- and then it leaves. But when an event comes and wants to return year after year, it really sends a signal that Portland is open for business and very welcoming in business, and that's something that you should be very proud of. I want to commend the mayor, the council members, and the city staff for embracing this opportunity and working closely with us to identify and implement creative solutions. Particularly, I would like to extend our thanks to Susan Hartnett. She's done a great job as the city's point person during the entire permitting and approval process. As a result of our collaboration with the city, we're excited to welcome a fantastic community event that will showcase the beauty and iconic

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landmarks of downtown Portland to TV viewers around the globe. Every nation that we care to do business with and that we care to attract tourists from will be able to see the Dew Tour on TV. It's exactly these kind of events that shape our international reputation as an active outdoor community, and it will draw thousands of participants, spectators and even new residents and tourists into our region. Our long-standing history with the Dew Tour extends to those who put on the event led by Chris Prybylo here. We've been involved with a lot of events. None come close to matching the Dew Tour's ability to pull off big ideas. When Chris came to us several months ago and laid out a vision for skateboarding and BMX competitions in the middle of downtown, we thought it was a brilliant idea. We took a hard look at the options, and a conclusion was reached it could be a terrific event in Portland. We have no doubt that Dew Tour will uphold their end, put on a truly memorable event that resonates in our community for years to come. Thank you again for playing such a key role in making this possible, and for all you do for sports in Portland. It's appreciated. Thank you.

**Hales:** Questions for the panel?

**Fish:** A question for Susan. This is obviously a wonderful thing for our city. I'm looking at the map, and the street that we're going to be closing starting midnight Thursday through Sunday has the Heathman Hotel, Schnitzer, and the Newmark Theater. And that's a very busy access street for the hotel and for the two of our premiere venues. What's the work around so the hotel can get guests, and -- presuming that there are events at either of those venues -- people can still gain access?

**Harnett:** So you're talking about the section of Main between Broadway and Park? That's the one that will close early.

**Fish:** Yeah.

**Hartnett:** So, the access that it serves is only the two theaters. And the detour has actually contracted with the Portland 5 to utilize those facilities and is working with them. I'm not sure if there's a Friday evening event or not, but they are working around their schedule, and after that point, they are utilizing the facilities. The Heathman doesn't have direct access on Main. When Broadway closes, which is after 7:00 p.m. on Friday, they have moved -- they're going to be reserving an area on the other side of Salmon for drop-off for the Heathman, and they've been working with the Heathman to make sure that is taken care of. They are also dealing with the taxi stand as well to make sure that that's been properly moved.

**Fish:** Obviously, we would be hearing from them if they had any concerns. So just, in other words, the applicant in your office has done the outreach to make sure that we have minimized the impacts on the hotel and the two venues so they can continue to function while we're hosting this world-class event.

**Hartnett:** Yeah. A lot of that was done by the Oregon Sports Authority, Meyer Freeman's work. And he has talked extensively -- I would say exhaustively -- with all of the businesses and building occupants working with -- there's two residential buildings that will be affected -- to make sure that their residents are aware of it, the traffic plan, make sure that they have access to their driveways, minimizing the impact on the residential and business users throughout the event. And I think the assumption is that there will be economic benefits to all of those businesses as well, with the 2000 to 4000 people who will come down to watch, and perhaps participate in the practice portion.

[laughter]

**Fish:** Also to the applicant -- you asked us if any of us will be participating in the event, and that's to be determined. But we're all available to do color commentary, if you want to liven up the broadcast. [laughter]

**Prybylo:** Absolutely, we'll put you on the air.

**Fish:** The commissioners who know nothing about the sport babbling on -- we would be willing to volunteer.

**Prybylo:** We will consider that, for sure.

**Fish:** Thank you.

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**Novick:** I wanted to note that the same weekend features one of Portland's biggest annual events. On Saturday, August 16, we're having the Corgi Walk in the Pearl, and it may be there's an opportunity for some joint promotional activities so that the billions of Americans who are fans of both skateboards and Corgis come and sample both events.

**Hartnett:** I am sure that there are dogs that skateboard.

**Hales:** No doubt.

**Fish:** Actually, in apropos to that remark, the week earlier, we're actually going to get a replay of the greatest -- perhaps the most exciting soccer game of the tournament, which is we're getting a replay of Germany-U.S. I think we're eight players from MLS on the U.S. squad, and half the German team is on Bayern Munich. So we will get a replay of that the week before.

**Mahalic:** That will be on August 6, and it's the Munich team which many believe might be the finest in the world coming to play here.

**Hales:** Quite a month. Other questions for the panel? Thank you very much. Do we have anyone else signed up to speak on this?

**Moore-Love:** No one else signed up.

**Hales:** Anyone want to speak on this? So while we have the team hear, any other questions? Let's take a vote. Roll call, please.

#### **Item 717 Roll.**

**Saltzman:** Thanks to Alli Sports for coming back to Portland, and I really am excited about the in-the-heart-of-the-city venue as opposed to being over by the Coliseum and the Rose Quarter. I think this provides much more participation by people walking around downtown, wondering what's going on, but also the publicity for the city -- the Portland sign being so prominently displayed, as Susan mentioned. It sounds like a great event. So I want to thank Susan, and also Oregon Sports Authority, and also the invisible hand of Matt Grumm in my office who I think had a role in making this a reality. So kudos to him as well, and we're very happy to have you back. Aye.

**Novick:** Thank you very much for a great presentation. It sounds like it'll be a great event. And I hope that NBC knows that the current mayor of Portland in his previous incarnation as city commissioner was known as Skateboard Charlie. So it's very appropriate that the event returns during his tenure.

**Fritz:** Thank you for putting this together, Susan, for your hard work and for briefing me earlier. Obviously, this isn't the purpose of the event, but once nice side effect will be to remind skateboarders and cyclists that they're supposed to be on the street north of Jefferson in the downtown area, so that's a really great showcase for that fact. And I appreciate Mayor Hales as commissioner setting that up so that skateboarders can have safe access to the bike paths downtown. Aye.

**Fish:** Thank you all for the presentation. And Drew and Sports Authority, thank you for always being there to promote sports in Oregon. Something Drew once told me was that one of the challenges of Oregon is that we are so great in so many categories of sports. That because of our weather and other natural advantages -- whether it's track or golf or cycling or you just go down the list, soccer and on and on and on -- now, skateboarding. It's hard to brand us, because there's so many things that we do well. And it's an honor to host this event, so thank you for the return visit. Thank you, Susan. And Drew, thank you for being our cheerleader. Aye.

**Hales:** Between the Rose Festival events and others going on, I've gotten a chance to get a good look at how this process is working. And we really have a virtuous circle underway here, which is that Susan and her team do a great job of managing the logistics for the city and for the community of major public events, sporting events especially. And then we're working with really high quality event promoters, you, especially. But I saw this, for example, at the Rose Festival half marathon. We were working with a top flight event promoter who praises the good work of our staff, and the community says, wow, this worked great. And there are a thousand details that maybe the rest of us

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don't notice, but that the promoter and the city staff have to work out. The fact that we keep doing this rather frequently during the course of the year, especially in the summer, and that we're not hearing a lot of complaints from people is just sort of a silent indicator of how well this sophisticated partnership between the city and quality events is working. So this is one more example of that, we're really happy that you're back and we look forward to the event. Thank you all. Aye. [gavel pounded] Good luck and thank you.

**Prybylo:** Thank you very much, we really appreciate it. And echo your comments. We've done this at 55 different cities now, and around the globe, and you guys are the top, if not one of the best cities and organizations to work with, from the sports commission to the city to the staff. So we appreciate the support, and we look forward to being back in a month and a half.

**Hales:** Great, thank you. Well done. Let's move on to the regular calendar, right. Yes. Regular calendar. I think we want to read 729, 730, and 731 as a package.

**Item 729.**

**Item 730.**

**Item 731.**

**Hales:** Let me take a couple moments and set the stage for this presentation and give it over to Susan. As you might remember, last spring, the city accepted a \$100,000 grant from the Oregon Community Foundation to launch Solar Forward, and that's our first community solar program, a movement that is taking off across the country. And of course, particularly with Susan Anderson heading our Bureau of Planning and Sustainability, we'd like to be in the vanguard of these kinds of movements. Solar is also a democratic energy resource, which is why we have so many Portlanders adopting that technology, and putting it on their roofs, and using the opportunity to generate their own power -- and maybe even sell it back to the local electric utility. We're really happy that the Oregon Community Foundation has recognized the value of the work that's going on in BPS, and that they have come forward with another grant to continue this work. So this is again another case where success is breeding success because of our good staff work and the fact that the community really supports this kind of initiative. So, thank you for being here this morning, and for bringing us good news. Please take it away, Susan Anderson.

**Susan Anderson, Director, Bureau of Planning and Sustainability:** Thank you, Mayor and Commissioners. Susan Anderson, director of the Bureau of Planning and Sustainability. With me is Randy Miller, who is with Portland Public Schools; and Andria Jacob, who is our senior program manager with the bureau. It's my pleasure to not be bringing to you some big controversial issue -- we'll save that for 2:00 this afternoon -- and instead, to sort of be doing a bit of a celebration. This morning is the celebration of something that we call Solar Forward. Last year, as the Mayor mentioned, we worked with the Oregon Community Foundation and received a \$100,000 grant to launch the campaign. And today we're here to do three things. First, to accept some additional funding. Second, to celebrate our crowd sourcing campaign. And third, to describe one of the projects that we've been working on so far. As you may remember, Solar Forward is a crowd-sourcing campaign -- that's sort of like Kickstarter meets solar and the climate action plan all in one. BPS started it last year to provide people with a way to invest in a solar system even if they don't own their own home. So far, we have raised over \$30,000 in direct cash contributions from supporters. The systems are being installed on public buildings, on community centers, schools, and libraries. Our first installation was the Southwest Community Center. I want to thank Andria for her hard work on this project. It's really one of my favorite kind of projects to do at the bureau, whether it was the old office of sustainable development or now with the Bureau of Planning and Sustainability where we get an idea, we begin to build partnerships, and we go and find the funding -- it's using other people's money for good, and it's really a great partnership. So now, in addition to the \$30,000 in individual contributions and the original \$100,000 grant, we now have an additional \$117,000 from the Oregon Community Foundation, and together, these funds will help us to install

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two more systems. One of those will be at the Oliver Lent school, which is owned by Portland Public Schools. And the other is the Ortiz Center, which is owned by the Hacienda Community Development Corp. So, developing Solar Forward has been a learning experience for all of us and for me at BPS. It's been a way for us to bring together local residents, renters, businesses, community organizations, and the city in order to take these big ideas that we have around reducing carbon emissions and put them very much on the street so that people can see and touch and feel and look at very real projects at schools and at community centers. Along the way, one of the things that we did learn is that the state here in Oregon doesn't really have a good mechanism to be able to kind of translate the financial benefits to the individual people who are donating money. In other words, they don't get a reduction in their electricity bill for the amount of money they're putting in. And so we're working with the Oregon PUC and the utilities to try to work on what's called net metering. We have net metering, but it's not quite as full as we'd like it. So we want people to be able -- like they are in four or five other states around the U.S. -- to be able to invest, but then get something back in terms of reduction. We think that will really spur the campaign. In the meantime, we're moving forward. We have great partners. I'd like to introduce one of those partners who's here. Randy is the director of project management for facilities for Portland Public Schools. We worked together about 15 years ago, I think, when he worked with Commissioner Saltzman and others at the Bureau of Environmental Services. He's a great project manager, so I was pleased to see him show up at Portland Public Schools, and someone that we could work with there. Randy?

**Randy Miller:** Thank you, Susan. Good morning, Mayor and Commissioners, and I'm here in support of this project. This project represents a partnership that provides multiple positive benefits to PPS. Portland Public Schools truly appreciates the partnership with the city of Portland and the Oregon Community Foundation. They are especially important for the way that they contribute to PPS achieving its educational milestones. It also contributes to providing a small reduction in operating expenses. The Lent school is a K through 8 school, and a key milestone of PPS is learning to read by third grade. We'll be able to use this project in a way that facilitates and enables engaging young minds in the learning environment, and we'll also be able to use -- from a facilities standpoint, we'll be able to contribute to the learning environment by the operating expense for every penny saved is a penny that can go to the classroom. And that's very important. So, we appreciate that very much. So, for these reasons, we greatly appreciate the possibility, the opportunity to participate in the Solar Forward program, and we look forward to the successful completion of the project.

**Hales:** Thank you, thanks.

**Anderson:** So I assume it will go this smoothly at 2:00 also.

**Hales:** And this is just a start. This is a great pilot project, but you think about the number of flat roofs owned by public agencies or nonprofits. And we're making progress, but boy, we've got lots of acreage out there yet to populate with panels.

**Anderson:** Great. Thank you.

**Hales:** Questions or concerns?

**Fritz:** Mayor, I have a proposed amendment for 730 and 731. The wording on the request for proposal was ambiguous, and the city attorney's advice is that it should be reworded. It seemed to imply that BDS was going to waive all fees for the permit for this, which is not the case. However, we have -- at your behest and the solar industry's behest -- greatly reduced the fees to the minimum required to cover costs. So, the amendment would place a period at the end of the sentence, the selected proposed shall secure all permit approvals from the Bureau of Development Services. And then start a new sentence, the selected proposed shall secure from all utility companies all required rights. And the remainder is the same.

**Hales:** As you intended, I believe?

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**Andria Jacob, Bureau of Planning and Sustainability:** I'm Andria Jacob with the Bureau of Planning and Sustainability. My understanding is how the RFP was written -- is that those permit fees were not waived but wrapped into the overall contract price. And so there was back and forth with our staff and the city attorneys. It was never intended that they be waived, it was just bundled in. There was some concern about how that was worded.

**Fritz:** Thank you. So I have a question about the second part. Is that the same thing for the utility companies that the costs were bundled in for the permits from the utility companies?

**Jacob:** There is a minor cost to interconnect, and those are also considered part of the contract.

**Fritz:** Thank you. So I move that amendment for item 730 and item 731.

**Hales:** Is there a second?

**Fish:** These are friendly amendments, Susan?

**Anderson:** Yeah, we're fine.

**Fish:** Second.

**Hales:** So you are OK with these. OK. Further council discussion on the amendments, we'll act on those and see if there's any testimony. So, let's -- can we approve those as a package, since they are essentially similar even though they are two separate items, Karla?

**Moore-Love:** I'm not sure that we can --

**Hales:** Do we have to amend each ordinance separately or can we adopt those as a package? Both items are before the council. OK, so let's take a roll call on the amendment to item 730.

**Roll on motion to amend Exhibit B, Section B (5)(c) to clarify language.**

**Saltzman:** Aye.

**Novick:** Aye.

**Fritz:** Many thanks to Cristina Nieves in my office for catching that. Aye.

**Fish:** Aye.

**Hales:** Aye.

**Roll on motion to amend Exhibit 1, Attachment D, page 4 to clarify language.**

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

**Fish:** I have a couple questions. Are we talking up 731 or -- I know that goes to a second reading, but are we doing anything on the Hacienda piece?

**Hales:** That one goes to second reading, the other two are emergency ordinances.

**Fish:** Is anyone from Hacienda presenting today?

**Anderson:** David was going to come, but he couldn't come at the last minute. So, he's not here. But they're very excited.

**Fish:** Randy, a couple years ago the council -- [sneezes] -- excuse me, the council got an allergy -- the council was working with the school district to make sure that in the future capital improvement programs, that we carve out either a community garden or a rain garden on each property -- [sneezes] -- excuse me -- I'm allergic to Dan Saltzman -- [laughter]

**Hales:** I hope not.

**Fish:** On each site that's being worked on. And at some point, are we going to get some kind of status update on how that's going?

**Miller:** We can arrange for that for sure, and come back to you.

**Fish:** The idea was -- and this is I think consistent with our climate action plan goals. There was going to be at least a carve-out for a site where there could be a garden or a rain garden. That doesn't resolve the question of how it's funded, but as part of the master planning process, that was going to be done. So I would welcome an update on how we're doing on that.

**Miller:** Commissioner Fish, we can do that. As part of that, we'll also bring in some information about the tree planting program that's been occurring on the Portland Public Schools property as well.

**Fish:** Thank you.

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**Hales:** Great. Other questions? Is there anyone signed up to testify on these items, Karla?

**Moore-Love:** No one else signed up.

**Hales:** Then let's roll call on the emergency items, 729 and 730.

**Item 729 Roll.**

**Saltzman:** This is a great partnership, thanks to Portland Public Schools -- good to see you, Randy - and the Oregon Community Foundation and Hacienda Community Development. Thanks to BPS for your great work. Aye.

**Novick:** This is very exciting, and anything that we can do to reduce greenhouse gas emissions and sort of promote renewable energy is a wonderful thing. Really appreciate the involvement of the Oregon Community Foundation and Portland Public Schools and the bureau, and thank you very much. Aye.

**Fritz:** Thanks for your continued leadership on this. Aye.

**Fish:** Great partnership, nice work. Thank you. Aye.

**Hales:** Well, first of all, if the public sector was like the private sector and we paid bonuses for people getting grants, Susan would be taking home a much bigger paycheck. [laughter]

**Saltzman:** You got it on the record.

**Hales:** Because she's really assiduous about finding grantors, and I'm happy about the latest one. But just the fact that the Oregon Community Foundation is stepping up on this kind of longer term support -- you know, foundations often touch and go, and this is really great that they have doubled down on the commitment to this program. So I want to make sure that we express our thanks to them as well. Great job, team. Great project. Many more to come, I hope. Aye.

**Item 730 Roll.**

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

**Hales:** OK, and 731 moves to second reading next week. [gavel pounded] Thank you very much.

**Item 732.**

**Hales:** Good morning, Christine.

**Christine Moody, Bureau of Internal Business Services:** Good morning, Mayor, Commissioners. Christine Moody, procurement services. You have before you a procurement report recommending a contract award to Emery and Sons Construction for the Kenton Sewer Rehabilitation project. The engineers' estimate for this project was \$2.5 million with a high confidence level rating by the Bureau of Environmental Services. On May 29th, 2014, three bids were received, and Emery and Sons was determined to be the low bidder at \$2,626,500. The city identified nine divisions of work for potential minority, women, and emerging small business subcontracting opportunities. Subcontracting participation on this project is at 29% in the areas of concrete cutting, hauling services, and traffic control. I'll turn this back over to council if you have any questions about the bidding process. And there is someone from BES here if you have technical questions about the project.

**Hales:** Questions for Ms. Moody? Apparently not, thank you very much. Anyone here to testify on this item? Then roll call, please, on accepting the bid.

**Moore-Love:** We need a motion to accept the report.

**Hales:** Sorry. Motion, please.

**Saltzman:** So moved.

**Fish:** Second.

**Hales:** Discussion? Roll call.

**Item 732 Roll.**

**Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye.

**Fish:** Mayor, I very much appreciate that under the new procedure that you and I developed, these are coming to council. Have a chance to put a little sunshine on them, hear from the public, and also the extent we have council discussion is often triggered by if there's a big gap between the original

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estimate and the contract price, or if there's concerns about the MWESB, or whatever. But I think that it's a good practice to continue doing this, and I appreciate the council's support for this approach. Aye.

**Hales:** Thank you. I appreciate those comments and this approach. Just keeping our eyes on the flow of the contract work is time worth spending. Even if many of these end up being routine, it's just good for us to have these eyes on the work. Aye.

**Item 733.**

**Hales:** Roll call.

**Item 733 Roll.**

**Saltzman:** Appreciate the good work of Fleet and the Portland Police Bureau for these new vehicles. Aye.

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

**Item 734.**

**Hales:** Commissioner Saltzman.

**Saltzman:** Thank you, Mayor. This contract with the Community Alliance of Tenants includes the tenant advocacy pilot project, which we heard a lot of support for at our budget hearings. It is an innovative approach to resolving homelessness and meeting our fair housing obligations to improve housing choice for all residents. The Community Alliance of Tenants and the Fair Housing Advocacy Committee have heard from the community that intensive one-on-one tenant law and fair housing advocacy is desperately needed and is also very effective. In response, The Community Alliance of Tenants proposed adding a one-year pilot project of regularly held walk-in tenant law clinics and eviction court counseling. We have Kim McCarty from Portland Housing Bureau to tell us more or answer any questions.

**Kim McCarty, Housing Bureau:** Hi, good morning. I'm Kim McCarty with the Portland Housing Bureau. Here to let you know that we're very excited about this project. It was brought to us by the Community Alliance of Tenants to the Fair Housing Advocacy Committee, and it was in response to -- as Commissioner Saltzman pointed out -- the community saying that there's more need for one-on-one attention. Right now, we sponsor the Community Alliance of Tenants to answer tenant-landlord issues and fair housing issues over the phone. And often, that's not adequate, and the resolution for those individuals is unknown. So we feel this will be more effective. It's something that they've done before, so we want them to build out the program and prove this for us.

**Hales:** Great, thank you. Any other questions? And does anyone want to speak on this?

**Moore-Love:** Yes, we have two people signed up. Barry Sutton and Charles Johnson.

**Hales:** Come on up. Good morning. I think you're on first, Barry.

**Barry Sutton:** Thank you. I'm wondering if I could ask this city council right now, right before you, very directly -- is there some reason that you would not want to provide any kind of housing for the mass number of homeless people in Portland that camp on the streets and sidewalks?

**Hales:** That's very much what we're about here.

**Sutton:** You are about providing that? Well, I want to tell you that in northwest Portland, the first Dignity Village was formed catty corner to St. Patrick's Church, and I would come to the service and pick up around there. And I think that I gave you a letter from the father about that. The only reason that they couldn't continue with that was because the department of transportation wanted to put their rakes and hoes, roadblocks, and all their equipment in there, and they had them leave. But here, in the back of Washington High School, the city of Portland owns the land. This is the city of Portland. And Commissioner Fritz, and this is the park bureau, your section. So, you're very fortunate. That's in the one way. But other than that, \$360,000 went to the R2DToo people, and that would provide the houses, the garbage, the water, the necessities for probably several years -- I don't know how many years, but it took \$40,000 to put in all of the services for the other village -- the first Dignity Village -- that was for a good little while. So, all of you right here that I'm talking to,

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all of you that I'm talking to right here, now, have the ability to offer this, to provide this for the homeless people, and it's kind of a shame what's happening. I see this, I'm sure you're so busy you don't see much of this at all, but the people camping on the street, making cardboard shacks and stuff like that. And then the police will come along and take everything from them, and there will be this huge monstrous pile of cardboard, paper, and clothes, and everything. It may be the end of the block -- 12th Avenue, I think was, and SE 12th and Alder. That's just one example. But there are other times when the people that make these shelters are just roused and sometimes taken to jail, and stuff like that. And, it's just because they're getting a place, they're sheltering themselves, they're sheltering themselves because the people in authority here are not doing it for them.

**Hales:** We're trying, and thank you. Appreciate it.

**Sutton:** No, I believe you aren't, sir. Because you have three blocks to provide for the homeless, and you're not doing so. And not only that, but there is the money to provide for garbage and water and outhouses. All of you do have that right now, when I'm talking to you.

**Hales:** Alright, Barry. Thank you.

**Sutton:** Could you please, could you look into that?

**Hales:** We will, thank you, Barry.

**Sutton:** Thank you.

**Hales:** Alright. Good morning, Charles.

**Charles Johnson:** Good morning, Mr. Mayor, Commissioners. As you noted for the record, my name is Charles, Charles Johnson. And it's good to have this issue brought forth by Mr. Saltzman to increase the good work that the Community Alliance of Tenants can do. I do want to echo Barry's statements, since they go back to the three gentlemen that spoke about the central eastside industrial area. One solution to public urination is places for the public to urinate. So I hope that the CEIC can work with Mr. Wentworth and others to actually just rent some port-a-johns and maybe you can just find some tax credits or something for them so that the neediest of our citizens who are really so distressed they cannot interface well with the Community Alliance of Tenants can at least not be polluting the water and the air and the CEIC. It's very important for you to fund the Community Alliance for Tenants because they are a resource featured in the Rent Well program. So, when people go to Rent Well, they learn to use Community Alliance of Tenants as a resource whenever the landlords are coloring outside the lines. We know landlords would never do that. But any time we talk about bad landlords, you have to figure out the financial and drug use problems associated with the Westwind Hotel, right across the street from p:ear. But the main thing is that you should also consider at the end if there will be additional funding available for Community Alliance of Tenants, and ways to tighten that partnership with Rent Well. And maybe later in meetings about housing, there can be conversation where the Rent Well program should be grown and have multiple service providers where Community Alliance of Tenants might get into a direct education program either with a Rent Well curriculum, or another program where they're face-to-face engaged with potential tenants working on this struggle to end their homelessness. I hope that you will quickly approve this \$161,000 and tell us that it was a clerical error, it's actually supposed to be \$1.6 million.

**Hales:** That would be nice. Thank you all. So let's take a roll call on the ordinance, please.

**Item 734 Roll.**

**Saltzman:** Thank you to the Community Alliance of Tenants for their great work with many of Portland's most vulnerable renters. And I want to thank the Housing Bureau for working to get these federal funds to be used for this purpose to help with the eviction counseling and more tenant advocacies. So thank you. Thank you, Kim. Aye.

**Novick:** Congratulations to Commissioner Saltzman and the Housing Bureau and the Community Alliance of Tenants on this partnership. Aye.

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**Fritz:** Thank you, Barry, for your ongoing diligence in looking after folks, and I very much appreciate it. Thanks to the staff for getting this grant and allocating it to the Community Alliance of Tenants. Also want to honor Elisa Harrigan, the moving-on executive director of the Community Alliance of Tenants, who has done an absolutely wonderful job in the 10 years she was there. Aye.

**Fish:** Thank you, Dan, thanks to the bureau, Kim, your work; thanks to the Fair Housing Advocacy Committee. CAT's a great partner. And yesterday, the law changed in Oregon. You can no longer refuse to rent to someone simply because they have a Section 8 voucher. And as the early press reporting indicates, that's still news to some people who are renting their homes or apartments. So let's be clear: as of yesterday, you can no longer turn someone away and prevent them from applying for a rental simply because they have a Section 8 voucher. And I think we're one of only 11 states in the country that bars discrimination against voucher holders. The federal government has chosen not to put that anti-discrimination provision into federal law. We view this as a huge step forward on our fair housing efforts. Thanks to our speaker, Speaker Kotek, who made a priority in the last biennium, and it was also a priority of the council. So I'm pleased that we were able to join forces with the legislature to see that historic landmark change in the law. Aye.

**Hales:** Well, as Barry and others have pointed out, there's a lot that we need to do for people who are homeless. But this is a modest investment in those who might become homeless, and I think it's really a wise one. And I think that the Community Alliance of Tenants is not only an effective organization, but like a lot of things we do, it leverages a lot of volunteer effort as well as professional services. So this is really money well spent -- an ounce or two of prevention -- but very good investment for everybody. Thank you. Aye.

**Hales:** Thanks very much. Ok. Let's move on to 735 and 736, do you want to take them together?

**Novick:** Yes, please.

**Item 735.**

**Item 736.**

**Hales:** Commissioner Novick.

**Novick:** Colleagues, these are contracts for oversight of the construction of the last streetcar that we planned to buy from Oregon Iron Works. It's always been the plan that once the Tilikum Crossing is completed, and we close the loop -- as they say in streetcar world -- we would have a fleet of 17 vehicles. 14 would be in operation, and three spares to ensure reliable service. And this would be the sixth vehicle we purchase from Oregon Iron Works, and the seventeenth in the fleet. We need to certify to the Federal Transit Administration that the vehicles are functional and safe, and the purpose of having the contractors oversee the work is to ensure that we can say with confidence to the Federal Transit Administration, yes, we have verified that the vehicles are functional and safe. Both of these contracts -- I should note both PSI's contract with Shiels Oblatz Johnson and with the engineering firm LTK were designed in a way where instead of saying, this is what we expect the overall contract maximum to be for the life of the contract, they were sort of given a minimal budget initially with the understanding it would be adjusted to reflect additional requirements. So, the purpose of adjusting these contract amounts is to allow for that oversight to ensure that that the last vehicle is built to our specifications that we can certify to FTA that it's ready to go. And with that, I'll turn it over to Katheryn Levine.

**Katheryn Levine, Bureau of Transportation:** Thank you. Good morning, council. As the commissioner noted, both of these contract amendments authorize professional services that we would need should we proceed with the purchase of the option car, the seventeenth vehicle for the fleet. These amendments also keep the contractors available to provide oversight on upgrades and enhancements to the five cars that we have already procured from Oregon Iron Works. The total cost for these professional services is just under \$160,000. It is grant eligible, meaning that 60% percent of the cost would be paid by the eastside loop project federal funds, and approximately 40% by local project funds. There are project funds available in contingency to cover those expenses. As you

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know, there's a great deal of history leading up to this point. As noted earlier, the eastside loop project scope described a fleet of 17 vehicles to provide service. We originally procured five cars from Oregon Iron Works. We have received them in 2013, resolved our concerns, and obtained spare parts, and requested upgrades are in progress. The city has an option to buy the sixth OIW car from Oregon Iron Works, and that would increase the fleet to 17 vehicles. The price of the car is \$3.5 million, less credits from OIW of 1.595 million. So the total price of that car would be \$1.925 million. We've looked and contacted other cities about the purchase of their cars. There's quite a range of prices. The most comparable vehicles being purchased are being purchased at a price of \$3.9 million. I'd be happy to take any questions that you have.

**Hales:** Questions for Kathryn?

**Fritz:** I don't understand why -- I mean, we've been doing this for quite a while now, why is the contract price going up?

**Levine:** We are requesting additional work from both contractors. The option car is literally the car that we had the option to buy. And this would be in addition to the work that they've already completed on the five cars that we procured in 2013.

**Fritz:** But I don't understand why we didn't know that this was going to -- why at this point, on the seventeenth car, we don't know how much it costs to build a car and what the professional services contract is going to be?

**Levine:** So in the last return to council, we were working towards the LTK services needed for oversight on those first five cars. We did not include or assume the option car in that work --

**Hales:** So maybe I can paraphrase what I think I understand. We're optioning another vehicle, therefore we're buying additional professional services for the construction and oversight, right? It's not a surprise that we have to buy the construction oversight services, it's just that we have to flick the switch and do that if we are exercising the option. Did I get that right?

**Levine:** If we exercise the option by the car, yes, we would need the oversight.

**Fritz:** But we haven't exercised the option yet, right?

**Levine:** No, we have not signed.

**Novick:** We have not, but given that we made a commitment that we're going to have a fleet of 17 cars, and given -- as Kathryn said -- that actually we would be getting this car from Oregon Iron Works at a much lower price than if we bought another car at the open market, it seems prudent for us to assume that we are going to go ahead and buy this car, although they have been building it without that firm commitment.

**Hales:** Other questions for Kathryn? Is there anyone else signed up to testify?

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

**Hales:** Anyone want to speak? This is a previous agenda item. So, we take a roll call.

**Fritz:** We didn't hear the previous agenda item.

**Hales:** Did we? How does this show up? Help me out here, Karla. Both of these are showing up as previous agenda items.

**Moore-Love:** Yeah, they were.

**Fritz:** They were on the agenda, but we didn't --

**Hales:** Oh, they were pulled back. That's right.

**Moore-Love:** They're emergency ordinances.

**Fritz:** They're not marked as such.

**Hales:** Oh, the original ordinance is in the book. Let's look. The original ordinance is an emergency ordinance.

**Moore-Love:** I'm sorry, it looks like I have left off the asterisk on the agenda, but they are physically emergency ordinances.

**Hales:** OK. So these are both emergency ordinances and now they are back on the calendar. OK, got it.

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**Novick:** My apologies for missing that.

**Hales:** That's alright, I didn't look either. OK, so let's take a roll call on 735.

**Item 735 Roll.**

**Saltzman:** Aye.

**Novick:** Aye.

**Fish:** Aye.

**Hales:** Well, there's a little history here. And actually, it was 13 years ago this summer that I and a few other people -- actually quite a few other people -- walked down the street in front of the first three streetcars. And if anybody told me then that we would be purchasing number 17, I would have been amazed. So, this is really great. And I think it's always important when we talk about the streetcar to keep reminding people about the return to the city, because Commissioner Novick and I having hearing people complain about the subsidy to the streetcar. And actually, particularly due to the action that council is now taking to start putting the assessed value on the tax rolls in the Pearl District and elsewhere -- as you recall, we are in the process of putting 30% of the value of the Pearl District back on the tax rolls as of yesterday. That's just the first 30%. That produces a cash flow to local government of \$6 million a year. From the first 30% of one of the urban renewal areas. And depending on who you ask, we have somewhere between \$3.5 billion and \$5 billion worth of assessed value built within three blocks of the streetcar line. It's one of the best investments any city has ever made. Now the trouble is there's a color of money problem. The money comes in to us and the schools and the county and other governments through different accounts than we expend the monies for operating the thing. But on a profit and loss basis, it's a big winner. And I think we have not been as clear about that with some of our fellow citizens who still think that this is a net expenditure. It's not. It's a profit center for local government because people have invested so much in development along the line. And obviously, there's quite a bit more still to come. So, an amazing story, and in 13 years that we are now getting ready to close the loop, and we have 17 streetcars going to be in the fleet. That's progress. Aye

**Item 736 Roll.**

**Saltzman:** Aye.

**Novick:** Appreciate the mayor's comments. And will reiterate my standing comment that although the streetcar is a profit center for the city, it's a profit center for general fund revenue sources, a limited amount of which rebounds to PBOT. So in next year's budget process, I will renew the plea for general fund support for the streetcar, given it's the general fund that benefits from the development that it's promoted. Aye.

**Fish:** Aye.

**Hales:** Now that we're putting value back on the tax rolls, that's an even stronger argument. So you won't have to twist my arm. One more anecdote, while we have a moment. My favorite conversation about the streetcar was with someone that everybody knows and loves, and that's Susan Emmons. And my daughter and I were sitting at Starbucks on the Park blocks one morning having coffee. And Susan came over and interrupted us and said, I'm sorry to interrupt you, but I need to confess something, and that is I really opposed the streetcar when it was being proposed, because I thought it was just an amenity for yuppies. But then all my clients and the folks that our organization serves, who are coming out of homelessness and getting back into the economy, and they have to get to their doctor's appointments and they have to get to their jobs, they're all riding the streetcar, and I was wrong, and I'm glad you built it. And so, that particular conversation about the streetcar pointed out to me its community value, we just have to look at one going by to see the diversity of who's riding it to remember that. But I thought Susan's confession and her recanting of her previous opposition was about as sweet as it gets in this business. Aye.

**Item 737.**

**Hales:** Second reading and roll call.

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**Item 737 Roll.**

**Saltzman:** Well, I wanted to thank the Office of Management and Finance and the Bureau of Emergency Management for getting this important zone change accomplished at the Sears site so that we can move ahead with making it a fully-pledged backup emergency operation center for our city. Aye.

**Novick:** I second that emotion. Aye.

**Fritz:** Thanks also to Development Services staff, Sylvia Cate and Matt Wickstrom; Carmen Merlo, the director of the emergency management; and the Multnomah neighborhood association. Aye.

**Fish:** I am pleased to support this compromise. I was prepared to support -- actually, did support along with Commissioner Saltzman, giving BOEM additional flexibility on the site, which I thought was appropriate. But this is the compromise worked out with the community that has the blessing of the lead agency and commissioner in charge, so I'm pleased to support it. Aye.

**Hales:** Yeah, good solution. And impressive also, that Commissioner Novick managed another musical reference just before we're finishing the calendar this morning. Aye. One item pulled from consented that we need to take up.

**Item 724.**

**Hales:** Commissioner Saltzman.

**Saltzman:** Commissioner Fritz pulled this item. We have Andrea Matthiessen here to answer any questions.

**Fritz:** I just wanted a brief explanation, because it was previously on the regular agenda. So I wanted to make sure that people watching at home understand what we're doing here.

**Hales:** OK, what are we doing here? [laughs] If you don't mind me asking that way.

**Andrea Matthiessen, Housing Bureau:** No, not at all. Thank you, Commissioners. Andrea Matthiessen from the Portland Housing Bureau. I think at this point in time, there has been enough input and conversation on the issue of how household income is calculated on the system development charge exemption programs, that we will kind of maintain the status quo and take the next year and look more carefully and thoughtfully about the implications of a proposed change. So, sorry for the confusion.

**Fritz:** No, I appreciate you taking the time. You think about a year is when you're expecting to come back?

**Matthiessen:** I think any period of time less than that would have a potential impact on the program users and stakeholders that we wouldn't want to impose.

**Fritz:** Are you giving the certainty for the coming year and then maybe changes next year?

**Matthiessen:** Correct.

**Fritz:** Great, thank you very much.

**Matthiessen:** Thank you.

**Hales:** Any other questions? Does anyone want to speak? Roll call, please.

**Item 724 Roll.**

**Saltzman:** Thank you. Good work, Andrea. Aye.

**Novick:** Aye.

**Fritz:** Thanks to the metropolitan home builders association for raising concerns, and particularly to staff's responsiveness both to the community concerns and to the questions from my office. Very much appreciated. Aye.

**Fish:** Andrea, it is worth noting that the home builders were terrific partners when we did the big look on the tax abatement generally, and then weighed in on this. And this is a unique area where the home builders are aligned with our affordable housing goals, because a lot of the members of the home builders, the small builders actually build homes affordable for first-time homeowners and people that are otherwise eligible under our program. So, I appreciate that you are once again

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engaging a key partner in trying to get the right balance on this. It sounds like additional time would benefit the system. So thank you for that. Aye.

**Hales:** Aye. Thank you. And we are recessed until 2:00 p.m.

At 11:00 a.m. Council recessed.

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

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

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

**JULY 2, 2014            2:00 PM**

**Hales:** Good afternoon, everybody. Welcome to the afternoon July 2nd session of the Portland City Council. I believe we'll have the full complement of council here, but let's call the roll and you can amend it as we all arrive.

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

**Hales:** I think we have one item queued up. So, yeah, just one. So, if you would go ahead and read that, we will start the process.

**Item 738.**

**Hales:** OK. Well, good afternoon, everybody, and welcome to this hearing on the subject of short-term rentals. That one issue is the only item in this package of code amendments that we're still working on, that's obviously why everybody's here. This is a hearing continued from June 4th. And we also had a council work session, which is just an informal process where we have our staff and some resource people to try to work through the issues. We have queued up a whole bunch of potential amendments that we will get to here in a moment. Our process is going to be that we're going to ask Sandra Wood from the Bureau of Planning and Sustainability to come on up and walk us through a series of proposed amendments. The council will take a motion on those amendments, and will have them therefore on the table. You'll know what we're considering, which will be an amended version of the ordinance that was originally brought forward. Obviously, if you want to testify, you'll be testifying about a changed package, and she'll again walk through what the changes are. Some of them are minor, and some of them are more important. Bear with us, and hopefully that will be clear. We will limit testimony to two minutes apiece, just because we have so many people here, and we're going to give the first chance to testify to some folks who signed up for the June 4th hearing but then didn't get to testify. I think there are four or five people that fit that description, and they're going to get the first dibs at testifying this afternoon. And then we're going to ask -- we're going to ultimately at the end of the hearing vote on those amendments, which call balls and strikes on which ones we want to keep in the package. The plan is to bring the amended package back to the council on July 23rd, with a final ordinance that reflects these amendments. That's the plan as it now stands. With that, let's call Sandra up to walk us through the materials in front of us and the proposed amendments, and then I believe Commissioner Fritz has a proposed additional amendment.

**Sandra Wood, Bureau of Planning and Sustainability:** Good afternoon. Thank you. I'm Sandra Wood with the Bureau of Planning and Sustainability. Thanks for having me again. As you said, this is a continuation of the hearing on June 4th and the work session that was held by council last week. We're working off a memorandum dated June 30th, which includes the amendments that council already has on the table, and the additional ones discussed at the work session. There's copies of memorandum over there for members of the public. And do all members of the council have it?

**Hales:** Everybody got one? OK.

**Wood:** Because I have extras. OK. So, there are five amendments that we discussed at the work session last week, beginning with the first one regarding inspections. There are basically three options for the council to consider today. The first one is you already put a motion on the -- you actually already amended the planning and sustainability commission's recommended draft at the

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hearing on June 4th. You put the motion on the table and you voted affirmatively to amend the recommendation. The motion was to require a BDS inspection for the initial permit, a self-certification for renewals every two years, and another BDS inspection at year 10 or with a change of ownership. That was introduced, and that was voted on affirmatively. The second option which was discussed at the work session was to change that full inspection by BDS from every 10 years to every 6 years. So that's what the second option is. And, of course, you could move to not amend the planning and sustainability commission's recommendation.

**Hales:** Which was in that case that the Bureau of Development Services conducts both the initial inspection and the subsequent inspection.

**Wood:** Exactly. And renewals every two years. I don't know if you all wanted to make a motion at this point, or run through them all first or --

**Hales:** What's the council's pleasure? I was assuming perhaps, since you had this in memo form, that we might run through the package first and then perhaps be able to vote on them as a package or pull them out as needed. Any preferences here?

**Fish:** That would be easier, I think, with a little discussion to see how we get then a motion and maybe -- yeah.

**Hales:** OK, let's try that. Let's try do it as a package.

**Wood:** OK, sounds good. Amendment B is the carbon monoxide detector, which was introduced by Commissioner Saltzman on June 4th. And the code language is attached to that. The motion was to require carbon monoxide detector in each bedroom. When we're inspecting it, we would check for that also.

**Hales:** I think it would be appropriate, since it is a simple matter for Commissioner Fritz to talk about her suggested friendly amendment.

**Fritz:** The friendly amendment. BDS staff and Tom Bizeau in my office noted that you wouldn't need a carbon monoxide detector if there was no potential source of carbon monoxide. So in state law, carbon monoxide detectors are required when a source exists, a source such as a heater or fireplace, appliance, cooking source that uses coal, kerosene, petroleum products, wood, or other fuels that emit carbon monoxide as a byproduct; or an attached garage with an opening that communicates directly with a living space. So my amendment is to add, where detector is required by law, in 33207040A40C.

**Hales:** OK, so just where it would otherwise be required, because that kind of combustion device was in the house, you have to have one in this case.

**Saltzman:** Doesn't every house have a combustion source?

**Hales:** No, not if has electric --

**Wood:** I just wrapped my head around this issue. My understanding is that if a house has all electric, furnace, water heater, electric everything, no fireplace, and no attached garage, then they would not have a source of carbon monoxide, and therefore, not have to have the carbon monoxide detector. Is that correct? That's correct, BDS tells me.

**Fritz:** To clarify, do we want a detector in every bedroom, or just one on the floor where the bedrooms are located?

**Saltzman:** I think you're required to have a smoke detector in every bedroom.

**Hales:** It's whatever the code would require.

**Wood:** I think it's one carbon monoxide detector on the floor where the bedrooms are located.

**Fritz:** That's part of the amendment.

**Hales:** Yeah, you crossed out in each bedroom.

**Fritz:** Right.

**Hales:** Again, it's whereas would be required by code, would be required on each floor if there's a source of combustion in the house or detached garage.

**Wood:** Correct.

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**Hales:** OK. That is on the table as well. Let's keep going.

**Wood:** Amendment C is about monitoring. This is not a change to the zoning code, but it's an amendment to the ordinance. The motion was made on June 4th -- and you voted affirmatively -- which is to amend the ordinance directives to require that the Bureau of Planning and Sustainability return with a monitoring report by September of 2016. That concludes what was already introduced on June 4th. There were two new amendments that you discussed at the work session last week, D and E. D is how to define primary residence. We have some code language attached in Attachment D, and there's two options. You could move to require a resident to occupy the dwelling unit for at least six months, or 185 days of the year. Or, you could move to require the resident to occupy the dwelling for at least nine months, which is Attachment D, option two. And of course, you could move to not amend the planning and sustainability recommendation.

**Hales:** OK.

**Wood:** The last amendment on this memo is the designees. At the work session, we talked about who can operate the short-term rental, and the idea here is that you could move to allow that the resident's designee operate the short-term rental. They could operate it, they could hire a neighbor to operate it, their family member could operate it, or hire a property management company or someone else to operate it. So, that is a potential for a motion. Of course, you could also not amend the Planning and Sustainability's recommendation, which was that the resident is the operator. Those are the five amendments.

**Hales:** OK. So, you want to take those up now and then we can move on to additional amendments after that? So, questions or discussion before we take a motion on the package of amendments as suggested by the bureau, which again, is in item A to require a BDS inspection for the initial permit, self-certification every two years, and another BDS inspection at year six or with a change of ownership. For the carbon monoxide detector, the amended language that Commissioner Fritz has proposed to require the carbon monoxide detector where required by law, and that specifies both how many have to be in the unit and under what conditions. Monitoring, that one would be to require BDS to return by September of next year -- sorry, September of 2016 -- with a monitoring report. To define primary residence as one in which the resident occupies the dwelling unit for at least nine months of the year. And finally, to allow a resident's designee to operate short-term rental and make those changes to the proposed code.

**Fritz:** I move those amendments.

**Hales:** Is there a second?

**Saltzman:** Second.

**Kathryn Beaumont, Chief Deputy City Attorney:** Mayor Hales -- it's me, hi. For purposes of clarification, you have already adopted amendments A, B, and C last time.

**Hales:** Yes.

**Beaumont:** So I guess in a sense, you need separate motions. One would be with Commissioner Fritz's amendment to item B, you need to move that amendment to your prior amendment to clarify that.

**Hales:** Right, OK.

**Beaumont:** And then you would need separate motions for D and E. And I guess one question for you is, do you want to simply move and second the amendments now, allow people to testify, and then circle back and vote on them at the end?

**Hales:** Correct.

**Beaumont:** OK.

**Hales:** Yeah, because we are going to vote on them at the end, I thought we could approve it as a package. You are saying we need to unbundle that?

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**Beaumont:** I think -- let's see. Well, the only amendments you need to actually adopt this time would be -- if there's no change to A and C, the amendments you would need to adopt this time at the end would be the modification to B and D and E.

**Hales:** OK, alright. So then the motion -- I'll assume that Commissioner Fritz's motion is to adopt the amendments to items B, D, and E as further amended by today's discussion.

**Fritz:** Absolutely. That's what I intended.

**Hales:** Thank you, Kathryn, for telling us what we're doing. There was a second to that, I believe.

**Saltzman:** Yes.

**Hales:** And further discussion?

**Fish:** The only issue of the package that's before us -- before we get to other amendments -- the only one that I would benefit from a little more conversation about is D, the difference between six months and nine months, since there's a difference between whether it's your primary residence or how long you occupy the unit legally. If someone could give me a quick primer on that one.

**Hales:** We should hear from staff, and I suspect there'll be testimony on that question when we take testimony.

**Wood:** Right. The planning and sustainability commission's recommendation is that a short-term rental is allowed in a primary residence. And so the question came up during the council hearing and during the work session as, how is primary residence defined? How long do I need to live at the house for it to be considered the primary residence? So, we had understood it when we wrote it as primary residence as being at the house the majority of the time, so at least six months. And what you all discussed at the work session was, is six months enough? Should it be nine months or some other number? And even if it is six months, I think because it has garnered so much attention and we've all discussed it, I think it would be worthwhile taking out the term primary residence and just replacing it with what we are proposing in Attachment D, which is, it means individual or family who operates the short-term rental is there for at least blank number of days during the calendar year. Just to make it crystal clear.

**Fish:** And that's because we got legal advice that you can declare something your primary residence under state law, and that doesn't turn on how actually long you live there?

**Wood:** Yeah, so we looked at the tax codes, which is what you had discussed also last week, and the IRS doesn't have a statutory definition for that. The property that the homeowner uses the majority of the time during the year is considered during their discussions and decision-makings. And key elements that the courts and the IRS have considered includes the voter registrations, where you pay local and state income tax, and the address on your driver's license. So they don't have a specific definition of this -- how long you have to be there. They also use the term permanent residence. So you can be a permanent resident of Oregon and be away for the whole year somewhere, and Oregon is still considered your permanent residence, and you're paying your taxes here. The state of Oregon also -- the definition doesn't help us out very much. It says it means the state jurisdiction or physical location where a person lives during any 12-month period more than he or she lives anywhere else during that period. So, in thinking about this, I think we've concluded that this reinforces what primary residence is in a good indicator of how long someone needs to be in the residence.

**Fish:** Because a lot of people that are here today were not with us in the work session, just to put a finer point on it. The young woman who testified the last time we had a hearing that she lived in one house and rented out another house. If we were to take the nine-month rule, then she would only be able to rent out that other house for three months provided or what?

**Wood:** No. So, she is living in a house and that's her primary residence. And she can rent -- she can operate a short-term rental out of her house where she lives 365 days a year.

**Fish:** But not that other house.

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**Wood:** The other house, there is no primary residence. And what we're interested in making sure that those residences are used for long-term Portlanders.

**Fish:** OK, thank you for that clarification.

**Hales:** So, further discussion on this package, and then we'll take an action to put that on the table and move on to the next. Roll call on this set of amendments.

**Roll on motion to put on the table amendments from BPS memo dated June 30, 2014 items B. Carbon Monoxide Detector as amended to add "where a detector is required by law", D. Primary Residence and E. Designees.**

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

**Hales:** OK, those are on the table. So, now let's take up the next issue.

**Beaumont:** I think you just voted to adopt these amendments.

**Hales:** We did.

**Beaumont:** OK, I thought we were going to save those and circle back.

**Hales:** I'm sorry, I was assuming we were going to approve the amendments, conduct the hearing, and then vote on the final package on the 23rd.

**Beaumont:** Right.

**Fish:** We just voted to put them on the table.

**Beaumont:** Alright.

**Hales:** Sorry if I'm tangling us up.

**Wood:** I think the difference is you just voted to take the package from planning commission and amend it, and then you'll hear testimony. Versus what we thought we were saying, which is that we would put them on the table, hear testimony, and then you would vote on the amendment.

**Fritz:** I think the sense of the council is that we are going to take testimony related to what we just put on the table.

**Hales:** Distinction but not a difference. Alright. Let's do the next one the same way.

**Fritz:** Just as well.

**Hales:** Maybe better. So Sandra, let's take the next issue, which is the multifamily issue.

**Wood:** So, I believe there's been some discussion about whether a motion -- you wanted to provide -- someone wanted to make a motion to allow the accessory short-term rentals in multi-dwelling units.

**Hales:** Right. So I'll move that amendment, which is to allow short-term rental use in multi-family residences under certain conditions, which are that the permit be signed by the resident or the property owner, or, if there's a homeowners association, by the homeowner's association.

**Wood:** Just to clarify, this was not discussed at the work session -- I mean, you discussed it at the work session, but you sent us away without drafting any code amendments for it.

**Fish:** Do you have copies of the amendment?

**Hales:** No, I'm sorry, I thought this was in the memo.

**Wood:** No, I don't have copies of that amendment.

**Hales:** Let's get paper copies of that amendment, please. Susan, can you get that?

**Saltzman:** I'll certainly second it for purposes of discussion.

**Wood:** There hasn't been any code language written on it. So the notion is just allowing it for multi-dwelling structures also. That's the amendment.

**Hales:** We had quite a discussion about this at the work session. The question is, do we allow this use in multifamily units at all? If we do, do we turn on what the state building code says, or do we turn on our own definitions? As it turns out, we're not particularly bound by the state building code. The critical question is, is this a legal use in the landlord-tenant agreement between the rental owner and the tenant, or between the homeowners association that has jurisdiction over a condo and the resident of the condominium who owns the unit but is a member of the homeowners association? The proposal here is to say, yes, you can operate a short-term rental unit. You can rent out a

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bedroom in your unit that you live in as a primary residence if you have the permission of your landlord if you're a renter, or of your homeowners association if you are a condominium resident. In a sense, it's doing for multi-family units what we're doing for single family with this proposal overall, which is trying to legalize what's already going on in a way that's sensible and that also respects the landlord-tenant relationship that exists between the owner of the building and the people that live there. So that's the philosophy behind this.

**Fish:** Mayor, under the amendment that you're offering, whose job would it be to verify that the arrangement had the blessing of the homeowner association or the landlord?

**Hales:** In every case, our permittee is the person that we're dealing with. Somebody is coming in and applying for a permit to do this. And they would need to provide documentation that -- they, the permittee, would need to provide documentation that they have their landlord's permission or their homeowners association's permission to do this.

**Wood:** So our thinking -- as this discussion has been going on, we've also been developing the application materials, because this is informing what it is that we want to communicate with the public when they come in for their permit. The idea is that the resident would be the person coming in for the permit. If they aren't the owner of the property, then they also need to get the property owner's signature. And if they're in a condominium, for example, and there's also a homeowners association, then the president of the homeowners association would need to sign also.

**Fritz:** Sandra, remind me what the notification on single family residence is -- neighborhood notification.

**Wood:** The neighborhood notification for single family is for properties abutting the property. It's also to recognize organizations. And I think that's it. And the property owner, too. Now we've covered the property owner with the signature.

**Fritz:** So what's the proposed notification, Mayor, in multifamily? Adjacent residences, or the floor, or everybody in the building?

**Hales:** The same provision applies, right, it's adjacency.

**Fritz:** Well, but --

**Wood:** So we haven't quite figured that out yet. If this motion passes, I think we're going to have to deliberate and figure out what's most logical. If it's the homeowners association, I think we can all imagine a big condominium building, that's probably sufficient. If you're a triplex on a site, maybe it needs to be to abutting properties.

**Fritz:** What if you're just renting and there isn't a homeowners association? Do you notify the adjacent apartments or the adjacent homes around the apartment complex? What's your intent?

**Hales:** Good question. Our intent to allow this and then figure out those details -- if we have to in code, or if not, in rule in terms of what they require in the permit.

**Fish:** Can I ask a related question? To what extent has the planning commission worked through the issues of multifamily structures during its deliberations? What's the extent of the record we have on this issue, pro and con?

**Wood:** Let me give you a little history of what happened. When we started with this project, we were approaching it from a zoning perspective. So we were saying, should this be allowed in residential zones, single dwelling and multi-dwelling zones and single-dwelling, multi-dwelling development? The proposal that came out from staff to the community in our discussion draft in January included allowing multi-dwelling structures. After we talked to the community for about seven weeks, this issue really didn't come up very much. I think most of the testimony we heard and the feedback we got from the public was related to single dwellings, similar to what you heard at your last hearing. When we started exploring the inspections option, we started getting into this issue of which building code is it inspected under, and what would we be inspecting for each one of them. And we discovered that, indeed, it requires a change of occupancy from an apartment, R2 occupancy, to hotel occupancy or one that we discussed at the work session. At that time, we felt

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that that coupled with the property owners and condo associations -- most of them not allowing them, and sublets not being allowed to regular leases -- we abandoned that train of thought. By the time we proposed something to the planning commission, that was not part of the proposal. So we discussed it, but pretty briefly with the planning commission, because that was off the table at the time.

**Fish:** Mayor, your amendment says beginning January 1. I take it that six months are designed to work out some of these details.

**Hales:** Exactly.

**Fish:** The one nuance I would offer just for our consideration is this says we're going to do it and we're going to spend six months figuring it out. I wonder whether there isn't an equally plausible approach, which is to say, we'll take six months to figure out whether we can do it, and then come back to council and take it up, rather than declaring we're going to do something for which we don't have much of a record.

**Hales:** Well, this gets to a philosophical question I think about the planning commission, too. We are not an appellate body for the planning commission. In my opinion, what the planning commission should always do is get things to the 90% point. They're an advisory body to the city council, and we ask them to do a heck of a lot of work, and we appreciate it. But I don't expect them to figure out every zoning and planning issue to the last degree, and all we have to do is either approve their work and send it back. Again, we're not an appellate body to them, they're an advisory body to us. So they took up a lot of issues in the RICAP package, including this one, and they did a lot of work on them. And as Sandra described, they didn't spend a lot of time in the multifamily issue, but it certainly has come up in our deliberations. Frankly, I think there are important judgment calls in this question, and there are details to figure out, but this is not one of the most complicated issues that we face in the zoning code. It's, are we going to allow short-term rentals in multifamily units as a land use or not? And then, are we going to have reasonable permit requirements, and what should they be? The second part we're welcome to spend more time on after we deal with the zoning code issue, which is what's in front of us now. We want to give the multifamily industry a chance to be able to communicate with their members and say, OK, this is becoming legal in the city of Portland. It's happening now, but it's becoming legal, and here's how you proceed if you want to allow your unit owners in your condo or your residents in your apartment to participate in this program by getting a permit to use a bedroom in their unit this way.

**Fish:** Just to offer a slightly different view of the same issue, I think the process here has been exemplary. A work session, two public hearings, BPS has given us briefing materials. So I think from that point of view, this has been a great process on an issue which actually, from my point of view, is more complicated than I thought going in. The more I've read about other cities grappling with this, I realize that there's all kinds of unanticipated consequences and other things. So I appreciate the thought and care. Just speaking for myself, the issues and cluster of issues around multifamily housing to me feel like not just a sub-set of what we're looking at, but an entirely different set of issues, which in fairness have not been given much of a hearing at the commission level, and tangentially have come to us. But even in the conversations I've had with advocates outside of this proceeding, the constant refrain I'm getting is, we don't know how to approach this particular subject, this is a different matter. So, from my point of view, taking additional time to get that right and doing it not by us, but having the commission do it and creating a record would be more beneficial for me as a decision-maker than shoe horning it into this discussion, because I don't actually feel that we have an adequate record to make these judgments. And we can spend the time ironing these out maybe over the next six months, but I'm not sure I want to signal that we're going to do it until I have a clear sense of whether we can do it and should do it. And those are different questions. And I'm saying that with all due -- I'm giving as strong an endorsement as I can to the process to date on single family, but I think the multifamily thing to me is a hornet's nest. What's

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the standards the buildings have to be brought up to? What are some of the experiences in other cities? What does it mean to get landlord permission? I mean, that to me is an invitation to a whole level of fraud. Who's the landlord? How do you verify it's that person's signature? Is the landlord likely to give approval? How have other cities dealt with that? I appreciate the urgency that your amendment suggests, but I would say, why not kick it to a process for six months and have come back to the council for further consideration. That's just --

**Hales:** Yeah, I understand the point. But again, it's philosophical. We have a lot of work on the planning commission to do. It's our code, we adopt it. They make recommendations to us. They made a bunch of them to us in this case. The other factor for me, impelling me to try and do something now is people are already doing this.

**Fritz:** Oh, but -- as a mother, that has never been a compelling argument to me, that everybody else is doing it. [laughter]

**Hales:** Well, it might behoove us to catch up what's happening in the marketplace.

**Fish:** But Mayor, just so we're clear. Under that theory, we should just start taxing prostitution. It's also illegal, and it's happening.

**Hales:** Come on.

**Fish:** I'm saying, there's lots of activity in our community that's not legal. We're not taking a punitive hand on this. But the idea that we should get revenue before we've thought it through I don't think is the right approach.

**Fritz:** I'm sure lots of folks have come to testify, so maybe we can take testimony first.

**Hales:** Let's hear from people about this, yeah.

**Fritz:** I also want to hear from the city attorney as to whether you've looked into this proposed amendment with regard to landlord-tenant law, and definition of hotel and vacation rentals and such. So I'll just put that out there, and that's a concern that I have.

**Hales:** OK. So, do we want to put this amendment on the table or not? I'll move it.

**Saltzman:** Yes, second.

**Hales:** Further discussion? So, roll call on putting this amendment on the table as well.

**Roll on motion to put on the table amendment to allow accessory short-term rentals in multi-dwelling structures beginning January 1, 2015 and require that the application for a Type A accessory short-term rental permit be signed by the resident, the property owner, and the president of the Home Owner's Association if one exists.**

**Saltzman:** Aye.

**Novick:** I have a number of questions about this issue that I hope we can explore, but I will vote to put it on the table. Aye.

**Fritz:** I can't imagine that I'm going to be persuaded in this afternoon's testimony that this is a good thing to do. I understand that we will be hearing testimony, and so I appreciate that. Just to be clear, I don't think it's a good thing to do. So, no.

**Fish:** No.

**Hales:** Aye.

**Hales:** OK, that's that one. What else do we have? Maybe nothing. Anything left for us in terms of amendments? I don't think so.

**Novick:** Actually, Mayor. There's one thing -- like Sandra's suggestion as to whether it makes sense to offer it as an amendment here -- one of the things we heard in testimony before from Mr. Unger was that one of the conditions of receiving a permit should be that you agree that in your advertising you list the permit number. And I think that was an excellent idea. And I have no idea procedurally where it should be, but if it would make sense to offer that as an amendment here, then I would like to offer it.

**Fritz:** And I'd second it.

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**Hales:** Let's take up the question of whether that needs to be an amendment or whether that is a permit condition. In other words, I'm still unclear on the boundary between what we have to put into the zoning code, and what we can require as a condition of a permit. Again, we're dealing with a permittee. If we approve this whole package, permittee might be a single-family homeowner or it might be somebody who lives in a condo. They have an obligation to get the permit, and then we can require them to display their license or their permit number in their advertising. We have the legal authority to do that. The question is, do we need to put that in the zoning code or is there some other way to do it?

**Wood:** I think there's two options. It sounds like if you wanted to proceed and you think this is a good idea, we could just put it in application materials and tell people best practice is for you to put your license number on all advertisements. That would be kind of an informal way of communicating that information. We wouldn't be enforcing on the information, because it's not in one of our city codes. If we wanted to codify it so that we're actually doing enforcement on it -- and I've been talking to Scott Karter from the Revenue Bureau, Terri Williams wasn't able to be with us today -- about putting it in Title 6, which is one of the Revenue Bureau's titles, and it would be more akin to what they have in their titles with business license, etc. We certainly don't want to make it a land use decision that someone's appealing and taking to LUBA because they didn't advertise properly. We don't really regulate advertising through the zoning code.

**Hales:** Help us out here, maybe you and Kathryn. We have a number of conditions that we apply to a permit. If you're remodeling your kitchen, you have to post the permit on the outside of the structure so that the building inspector can see it. I don't think that's in code, right? Or maybe it is. If those things are in code, then we should put this in code.

**Fritz:** It's in building code.

**Hales:** It is in code. So if those things are typically in code and you don't have -- you, the bureau -- don't have a lot of administrative rule-making authority here to do this on your own, then I would be inclined to put it in the code. Take action on your amendment, and put that on the table for we you do in terms of the zoning code.

**Fritz:** Put it into Title 6.

**Wood:** Title 6. So it would be code, but a different city title.

**Fish:** Steve, would you again just explain the scope of what you're proposing?

**Novick:** The requirement would be that as a condition of receiving a permit to operate one of these short-term rentals, the applicant has to agree to list the permit number in any and all advertisements.

**Hales:** OK, so that's a motion.

**Fritz:** Second.

**Hales:** Further discussion on putting that motion on the table? Roll call.

**Roll on motion to put on the table as a condition of receiving a permit to operate short-term rentals the applicant has to agree to list the permit number in any and all advertisements.**

**Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Fish:** Aye. **Hales:** Aye. **Hales:** Done. OK. Anything else? Alright. Thank you, Sandra.

**Fish:** Sandra, the format you gave to us again this time was a chart that had the options we could check the box --

**Wood:** Yes.

**Fish:** I'm tempted to move that we make this mandatory every time a complex issue comes before council -- [laughter] -- but what we'd be doing is just taking what BPS has pioneered and applying it to everyone else. Thank you for the way you organized the material.

**Wood:** We highly recommend that you do that. [laughter]

**Hales:** And tell them where they learned it from, yes. Thank you very much. Let's take testimony. Again, we have some people that signed up in the previous hearing, and we will give them the first opportunity and then move on to everyone else. We are going to ask you to keep your comments to

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two minutes. Obviously, there are a lot of people that would like to speak. If somebody else has already iterated your testimony, and you'd like to waive your opportunity and let others proceed, do so. If you agree with somebody and just want to show a sign of that, wave your hand. We ask that you keep vocal demonstrations to other places than the council chambers. So again, let's try to move this along, but hear from everyone if at all possible.

**Moore-Love:** We have a total of 41 speakers who've requested. The first three, please come on up.

**Hales:** Come on up. Good afternoon.

**Maggie Chandler:** Good afternoon. Yes, I'm Maggie, and I would like to thank the Bureau of Planning and Sustainability and all of you for what I see, a really earnest effort to sort this out. Thank you so much. I just want to iterate -- or reiterate -- what my situation is. You can see I'm a little typical of a lot of the people who are benefiting from this. I moved here, retired here five years ago to be with my kids and grandkids. As you know, it's pretty expensive to live in Portland, and I'm able to live three minutes from my kids. But I do need a little extra income, I'm on a fixed retirement. And this is the way that I do to make ends meet. Not only that, but Airbnb has allowed me the flexibility to be involved with my grandchildren and to participate fully in the rich retirement that's available in this city. I paddle, by the way, with the senior group. And also, it's allowed me just that little bit of extra money so I can visit my grandchildren in the other state south of here every couple few months. And this year, because of the Airbnb, I was able to take my first trip in retirement and I went to Hawaii. That's just kind of a common story, but I think it's typical of those of us who are doing it. I rent my guest room and adjacent bathroom. And it's just a little walking-around money. I hope we can -- and maybe even separate these. Could we just get approval for that first proposal, and then look at the multiple family dwelling.

**Hales:** Great, thank you.

**Chandler:** Thank you.

**Hales:** Good afternoon.

**Karri Winn:** Honorable members of Portland City Council, my name is Karri Winn. In the spirit of place-making and the philosophical intent of shared cities, the 30 day criterion differentiating lodger versus renter is outdated. We need a new definition as to not obstruct the efficacy of the invisible hand. Yes to safety equally to all Portland renters. Just this month, my neighbor sold his duplex. His tenants refer to him as an absentee landlord who -- while providing affordable housing -- never fixed anything. The electrical inspector told the buyer that it was one of the most hazardous situations he has encountered. Not only were my long-term renting neighbors at risk, my home was at risk if fire had erupted. If safety is the goal, make inspection mandatory for every rental situation. Neighbors will always jeopardize the health and well-being of other neighbors. It is impossible to legislate away this potentiality. That said, I implore your good reasoning to relinquish the onerous requirement for neighbor notification. My neighbors can bring anyone into their home for any duration without notifying me. The distinguishing element is that my guest contributes to my mortgage. All other points of contention stand. Their overnight guests are as subject to the chance danger of emergency egress as my neighbors may be subject to my guest's behavior. Micro-lodging exists in the same vein as food carts which prosper alongside the restaurant counterpart. We need policy that supports the creative autonomy of Portlanders and grows micro-enterprises, which is the nutrient base of a healthy, local, living economy. No one likes being disrupted, yet disruptive technology plays a huge part in long-term economic sustainability. Our position as policy makers should not be to protect the interest of established business from competition, but to steadfastly ensure that our economy has the capacity to resiliently respond to emerging market demands. I regard your visionary leadership. Thank you.

**Hales:** Thank you very much. Good afternoon.

**Peter Ovington:** Good afternoon, Mayor and Commissioners. My name is Peter Ovington. I've been a resident of Portland for the last 15 years and have lived in a condo in northeast in the King

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neighborhood for the last seven years. I support home sharing in Portland and more regulatory certainty for everybody. I attended your last hearing on this topic and really appreciated your thoughtful consideration and the spirit of creative problem-solving that you showed then and also today. First, I believe apartments and condos should be allowed to participate in short-term rentals. They make up a big portion of our housing stock. Limiting multifamily rentals, in my view, is classist because it provides short-term rental income only to single family homeowners who are already more well off than the rest of us, given the way property values are rising. So, I believe it's an equity issue. Secondly, not all apartments and condos are created equally in terms of their building access and layout. I own a unit in a one-story courtyard condo with a total of 12 units. It's a ground floor end unit -- what the British might call semi-detached. In terms of life safety, it has two obvious visible exits that lead directly outside. As a proud Portland progressive, I never thought I would use these words, but trying to regulate who can come and go from my condo feels a bit like government overreach and an intrusion on my private property rights. Third, I oppose the primary residence requirement, particularly the notion of increasing from six to nine months per year. And lastly, I just wanted to say that the notion of stranger danger has been exaggerated by some neighborhood activists. I think you heard enough at the last meeting about how well guests are vetted. Most of my guests have actually been single women, grandmothers visiting from out of state, and the like. Again, those of us home sharing on Airbnb and other sites are really Portland's ambassadors hosting short-term visitors, and I just want to thank you for working to bring Portland into the sharing economy.

**Fish:** Let me just react to your characterization of the distinction between single family and multifamily as being classist. And you're entitled to your view, obviously, but there is one profound difference that we have in the record which we're struggling with. Currently, all of the short-term rentals are illegal. But an owner of a house can agree to rent out his or her space and not violate a covenant. There are virtually -- every rental agreement that I've seen and virtually every rule of the condo association prohibits this. So there's a separate piece that we have to be aware of here. Plus, there are building code issues unique to multifamily and single family. The Mayor and I -- I'm not opposed to considering this issue. I might have a difference of agreement with the Mayor about the process, the sequence, but not in considering it. But I think that to leap to say it the classist where there are -- in my view, in my opinion -- completely distinct pieces of the shared economy is a bit harsh. But I just offer that for your consideration.

**Ovington:** OK. I guess I'm in the unique position of having a condo unit that acts a little a little bit like a single family home. My guests use a separate entrance, and they don't step foot on what's called the general common element of the condo property. So, I don't know that you want to get into that much detail if you're thinking of multifamily, but for me, it would certainly be helpful.

**Hales:** Thank you. Thank you all.

**Jason Miner:** Mayor Hales, members of the council, my name is Jason Miner, I'm the executive director of 1000 Friends of Oregon. Thanks for the opportunity to testify today. I sent a letter after the first hearing outlining four principles -- getting to that question of philosophy -- that I think should guide your decision today. And I want to get straight to the number three and number four principles that were in that letter, because I think they address the issue of extending this policy to rentals and condominiums. And they were that our planning code should encourage access to prosperity, not deny it. I think there's a traditional model of building wealth in a home, and that's single family ownership. And it's been -- as pointed out in the last hearing -- the primary source of wealth for many Portlanders. But there's a new model of building wealth you heard about at the last meeting, and that is sharing your greatest asset with people who come to Portland. I think that should extend to people in rental units and condominiums as well. Many of them are trying to build wealth, just as anybody in a single family house is. And the fourth principle that I outlined -- and I think it's important, gets again to the question of philosophy -- is you have the opportunity to make

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the sharing economy a more equitable economy than the traditional economy. I think that, too, poses a challenge and question of, should we draw a line between one style of residence, one style of home, and another style of home? And this policy clearly does that. That's why I encourage that the step taken today should be to adopt the amendment and work over the next six months as to the details that line it out. Specifically, there are mechanisms in place for landlords and homeowners associations to prevent this from happening in condos and apartments that they currently own. What doesn't currently exist is a place for a landlord or homeowners association or a renter to take advantage of this benefit -- the benefit that the city council is looking to pass -- and that's the umbrella that you would provide by accepting the amendment. Lastly, I would like to emphasize that a city in which we are trying so hard to encourage multifamily development and people taking advantage of our corridors and town centers, I would encourage you to consider adopting the amendment and considering multifamily units on parity with single family homeowners. Thanks.

**Hales:** Thank you. Good afternoon.

**Nathan Tabor** Hi. Thank you very much for seeing us. My name is Nathan Tabor. I live in southeast. Things have changed since I wrote a letter to you guys last week. The multifamily thing I guess is being taken another look at. I just wanted to say, my prime concern is that I would not be able to rent out a spare room in my condo. I'm there 95% of the time. I'm with people who come to my home and share my neighborhood and add to the community, as far as I'm concerned. It's alarming to me that even though I pay my income tax, I pay Portland's staggering property tax rates, and then travelers are now getting taxed -- or they will -- that I'm being treated like a non-property owner. It just seems like I shouldn't be lumped in with apartment owners when, in every other facet, I'm not treated the same. Where I live, there are no hotels. So a lot of people I know wouldn't be coming to Portland if they couldn't stay, you know, near Reed or near friends and family, or if they had to pay \$300 a night to stay downtown. They just wouldn't bring their money here. And this helps me, it helps the community, it helps the coffee shop around the corner, the breakfast joint I send them to every morning. And I think it helps the community, especially as the southeast changes and demographically becomes more of a city center kind of area. I don't want to rehash things that people are going to say over and over again. I sent you a letter last week. Hopefully you guys got a chance to read it. And that's kind of all I have to say.

**Hales:** Thank you. Thanks very much. Good afternoon, Lightning.

**Lightning:** My name's Lightning, I represent Lightning Think Lab. I find it interesting on the multifamily how many landlords -- say you have a 50 unit apartment building -- is going to want a bunch of people coming in and out of units that you've rented to maybe one or two people upon the lease. There's going to have to be some type of incentive for a landlord to do that. The liability is going to be tremendous on having more people coming in and out of his building on a regular basis. So, him agreeing to that is going to almost be zero. Another issue I have on Airbnb is we always hear Airbnb. I don't have a problem with these short-term rentals. I do have a concern with some people that want -- what they consider to maintain the character of their neighborhoods, don't have a hotel, motel type situation in the residential neighborhoods. I understand their position and I respect their opinions. One of the concerns I have is that I don't want to see a monopoly by one company like Airbnb. We're talking shared economy. Why don't we start talking some of the local property management companies? They have the ability to create software systems, they have the ability to use the internet. And why don't we compete against Airbnb and take care of some of the residents in Portland? Because all I'm hear is Airbnb, and I would like to hear other companies. We're talked shared economy, let's get some other companies coming in and competing with Airbnb and let's make this thing happen and let's get some lodging tax going towards the city. But let's get the real competition going against Airbnb. I don't see anything about Airbnb that that's that incredible. They're a company that has probably virtually no assets. They're a \$10 billion net worth. I find that amazing that they do that, but why not -- is there another company stepping in, local companies that

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are competing against Airbnb on this situation? And the hotel industry must be up in arms on this, because obviously that's directly affecting their business and will decrease their revenue base.

Thank you.

**Hales:** Thank you.

**Moore-Love:** Next three.

**Hales:** Good afternoon. I think you're on first, Mary Ann.

**Mary Ann Schwab:** Thank you. Good afternoon, Mayor and Commissioners. I agree with senator - - excuse me, where am I? The city, OK -- Commissioner -- [laughter] --

**Hales:** None of us is running for that office -- are announcements here that I haven't heard?

**Schwab:** Start that three-minute clock again, please -- [laughter] -- I agree with Commissioner Dan Saltzman. It's time we put these short-term rental businesses into the light. And to that I would add, on so many levels, the city collecting 11.5 hotel tax, businesses paying income taxes -- and I'm talking short-term businesses -- and the immediate neighbor's right to restful night sleep between 10:00 and 7:00 in the morning. Right now, our city's noise ordinance has no tool to monitor or put fines out. I'm pleased that Airbnb is setting the bar high for the Portland B&B one, two-bedroom short-term rental, 24/7 commercial businesses by posting the inspectors' numbers online, and I'd like to see them add to the houses. When we were in Austria last September, every guest house had their buildings inspected and they were posted, guest house. And also, by collection of the 11.5 hotel tax -- I know Terri Williams is tracking that -- and hopefully to ensure their clients pay their shared economy the rental income with IRS, sending the 1099 forms for their clients. On a side note, when our children were making 12% interest at Ben Franklin, we had to pay the taxes on that income. And again, we need to bring this to the light. And as for opening up our apartments and our multifamily condos, those I picture along Division, Hawthorne, Belmont -- to have strangers coming and going I don't think is a public safety. It's not shared economy. It's protecting those -- they've signed a contract, they've been interviewed, managers have approved their circumstance financially to go into that unit, they've signed a note saying they know they would be quiet from 10:00 to 7:00 in the morning. That's a safe house. And little thing I'd like to add, the highest number of registered pedophiles in the state of Oregon happens to live in 97214. And how do we vent that? How do we vent bed bugs? Who does the laundry? There's lots of issues. I would prefer that this be taken off the table and thoroughly vented as suggested by Southeast Uplift. Thank you.

**Hales:** Thank you. Good afternoon.

**Bill Gregg:** Bill Gregg, Buckman neighborhood. I'm for like a nine-month requirement for residency. And I'm wondering, are they going to be allowed to rent out two rooms during the time that they're not there, without a host? Sort of what could effectively be a whole-house rental. Secondly, if council rightfully chooses to not allow apartments and un-hosted houses, will Airbnb -- who has spent tons of money to lobby the city -- also be taking these listings down from their site in Portland? Or will they do as they always have, using a catch-me-if-you-can way of doing business? Short-term rentals have been hyped by the PR department of Airbnb as being part of the new sharing economy. There was a site before Airbnb called Couchsurfing, where people would actually have people staying there without any kind of monetary interest. And this was true sharing. I have a problem saying that a commercial transaction between two parties, facilitated by a huge soon to be public company now worth \$10 billion, with them taking a fee on each transaction, how that has anything to do with sharing. In conclusion, as a businessman, I have always been surprised at the efforts to reduce the amount of compliance needed to become a short-term renter. The lower the barrier to entry that exists, the easier for more and more people to be doing this. With a finite amount of business out there, especially in the non-summer months, available business that will be there will be split amongst a larger and larger number of hosts. This may benefit Airbnb, but not the individual host. Thank you.

**Hales:** Thank you. Good afternoon, Steve.

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**Steve Unger:** Hi. First, I wanna say, I support Airbnb private room host rentals. I use it when I travel to visit my kids and grandkids in Salt Lake. It's a huge value. Second, I would like to say that from a policy perspective, I think that the three issues are limited commercial use of residential property, maintaining the rental housing stock, and having the ordinance enforceability. And about the limited commercial use, what I would say is when we got our bed and breakfast -- well we have a conditional use permit. BDS just told me that because we made limited commercial use of a residential property, we would be subject to limitations and restrictions that regular homeowners weren't subject to. And I just accepted that. And I think that this is partly what is going on here. This is why homeowners who do make limited commercial use of residential properties have to take some reasonable amount of extra things that a regular homeowner doesn't. Also, I was very pleased about the license number requirement getting some positive review. I think that this can only do good, it really can't do harm. Regarding this host residency, I beat my brain on this problem a lot and I came up with this idea that if you said a host has to be a resident, and what that means is present on the property four hours a day, even if was when they were sleeping. So there's a host, has to be on the property four hours a day, could be while they're sleeping. And then you said, 30 days a year, they could be absent if they gave their neighbors notice. This would allow them, Airbnb host to go away on vacation, 30 days a year, rent their property. They could rent it all year as a private rental when a host was present four hours a day. The last thing is about enforceability. And that has to do with the idea that a complaint-driven system won't protect the rental stock. A complaint-driven system can work if a neighbor has a problem about noise, parking problems, nuisance. But a neighbor will not call BDS compliance hot line and say, a unit was removed from the rental stock. So when BPS says, well, we'll just have it be complaint-driven, that won't work as a way of ensuring rental properties will maintain themselves. And then I would just say, I've always felt we need a phase two. I always put apartments and condos in phase two. And then we need a vacation rental ordinance for unsupervised vacation rentals. And I would urge you basically to hire a planner for a year, have them review 20 ordinances from around the country, and draft an ordinance for Portland. The first year that ordinance was in effect, that return on investment would probably be about 300% from lodging tax. I would rather have all of these rentals regulated appropriately than operating illegally.

**Hales:** Thanks very much.

**Gary Cash:** I'm Gary Cash, hi.

**Hales:** Welcome.

**Cash:** I'm a pretty simple guy, pretty simple little spiel here, and that's Airbnb has really given me a chance at life after some pretty hard events. In October, when I heard about Airbnb, it was the end of my unemployment. I was at the end of my COBRA insurance. I had given up my professional career as a clinical director at a health clinic to take care of my then-dying partner, who was dying of stage four cancer. He passed away two months later. There was no health insurance or anything. And I tried -- I have a Master's degree in education, I couldn't find anything to support my mortgage. And when it all seemed like it was just done, I learned about Airbnb. At the same time, I moved my father, who had been homeless for 10 years and it took me seven years to find him. I moved him in with me. Same month, I opened my first room and took my first guest, and then my father developed dementia. So, seven months later, Airbnb has allowed me to keep my house, it has allowed me to get caught up on my mortgage. I'm home every day to take care of my father. Every day. And also, my late partner was a landscaper, and he had one dream and that he was going to landscape a garden that people would tour. And every day that I have Airbnb guests, they tour my partner's garden. A young lady from Singapore who's a photographer spent half of the day Saturday photographing my garden. This is what Airbnb has done to me -- all the legalities, I don't know about. But I've lived in my house 18 years, and I'm getting to keep it today because of Airbnb. Thank you.

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**Hales:** Thank you.

**Matt Curtis:** My name is Matt Curtis, and I'm the government relations director for all worldwide government relations for HomeAway. We're actually the largest short-term rental company in the world, we have over a million listings around the world in 190 countries. And I'm the guy that actually flies around the world and works with city councils and Mayors and city staffs around the world on this issue. There's probably nobody else who has this job or would want it, except I do get to fly around a lot, which is neat. Unfortunately, I do use the Portland story a little bit in my presentations when I do go and speak with other city councils. In July of 2012, I called over a period of two days and spoke with nine different offices trying to find out what exactly your short-term rental regulation was, and could not get clarity from any office and eventually, the clarity I found was folks actually admitting that the regulation was very -- you know, it wasn't easy to follow, and it wasn't easy to understand. There was a real lack of clarity and the inability for short-term rental owners and operators to be compliant. A cursory review of short-term rental listings in the Portland area found that the oldest one seemed to be 15 to 20 years old in the area. So you had listings here that had been around for a long time. So when we talk about the unintended consequences, there are folks who probably have been operating in a traditional short-term rental for 15 or 20 years that might, in the scenario where they're not able to operate anymore, be essentially not able to continue to conduct their business. I was the chief of staff for the former mayor of Austin and current mayor of Austin and a councilmember before that, and we fought a short-term rental regulation there that went on for a two-year long discussion. It went very, very long. But one of the things that we found out was that for traditional short-term rentals, the average length of stay is a little more. It's 6.8 days. The average party size is 5.1 people, the average nightly stay \$250 a night, and average age of the party is 44-years-old. So basically, you have an older group of people, a larger group of people staying for a longer period of time. And I can probably -- [beeping]

**Hales:** Keep going. You've come some distance, we'll give you some extra time.

**Curtis:** I appreciate that. What are the kinds of travelers? Well, they tend to be folks where 28% have a graduate degree, 36% college degree. 19% with some college degree. This is a guy named allen cayman who came to Portland earlier this year, and he came up here with his three adult daughters. Stayed at a traditional short-term rental and had a good time while here, and they loved going to Powell's books and had a good time. But he wouldn't be willing to come if he didn't have the opportunity to have that entire home and feel like they were able to be the residents of that entire home. In 2012, the U.S. conference of mayors passed a resolution that basically said that the easiest way to create a short-term rental regulation is to make it fair and effective and easy for the owners and the managers to follow it. What's interesting is in 2014, there was a resolution this summer regarding short-term rentals, where it urged support to basically include the traditional short term rental in the regulation. Now, doing a poll and partnership with the Oregon VRMA, we found 69% of Portlandians actually support traditional short-term rentals as part of the local economy, 67 believe that they should be legal in Portland, and even 60% of those believe the regulation should be fair and clear and easy to follow, while 29% feel that the registration program is not even necessary at all. You actually have a really strong support for the traditional short-term rental community in Portland.

**Novick:** May I just interrupt?

**Curtis:** Yes, sir.

**Novick:** Can we assume that 11% favored an unfair and unclear registration program? [laughter]

**Hales:** It must be so.

**Curtis:** I'm happy to share that poll and the full questions and all of the cross-tabs of that poll with you as well. The economics. Well, an economist not too long ago did a study and found the entire overall economic impact of the activity is \$46.5 million for the entire community and it benefits the jobs to about 375. This is a guy named roberto camerillo who came to Portland in February and he

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stayed with his son and his son's family in Ladd's Addition. They were visiting his daughter and his son who just had a new baby, and already had an existing baby, so the family's house was too small. But they didn't want to stay in a hotel too far away, they wanted to stay in a house and they wanted to be able to share that activity as a family. When we start to look at the economics and the poll and the best practices, we also probably want to talk about where there are some worst practices. In New York, when they banned short-term rentals in 2010, they doubled down on the ban with a heavy fine in 2011. Now there's about 4.5 times the number of short-term rentals since before the ban. But they are not able to, you know, enforce that ban, even with the higher fine in New York. They did the same thing in Palm Desert, California, except Palm Desert came back a little while later. In about 2008, they actually regulated short-term rentals and allowed traditional short term rentals to be active in the community. Now they feel they have 100% compliance in Palm Desert, Cathedral City, and other cities in southern California. They're actually fine with a fair, easy, and effective registration program. They're actually able to have much higher levels of compliance. So, looking at all of the regulations around the country, I think while this is a phenomenal step in the right direction from my phone call in July of 2009 -- I'm sorry, my call in July of 2012, when I called nine different offices and was not able to find any kind of answer about what the registration program was -- I think this is a huge step in the right direction to create a registration program and regulatory atmosphere that works. However, I feel that if we could get the owners and managers of the traditional short-term rentals to the table, include them to talk about best practices and proven resources to understand the needs of the traveler -- remember allen who came up here with his daughters, or roberto -- and have a data-driven conversation with the stakeholder, which includes the traditional short-term rental owner and operator, that's when I think you will actually find the highest success rate and the greatest amount of compliance. So with that, I'm happy to take any questions as somebody who works in the industry.

**Hales:** Thank you, this is helpful.

**Fish:** Well, we hope you actually consider buying a place.

**Curtis:** Funny that you say that.

**Fish:** First, since you've done a lot of polling, did you get a sense of whether there was any consensus around the street fee proposal? [laughter] Was there any one option that sort of -- OK. So, Austin. In the stuff that we've pulled off the internet, San Francisco, Austin, and New York come up a lot. So we have the benefit of someone who knows Austin pretty well, so, a couple of questions. What has been Austin's experience with multifamily?

**Curtis:** They just created -- basically, they separated the entire regulatory atmosphere into three frameworks. If you want to think of it easily, type one would be more of somebody renting their home, their property just for the occasional weekend. That would be a type one. Type two would be a traditional short-term rental, and type three would be multifamily. They only implemented the type three multifamily regulation -- I believe it was probably March -- so it's fairly new. It is something that was left out of the original regulation. What they did do is they have a cap per building that essentially limits the number of short-term rentals that could be in every building. People have to register and pay a registration fee. I think it's yet to be seen what the success rate of that is --

**Fish:** Success rate in terms of bringing it out from under the shadows? Or success rate in terms of this regulatory scheme working?

**Curtis:** Success rate from this one working, particularly because they created a very high fee. I think if Austin made a -- one flaw that the council, it's a council manager form of government. The city council really stressed having a very low fee. The city staff implemented a \$275 fee for everyone to register. So for your occasional multifamily registrant, that may hamper the registration. I think if you asked most of the council members, they would have said when they said low, they meant \$20.

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**Fish:** And sir, the other question I had -- and this has come up particularly in San Francisco -- do you have any initial data on the impact of short-term rentals on the inventory or stock of affordable rental housing?

**Curtis:** It's good that you say that. It's interesting, the traditional short term rentals -- so the standalone home that's being rented out most of the year -- we don't see a whole lot of traditional short-term rental in urban areas. So in Austin, the estimate at any given time, we probably have about 300. In San Francisco, I haven't gauged anyone on the actual number, but it's not a lot. And we're also talking about multimillion dollar properties, very, very expensive homes that have probably been people's second homes for a long time. We haven't heard or seen any real data on what that does to the kind of housing stock. But in Austin, Texas, if you think it's the eleventh largest city in the United States, 300 homes isn't taking a lot of housing stock off the table. And it seems like in your urban areas, traditional short-term rental is not a major component of the short-term rental atmosphere like more of your occasional short-term rental would be. Does that answer the question?

**Hales:** Thank you. Other questions?

**Novick:** Do you happen to know if Austin addressed the issue of who needs to be notified in multifamily housing?

**Curtis:** They did. And they have a neighbor notification. They have an existing notification strategy that works for a variety of zoning and land use issues where the neighbors within a certain distance will get a letter. And in this case, when somebody registers for a short-term rental, the neighbors in a certain distance -- I want to say it is 100 feet, if I remember correctly -- and I'm happy to get that answer for you.

**Novick:** And that applies in multifamily housing?

**Curtis:** Yes, I believe it does. And I'll verify that for you. But I'm confident that it does.

**Novick:** Thank you.

**Hales:** Thank you. Appreciate your --

**Curtis:** This is actually a good time to ask a lot of questions, because I'm the one that has to grill over this stuff all of the time. It's painful at times --

**Hales:** As we move forward with this, assuming that we're moving forward with all or a portion of this, I think your assistance and other companies that are doing this work will be very helpful. We appreciate you coming today and getting in touch with us, and obviously there is more refinement to do regardless of what we do in the next couple of weeks. So we hope to continue to call on you as a resource and make you have to fly back to Portland again.

**Curtis:** Please, I'm happy to. Thank you.

**Hales:** Thank you. Welcome.

**Cliff Johnson:** Thank you for your time today. My name's Cliff Johnson, I'm the cofounder of Vacasa. We're a local vacation rental property management company. We formed the company here in 2009. We manage over 1000 rentals in six states, 135 jurisdictions, none of which are in Portland. One of the reasons we do that is we have strict compliance with local codes and laws. We don't manage homes that are illegal rentals. And one of the things that we see as a common thread that happens is whenever you overregulate rentals or make the ordinance in such a way that it's very difficult to comply with or understand, people just don't do it. This happens all over the coast. We manage several homes out on the coast, and there's several different ways of doing it. Cannon Beach has a very restrictive way of doing it. Other places like Tillamook County are very open and obvious what you're supposed to do, there's a low barrier to entry. And people comply with those laws. What we're looking to promote here is giving the option for people to understand what the law is and how they can comply with that. Create a low barrier to entry and also create enforceability for the law. One of the things that I would like to focus is the difference between -- Matt alluded to traditional short-term rentals. A lot of this law that we're looking at now is addressing room shares

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or atypical vacation rentals. It really isn't addressing the three bedroom and higher homes. And it's somewhat of an arbitrary distinction in the sense that we will allow this activity, because we know it's happening, but we're not going to allow the traditional activity. Whereas, that's the activity that's very unlikely to be competing with affordable housing. As Matt said, a lot of times, they're million dollar homes. They're snowbirds, where they spend six months in Portland, six months somewhere else, they want to rent that and it's going to create a lot of jobs. We created 325 jobs in four years, 200 plus of those are in Oregon. Some of them are in Portland, despite the fact that we can't do business in Portland. And we can create 300 plus if we have the opportunity to manage traditional short-term rentals here.

**Hales:** So maybe a question for both you and Matt. Typically, in these other city ordinances -- as you said, we've come into this through the door of what the zoning code allows in single family neighborhoods. We have broadened that a bit, but we're not yet addressing the question of traditional vacation rentals. Is it typical in other cities that they are regulating it, and are there some best practices? You mentioned Tillamook County. Are there other best practices we ought to look at? Because we have not yet opened that door really in the regulatory work that we're doing here.

**Johnson:** Definitely. Tillamook County -- it's a recent ordinance. And a lot of ones that have done it recently have taken a view where they look at several different cities and take the best practices from each city, what's working really well. Newport just went through this as well, and they did a really great job. They really engaged the community. It took them a little while, but not nearly as long as Lincoln City is taking, and it ended up with a resolution that really has gone well in the city. It's increased the room taxes. And what they had before was similar to Portland where it was somewhat of an unwritten, illegal -- you know, you could rent your house 10 times per year. There was really no way of enforcing whether people were renting more or less than that. As a result, they came up with an ordinance that's very easy to comply with. It requires an inspection, which is great. Safety is one of our biggest concerns in our homes. We don't want any of our guests getting injured. That's a liability issue for us, too. That's something I would bring up as well. This law doesn't really give a place to develop vacation rental property management companies within Portland. And those companies will help bring people to the surface, make them comply with the law, make them understand the law. If there's not a place for them -- we're not going to engage in activities so we can rent out a \$50 a night room, there's not enough money in that for us, to be frank, but also I don't see the benefit to the community as much as I do bringing in visitors that wouldn't come here otherwise, that are going to spend more money, and they're also going to be good visitors. They are going to be families that are willing to -- only willing to come here and stay a longer period, like we said, if they have that option.

**Hales:** Thank you. Matt, other places that you can think of that does this vacation rental by owner kind of situation?

**Curtis:** Certainly. Austin and Portland worldwide are really viewed by so many people as best practice communities. I mean, honestly, I come from a neat city and I'm coming to the neatest city. But seriously -- [laughter]

**Fish:** Liked hearing that.

**Curtis:** But we are the best practice communities. Everybody is so sick of hearing about Austin and Portland whenever they talk about how to do things from place-making to transportation and so on. But we do it well. And I think Austin would be a great place to start. I think, unfortunately -- and there's probably a lot of small-town examples, but that's where a lot of the short-term rental activity was happening traditionally. So you would be looking at places like the Coachella Valley towns I mentioned like Palm Desert. An interesting thing in those conversations is that you'll run across a city planner, Cindy Gosselin. Cindy was the one who actually banned -- or worked to ban -- the short-term rentals in 2002 -- I believe it was in Palm Desert -- only to come back and add an extreme high fee for people engaging in the activity still in 2005. Only to come back in 2008, 2009,

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and say, what are we doing? They're obviously still operating, just under the radar. Let's build a registration program that's fair and easy to follow. That has been successful, and she's taken that and replicated that in dozens of cities around the United States. Coachella Valley communities; Cindy Gosselin, the city planner there; Austin would probably some good places to start.

**Hales:** Thank you. Very helpful. Thank you all.

**Moore-Love:** Next three.

**Hales:** Good afternoon, welcome.

**Michael Kirk:** Good afternoon. Thank you, Mayor and Commissioners, My name is Michael Kirk. I just wanted to talk about some of the positive impacts, positive financial impacts to the traditional short-term rental industry. This industry generates in cities that are of our size and population, between \$40 million and \$50 million a year in revenue annually. That taxable revenue could certainly be used to further some of our tourism activities and other city development projects. Traditional short-term rentals generate other revenue for our communities through restaurants, purchasing activities, people visiting our local attractions -- the type of things we want to bring outside visitors into our community and get to know Portland and consider us a place that they want to return on an annual basis, hopefully. Traditional short-term rentals also have another benefit where people using these properties as their second home are paying property taxes on those particular locations, but they're not using a lot of the services that are associated with that, such as schools, you know, the kids that normally would be living in these properties on a full-term basis if it was their primary residence aren't there, they're in another home, in another place, in another state -- but are still paying those fees to help generate money for our schools and other activities, and not using other city resources that would traditionally be in a full-time resident property.

**Fish:** Sir, just on the point you just raised, the amendment that is now on the table requires that the owner occupy the home for nine months of the year. So, that would seem to go against what you're saying the benefits of extending this program to second homes that happen to be in Portland. Do you have a comment on that?

**Kirk:** No, it's probably my misunderstanding of the actual ordinance we're discussing -- or the amendment that is on the table, I apologize.

**Fish:** Well, I'm not -- I just wanted to clarify -- I was listening to your point, and you make an eloquent point. But the amendment on the table would effectively prevent the person that has the second home that they don't occupy that's in Portland -- would prevent them from renting it out for short-term rentals, because they can't establish that they are an owner-occupant for nine months of the year.

**Kirk:** Sure, understood. OK. Also wanted to discuss, as far as tourism industry things, as far as our rental inventory for people visiting our community, one of the benefits here is we don't have to build other hotels and things to house potential future tourists coming into our community. We can house them in existing inventory that is participating in some of this traditional short-term rental activity.

**Hales:** I think your testimony and some earlier today, and also last time sort of demonstrates that one way to think about this is the old three-door thing. Door number one is single-family homes that are renting out rooms. Door number two is multifamily structures, whether they're condos or apartments. And door number three is short-term vacation rentals of the whole house booked through somebody. And the planning commission opened door number one, and we've opened door number two and we haven't yet opened door number three, though we know it's there. And I think the fact that you and others are testifying to it shows that we still have more work to do on this issue, even after we resolve the question of how we deal with single family homes and multifamily units. We have not written code, the planning commission hasn't even written a proposal about the third issue. But I think this hearing and the one before helped highlight the fact that this also is going on here and elsewhere. It's not currently legal. What do we want to do about it?

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**Kirk:** Understood. Thank you.

**Hales:** Thank you. Good afternoon.

**Eric Schmidt:** Good afternoon, my name is Eric Schmidt. I would like to touch on door number three, briefly. [laughter]

**Hales:** Maybe I've set up a game show here. [laughter]

**Schmidt:** In the fall of 2013, I was unexpectedly laid off from my job. For the first time in about 15 years, I found myself out of work without anything lined up. Very quickly found myself struggling with the current crowded job market, and I learned the harsh truth about Portland. And that is the average wage for jobs is surprisingly low compared to the drastically higher rents and cost of living that we're experiencing. I was fortunate, I found Vacasa rentals -- and, again, my period of unemployment was rather short. What I really would like to address is the possibility of economic growth through the potential of converting Portland homes into traditional short-term rentals with the creation of those properties, the need for qualified maintenance staff, housekeeping, job opportunities for people on an ongoing basis in the industry that would provide steady, reliable jobs for people who may be struggling like I was to re-enter the workforce in a timely matter, or people who want to advance in their current careers. Vacasa provides flexibility in our workforce with housekeepers, maintenance people, for the opportunity to go back to school and get education, take care of your kids, and not worry about where you are living and how you're going to pay the rent. To limit the legalization of vacation rentals to a short-term rentals of rooms in a primary residence -- I really feel like Portland would miss the opportunity to boost the local job market by allowing companies like Vacasa to create a new and reliable source of job opportunities for people at all levels of career development. By allowing companies to create jobs with competitive pay, the city is directly helping us to afford housing in this increasingly expensive rental market for long-term Portlanders so we can continue to stay in the city we love. I urge you to give consideration to expanding the parameters of what you're looking at.

**Hales:** Thank you. Good afternoon.

**Diane Henderson:** Good afternoon, Mayor and Commissioners. I'm going to be talking about promoting all three doors. So, to start, the short-term rental --

**Hales:** Just give us your name --

**Henderson:** Diane Henderson. To start, the short-term industry in Portland is not shaped by one type of rental alone, room shares, typically marketed on Airbnb. Over the past couple of weeks, headlines in the media, quote, Portland City Council to vote on whether to legalize Airbnb rentals. Airbnb near deal with Portland over short-term rentals. Sharing economy. Or how about, Portland tries to make peace with Airbnb, as sharing economy moves into the mainstream. And the list goes on. The conversation end vote should not be about the domination of Airbnb, but how the short-term vacation rental industry as a whole can benefit the great and unique city of Portland. To illustrate, I would like to share an experience of my cousin who stayed in Portland after accepting a job offer in downtown Portland, and why limiting the rules and regulations to room shares are curtailing the bigger picture. As an avid traveler and subsequent user of Airbnb and vacation rentals, my cousin knows the benefits of space as a little slice of home in every travel experience, allotting the economic benefits of a private kitchen, bath, and private space. However, in Portland under the current and proposed laws, what would he experience? Either a room or two that negates the desire of privacy, or using a private condo or apartment illegally -- or in my cousin's case, a converted office building, which was seemingly run as a downtown hotel where the onus of regulation safety are out of the guest's hands. I want to make this understood that I'm not advocating to get rid of room shares, as I do believe that room shares fills a market niche. But that's it, a niche. We are simply wishing to provide more options for consumers. The vacation rental industry proves that not every guest wants to stay in a cookie-cutter hotel. Consumers desire to live like a local. But in

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Portland, guest and tourists are limited to the services and quality control of room shares alone. So thank you very much for your consideration.

**Hales:** Thank you. Thank you all.

**Moore-Love:** The next three.

**Hales:** Welcome. You're first, Matthew.

**Betsy LaBarge:** You figured out which one is Matthew.

**Hales:** If I can't do that, you don't want me up here.

**Matthew Tesdall:** Thank you for allowing us this time to speak. I'm Matthew Tesdall. My wife and I own a property management company that manages traditional short-term rentals predominantly in Utah, but we live here in Oregon. We would like to -- there's two things I want to point out. One is we would like to operate here in Oregon, here in Portland. We love Portland. We actually live in Vernonia. But we would like to do it safely and honestly -- like Vacasa was talking about. And I like the direction you guys are going. I was at the last meeting earlier, June 4th, I think, and I like the direction you're going, but I would like you to open up all doors -- one, two, and three -- to people who have a home here, but for some reason don't live here anymore, whether it's a job transfer or something and they intend to come back and need to make revenue on that instead of sitting here without making any revenue or doing a long-term rental. That's number one. So I would like to see all three doors open. Number two is we have five children. My wife and I and our five children have been coming to Portland since 2001. We moved here two years ago. We could never stay in Portland, because it's difficult to stay in a hotel room with five kids -- or even with two rooms. And so we always went to Mount Hood or Hood River or down into the Willamette area to stay instead. Even last week when we went on vacation for four or five days, we actually went to another city in Oregon, and stayed there instead of staying in Portland. And we're avid supporters of the Timbers Army and the Timbers soccer, so we would've loved to stay here, but we couldn't. Instead we spent two, three thousand dollars somewhere else. And it's revenue I think the city is missing, and that's all. Thank you.

**Hales:** Welcome. Thank you.

**LaBarge:** Well, thank you for your time. I'm Betsy LaBarge, and I own Mt. Hood Vacation Rentals. I've been in business almost 23 years, I'm very actively involved in the short-term rental industry, and I've served on many boards nationally and locally, and I currently serve with Clackamas County Tourism Development Council, and I chair the marketing committee. So to me, tourism development is very important, and the short-term rental industry is very important, especially the traditional short-term rental. And that is the door number three you mentioned, maybe that's what we're going to start calling it, door number three. But it is really being ignored here, and that is a concern to me. If you look at the Airbnb listings, over a thousand are entire home, which implies the host isn't there. So it is already happening, as you said. And not to say that we should legalize everything that is already happening, except for this is a good type of activity. It does create a lot of economic benefit. We have the economic impact report that was done in 2013 for Portland, and it shows a lot of benefit including, number one, the transient occupancy taxes that are not being collected now. City of Portland at 6%, Multnomah County at 5.5%, and the state of Oregon at 1%. That's a lot of money that you're not getting. And until this regulation is well thought out and enforceable and covers that, there's a lot of income that's not being noticed by the municipalities. Secondly, I'm concerned that you're looking at only primary homes. There are a lot of examples where there could be a second home. One of my clients at Mt. Hood also owns a condo as a second home in Portland, and he lives in Texas. He chooses to rent his home out at Mt. Hood. He doesn't have an opportunity to rent his second home here. He does work full time. It's not like he's here a lot, but he does come here occasionally because he has kids in Portland, so they bought a second home in Portland. It would be a nice benefit for them to be able to rent it legally. And so I would really like to encourage you to consider how to include second homes in this, and not make it just be

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primary homes. Other people have already talked about the economic benefit, and the demographics of those people who rent, how much they spent -- two, three grand on a vacation easily. And so we're missing that opportunity here. I do just want to say thank you for looking at things like inspections and safety. As a property manager for this many years, I'm always looking at that. And personally, I would love to have the professional inspector come tell me -- back me up. So I'm not the one who's saying, yeah that railing is safe, that deck is safe, that electrical is safe. Because that's what I do now. Nobody's telling me that I'm right, but I think I am. [laughter] I mean, I don't know. I really applaud you for taking a deeper look at a lot of those issues that you were questioning in the last public hearing a month ago. And I also will volunteer my time to be of any assistance to you. I've been actively involved in this for 22 years, served nationally on boards. Please call on me, I'm happy to help you find connections.

**Hales:** Yeah, good. And I'll tell this to anyone -- make sure our staff has your contact info, if they don't already.

**LaBarge:** OK, which staff person?

**Hales:** Right behind you, Susan Anderson and Sarah Wood.

**LaBarge:** They're going to get a lot of business cards.

**Hales:** Good. Because we're going to need to draw on the industry to figure this out, so thank you. Good afternoon.

**Judy Crockett:** Mr. Mayor, Commissioners, my name is Judy Crockett, and I live in close-in southeast Portland, and I'm here supporting the proposed changes. I retired from the city about six years ago. And in that time period, the cost-of-living has gone up 10%, as has my property tax. And my pensions have not kept up with that. Renting out one room in my home has been very useful, not only in making up that gap, but also allowing me to make changes and improvements to my home. For example, this last year, I had the home -- which is even older than I am -- attached to its foundations so that it would be safer in terms of an earthquake. Two of my neighbors, Mrs. Galluchi and Mrs. Carlson, lived in their homes until they were either in their mid-nineties or in Mrs. Galluchi's case, 102. Before this last year, they both moved into the same nursing home. I'd like to be able to do that very same thing in my neighborhood. I have been renting out with Airbnb for three years. And when I began looking at it, I tried to comply with every possible regulation, short of spending \$4000 to get a zoning change. I've put in easy access, easy exit windows. I've put in a CO2 monitor, extra fire alarms. I did everything that I possibly could. Got more insurance, got my food handler's license so I can provide a nice experience for the guests, as well as a really great breakfast. In addition, every year I've spent about an extra \$2000 of buying supplies and food for the guests, so I am hopefully pumping a little bit of money into the economy. I would love to be able to come out and be operating legally, and I have no problem with paying taxes. So, thank you.

**Hales:** Thanks very much. Good afternoon, welcome.

**Alisa Christensen:** Hi, my name is Alisa Christensen. I moved to Portland in '06 after being injured in Los Angeles. I was burned and had brain damage, so that's why I speak slow and with a stutter. So please excuse me, I'll try to be concise. I started in -- Los Angeles is a huge metropolis, there's a lot of burn support. When I moved up here, there was only one burn unit for the whole state, and no burn support. So I started Portland Burn Survivors, a not-for-profit dedicated to helping burn survivors get back on their feet. And for their friends and family, too, because burns take so long to heal. And my income is fixed. I was in a union when I was injured, I'm getting my pension early. So, I have enough money to live on myself, but I don't have enough money to fund my corporation. So what I do is, instead of attaching my social security number to the MasterCard that Airbnb pays me through, I attached Portland Burn Survivors EIN. So now we have money to give burn survivors that call me up with, I can't pay my mortgage this month, can you do anything for me? I can say, yes. They call me up and say, I haven't been able to pay my phone bill for three months, it's going to be shut off, can you pay it? I can say, yes. For that reason alone, I think you should really, really

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consider this. And as far as taxes go, I paid \$3000 in taxes when I first bought my house. Seven years later, I'm paying over \$4600. I pay enough in taxes, and I really don't think that we should pay more. Thank you.

**Hales:** Thank you. Thanks for what you're doing. Deborah, welcome.

**Deborah Imse:** Good to be here. Good afternoon, Mayor Hales and Commissioners. My name is Deborah Imse, and I am the executive director for Multifamily NW. Our members represent over 180,000 units of rental housing. As city council considers short-term rental issues, it's critical that landlord-tenant law, long-term lease agreements and affordable housing issues are understood and addressed in both single family and multifamily units. The lease is the heart of landlord-tenant-law and covers the rights and obligations of both of the resident and the landlord. Most leases prohibit subletting or running a commercial business in the unit. In short, it's the rule rather than the exception that renters are not allowed to do those two activities. It's critical that the city not mislead prospective permit applicants about their ability to do these short-term rentals, or appear to allow an activity that is not permitted by another contract. I realize that the short-term rentals like Airbnb maybe are going on currently in rental units where the lease prohibits it. The reality is that our members get complaints all the time. What we don't know is how many of those complaints are non-paying guests, which are allowed, and how many are generated by a prohibited short-term rental. The question has been asked over the last few days a lot, why delay consideration for multifamily properties? Frankly, because multifamily housing simply has not been at the table and has not had the same vetting and public process as the single family structures, as it was removed from consideration early on in the process. Multifamily NW urges the council to adopt some protections for the single family units that will be legal. One, no permit application should be accepted unless the owner agent approves, no inspection should be scheduled unless the owner agent authorizes it, and short-term rental sites should commit they will not list any rental unless a permit has been issued. With these owner protections in place for single family rentals over the next two years, everyone will be able to get some real data on what works, what needs improvement, and what unintended consequences needs addressing. Before we take on the more complicated issues of multifamily rentals, we need to look at this 2016 report. Thank you for your consideration of our concerns, and I look forward to working with you as you make your decisions on short-term rental policy.

**Hales:** So Deborah, I think from our standpoint -- I might need to bring staff up and talk about this -- but our code in terms of land use doesn't really make a distinction between a condominium building and an apartment building. It's different from a legal standpoint. But take a piece of CXD property downtown, you can build a building on it with a bunch of housing units. And you can either rent them out or you can sell them. In fact, you could start doing one and then change your mind and start doing something else. So I think from a land use standpoint, one of the reasons we're interested in opening door number two -- if I could go back to my silly metaphor -- is that we're just trying to decide if we should enable the transaction to happen legally. In order it for to happen legally in an apartment building, we're proposing that the owner of the apartment also be involved in the decision, obviously. And in the case of a condominium, that the homeowners association also be involved. Because in each case, the occupant of that multifamily building has a contract with somebody else. If I'm a condo owner, I have a contract with my condo association. If I'm a renter, I have a contract with my landlord. The proposal in front of us tries to respect that relationship -- I hope you agree. So waiting to deal about the buildings that are in a city that's becoming more dense, waiting to deal with the buildings that have more than one unit in them seems a strange option to me. So, if we're able to get that basic protection for the lease, which we think we have here -- if you want a permit to operate a short-term rental in your apartment unit, you have to have your landlord's approval. We think we've checked that box, but help me more with that.

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**Imse:** I'd be happy to. I mean, I think that right now, we're saying -- so we have members that are with one unit, mom and pop, all the way up to 18,000 units. So, what we're saying is we haven't -- we're putting something we don't even know is going to work yet. We need to take a look and see what the outcomes are in a much more restricted way. For instance, on a single-family home, that address gets posted on Portland Maps. When you have a unit that is doing this, that doesn't get posted on Portland Maps. We have a lot of issues around, for instance, the tax credit property. They have to affirm their income. So if they affirm their income and they are also getting other income over here, they're out of balance. When you rent an apartment, you sign probably 20 documents. What we are seeing happen already is this discussion is leading people to think that this is something that they will be able to do, when in most cases, they won't be able to do. That having been said, why not vet all the issues that might come up and then develop a policy -- if in fact a policy should be developed?

**Fish:** May I pose a question?

**Hales:** Please.

**Fish:** Deborah, you still serve on the housing advisory commission?

**Imse:** Portland Housing Bureau, yeah.

**Fish:** In my experience working with metro multifamily -- for example -- colleagues, we've had some sharp disagreements in the past. Or, put it this way: there are times I would not want to walk in Deborah's shoes, because her caucus has sharp disagreement on issues, whether it's Section 8 or fair housing or whatever. What I can say is that when we've taken the time to work through these issues, we've usually gotten to the right place. We would not have had Section 8 reform or progress in fair housing without the industry standing side-by-side. And we didn't always start at the same place, but at the end we got there. So Deborah, walk us through your view of -- we have an amendment on the table that says this will be allowed if the landlord, in the case of multifamily rental housing, signed off on it. Is it likely that a landlord -- you've previously said most of these leases have at least one if not two express prohibitions: no commercial activity, no subletting. So it's already baked into the lease agreements that you can't do it. Under what circumstances can you imagine a landlord agreeing to this transaction? And two, is there a possibility that in agreeing to the transaction, the landlord could attempt to exact new terms and conditions for the lease agreement?

**Imse:** So I could see a situation -- and some were mentioned here -- where a landlord has small 10-unit, and they're living in that unit, and they want to make a decision to rent out a couple of those units. And they may have long-term renters as well. So in that case, you're talking about the owner, that's fine. There's no problem in that. So that's an arrangement I could see as a possibility, because the owner is allowing. And maybe if they have short-term rentals there, maybe they don't care if their residents have short-term rentals as well. I don't see -- the liability for multifamily property. I do not see a situation in which a landlord would go along with that program. You're talking about other residents that entered into leases expecting they were going to have the quiet, safe enjoyment of their building, and now people that haven't been screened are coming into their area, sharing their common area. And that's not what the other tenants signed on for.

**Fish:** So additionally, have you had a chance, since this conversation started -- this debate -- to look at the experience of other cities? And have you learned anything about other cities that you believe should guide our deliberation?

**Imse:** Well, I think that we need to look at some more experience. Because nobody's had a lot of experience. And Portland is frankly on the leading edge of trying to have some regulation around this issue. But I will say that San Francisco has serious concerns about this situation depleting the availability of affordable housing, because people are taking their units off the market and just doing short-term rentals.

**Fish:** Deborah, another issue of concern to me for anything that we regulate is to make sure that we have the ability to enforce our regulations. We can spend all day crafting sensible regulations, but if

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we can't enforce them, then we've got a problem. So, we've heard from a lot of people who've come before us saying they are renting out their apartments. Apparently, there are a lot of people in Portland in violation of their lease. To what extent is the industry taking steps to police that? Or are you unable to police that?

**Imse:** Well, it is not easy to police because of what I just said about the unit not being listed on Portland Maps. I will tell you that, like the city of Portland, this is a new issue for my members, a recognition that some of what's going on in the property may in fact be prohibited by the lease. And we've had some discussions. We have a board meeting in a couple of weeks in which this is the topic of how we are going to regulate it. It is a serious enough offense in violation of the lease that they will either stop it or they will be evicted. And frankly, my members are in the business of renting, they're not in the business of evicting -- and don't want to be in that business.

**Fish:** I think the basic disagreement I may have with this amendment that the Mayor has offered is that I think my preference is we pull industry together, spend six months discussing this, brainstorming, looking at the issues, seeing if it can be regulated effectively, and come back to council for that discussion. The mayor's approach would be essentially saying, we're going to allow this as of January 1st, and then spend the next six months working out the details. Do you have a strong view of either approach?

**Imse:** Well, I believe the preference we would have is that we sit down, collaborate in a room, iron out all the issues, the possible concerns around liability. It concerns me that Oregon ON -- that represents all our nonprofits in the state -- hasn't been in a room to weigh in on this to see what impact it would have on the affordable housing side of the equation when we know that -- at least in San Francisco -- that's been a concern. So I'm happy to roll up my sleeves and work hard to try to take a look at all these issues and see if it makes sense for the city of Portland. I mean, I'm all for the economic viability of our city as well, but I just want to make sure that we're putting together good public policy. One of the gentlemen up here said people look to Portland and look to Austin as samples of where good policy is made, and I'd like to make sure that this is one of those times where we're making good policy.

**Fish:** Finally, Mayor -- I appreciate the dispensation just to make a record. You said Oregon ON. One of the things that concerns me is I can think of a dozen contexts in which this rental housing, but because of the funding source for developing the housing, there's a different set of rules. So there are different sets of rules around Section 8. There are different sets of rules around tax credit. There's different sets of rules around public housing. There's different sets of rules around housing done by Habitat with different pots of money. You can go on and on. And what appears on the surface to be a question of multifamily, to me, is a very complicated question. And there are equitable issues there about who can and can't take advantage of this if we allow it. It's one of the reasons why -- I'm just speaking for myself -- I feel we have a substantial record here to decide how this applies to single family, I feel like we're flying blind in the multifamily. There may be a path forward on multifamily, but I would like to see the same care and attention building a record on that issue that we had with the single family. Because I'm actually at a point where I feel very comfortable moving forward with single family. I think the record gives us some clarity about regulations. Do you have any members in your association who've indicated to you that they are interested in exploring a change in what's been the traditional practice of prohibiting this kind of activity, and move to one where it would be either allowed or encouraged?

**Imse:** No, I don't. In fact, I had a lot of alarm bells. The closest -- we do have a member that does do short-term renting for corporate and some other situations, and they handle it just like they would a long-term renter. That person's screened, a background check is done, and their recommendation would be that anytime you're putting somebody in a property where you don't have a background check would be inappropriate.

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**Hales:** Deborah, I've got to say -- first of all, we're not in a court of law, we're not here to build a record, we're here to make common sense decisions in real time about things that are already happening. Secondly, as both a former representative of the multi-housing family council and as a landlord, frankly I'm puzzled that you don't want us to do this for now. This is illegal today, it might also be in violation of people's leases today, or there might be landlords -- in fact, I don't have a provision in my lease that prohibits this. I don't plan to. But I'm perfectly free to do that today, and I'll be perfectly free to do that the morning after this ordinance goes into effect. And in fact, I will also have the city of Portland with an open and fairly clear registration program for people that want to do this that requires my signature. So as landlord, why wouldn't I want the city to do that? I'm just puzzled by your position that sure, we might refine this more later, but wouldn't a good starting place be doing what we have in front of us now? Which is to say, of course we're not invading your lease. Of course we're not invading your homeowners association agreement. But if you have a tenant who wants to rent out their second bedroom, they have to check with you first, prove they've checked with you, and then get a permit with the city. Why wouldn't you want us to do that for now?

**Imse:** Well, the reason I wouldn't want you to do it for now is I'm not convinced that it should be done at all. So until the conversations that need to happen -- until we know the unintended consequences of the policy might be -- and rather putting it in place today and then dealing with the fallout sounds much more difficult for my members than walking through the process, knowing -- as Commissioner Fish mentioned -- there are affordable housing contracts that won't ever allow this.

**Hales:** Sure, then prohibit it. Then say, you can't do that in this unit.

**Imse:** Right. And I think I and other landlord associations would like the opportunity to figure out what all those are so we can educate both our members and our residents on what they can do and can't do. And if it goes into play immediately, there is no education for a very complex process.

**Hales:** OK. Thank you.

**Fish:** Well I go back to my experience on Section 8 and their housing, where actually I had a philosophical disagreement with Metro Multifamily on some level. And we worked through those issues to get to a consensus. And the industry came along and developed best practices on the way. I think we're talking six and one half dozen -- I don't actually see a fundamental issue here other than we spend a lot of time having an administrative body look at something, consider the intended, unintended consequences, develop guidelines, we had a work session, we've had two public hearings, we've had amendments, and that has produced -- in my opinion -- in the area of single family residences, a thoughtful record upon which to act. I don't feel the record before us is sufficient to start making bets about what might or might not work with multifamily. Which is why I think we should take a timeout, spend the time to study it, come back with a proposal that would hopefully have the blessing of your industry. We may still do it over your objection, but my experience with Metro Multifamily is we usually get to the right place in the end.

**Novick:** I had a couple of questions. One is, do you think it's true that there's a fair amount of this going on now?

**Imse:** I guess it's, what's a fair amount? The last number I heard was there were 1500 listings. And I think I mentioned to some of you and I'll mention it again, the documents they have to sign -- I'm guessing that there are folks out there that don't know their lease prohibits it, and are in fact doing it.

**Novick:** I mean, have there been to date a bunch of evictions for people breaking their lease by doing this?

**Imse:** Well, this is very new to our radar screen. So the answer is, I don't think there has been a lot of evictions as it relates to this issue, because I don't think a lot of members -- as I mentioned in testimony -- it would be difficult to know whether or not it was a guest that had caused the problem or, you know, they're not going to say, you know, this was my illegal thing I was doing if there's a

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problem or a complaint. It's going to be handled in terms of the resident, not the guest or the short-term rental.

**Novick:** You're right, 1500 sounds like a lot but I guess it is limited. It seems to me that if this were a widespread practice already, then you should have seen a surge in complaints about unwanted people on properties, and already seen some evictions.

**Imse:** Yes. I think it would have -- I'm guessing, Commissioner, it would've been on our radar screen earlier if that was the case. BDS says 25% of single family homes are rentals. Some piece of that 1500 is obviously single family homes.

**Novick:** So is it your concern -- I mean, if it's going on now, hasn't really bubbled to the surface as a major issue for your members, is your concern really if the city puts its imprimatur on this practice, then there will be a big surge in the number of people doing it, and that might cause problems?

**Imse:** Absolutely. Absolutely.

**Novick:** Are there -- I mean, is this advanced enough -- in the places that have decided to start recognizing and regulating this, do we know if there's been an acceleration in the number of people doing it? Or was it just sort of the same kind of growth in places that aren't authorizing it in places that are?

**Imse:** I don't have that data. I could get it for you, and see if it's out there.

**Novick:** OK.

**Hales:** OK. Thank you, Deborah. Appreciate it. Good afternoon.

**Nicole Peltz:** Good afternoon, Mayor Hales, Commissioners. My name is Nicole Peltz, and I just want to say that I love, love, love Portland. I've been here for 34 years. And I love sharing my enthusiasm and love for Portland with Airbnb people. I live in Sellwood, and all I can say is I've had nothing but positive experiences for the past three years. But I'm not here for that. I'm here because this woman, who's also an Airbnb renter, couldn't be here and she's asked me to read her testimony. Her name is Judy Cox. I'll be fast. I am a recently widowed woman living on \$1100 social security per month, my only income until Airbnb saved me from homelessness and complete destitution. All our savings from selling our house were gobbled up with medical bills in the past two years. When my husband died, I found I had less than a third of the income, because I just had my social security or his, not a combination. Also, his pension stopped when he passed away. Enter Airbnb. I have never enjoyed an experience so much. I'm no longer so lonely, I can afford to have enough food to live on, and I can pay for my two-bedroom apartment. I have met the most interesting, intelligent, sweet, courteous people who are helping our economy by frequenting Powell's bookstore, restaurants, food carts, breweries, coffee places, Voodoo Doughnuts, Saturday market -- not to mention, money I receive is funneled back into the community and I am not living off welfare and I'm pulling me weight to make this community better. It is discriminatory to decide that apartments and condos should not be allowed to host guests for Airbnb. There's absolutely no difference from my quiet, sound-proof apartment, and all my guests are wonderful about respecting my neighbors and are quiet and unobtrusive. Then she gives a couple of examples of past guests. But basically she just wants to -- please consider that not only are my guests greatly adding to Portland with their visits, but I am not homeless or destitute, and that apartments and condos should be treated no differently than many homes of the high density neighborhoods. Thank you. Sincerely, Judy Cox.

**Hales:** Thank you all, I appreciate you being here.

**Christensen:** Could I just say one quick word? It's in response to the gentleman who suggested that maybe Airbnb is taking away from hotels. Over half of the guests I've had have been late teens or early 20s traveling with their dog. They would never be allowed into a hotel. And they spend all their money -- like I live in Sellwood, too. They spend their money at the movie theater, at the bars and restaurants, at the coffee shops. Thank you.

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**Hales:** Thank you all. Welcome, good afternoon.

**Albert Dormaier:** I'm Albert Dormaier. I'm not going to go through my whole testimony because much of it has been said already. Except, I am here not as a host, I'm here as a member and somebody who has used shared experiences. I wanted to just give support to this kind of a system in the sense that last year, I went for 35 days to Europe and used Airbnb for 33 of those days. I can't tell you what a great experience that was -- and I have traveled to Europe about 10 times. The opportunity to be in neighborhoods that you wouldn't be in otherwise -- and let me translate that to being in Sellwood instead of downtown Portland, or being in SE Division instead of being downtown -- not that there's anything wrong with downtown, because that's where I live. But I just can't tell you the different experience that we had in going to the neighborhoods and how great the hosts were, and how great Airbnb was. We ended up at a place which they had double-booked us in Nice, France. We showed up and we didn't have a place. Airbnb found us a place in 45 minutes and bought our dinner. And I just think Portland is one of those places that it just represents who we are -- to be in this. In terms of the rules and regulations, I leave that up to you. The taxes, I leave that up to you. I'm not in it for that. I'm in it for support of us doing it as a city, to get those people here. I don't know if you read the reports, I saw the news -- our tourism is up last year. They expect it to be up again. We're getting free press all over the world. When I go to Europe -- I went to Florence, Italy, and Portland -- oh, you came from Portland. I'm just here to lend that support. I also want to make a comment from my host who was in Florence, Italy who said that for years -- they don't have any laws surrounding it and they don't collect taxes. And for years, he had two units which he said was a nightmare to administer. The minute that Airbnb came along to administer it for him and insure him and to actually vet the people -- because there is a pre-vetting there -- it just made his whole life as landlord much easier. I'd like to see us pull it all in, so that we all know who's renting where. I think that we all -- I'm on your side about the apartments and condos. I don't think they're going to stop. I don't think until the city comes back and puts regulations in place that watch over that that it is going to stop. You're just delaying the inevitable. At some point, you're going to have to say stop it, no, or yes, we're going to. So that wasn't what I was going to say when I came up here, but everybody said the rest for me. Thank you all for your time.

**Hales:** Thank you very much. Good afternoon.

**Cynthia Braun:** Hi, my name is Cynthia Braun. I didn't plan to speak, so I hope you can follow me. I've been a landlord for about 20 years, and my concern -- although I completely support Airbnb, and obviously a lot of people do -- my concern is that for instance, I could make three to four times as much money doing Airbnb as I do having a long-term rental. So my concern is, I know particularly -- I think the most recent statistics are that a third of Multnomah County residents are unable to meet their monthly obligations. And I know, looking for a rental for my daughter a couple years ago, and helping my son right now, the market is so tight for a normal rental. I just am concerned that Airbnb would drastically reduce the available rental market for long-term renters. That's one concern I have. And then as a landlord, I have never used a rental agreement that would allow subletting. And I wouldn't. I think that the obvious thing about subletting any kind of rental is that you've got your renter collecting a lot more money off of your property. That doesn't make any sense. I wouldn't allow it, period. Plus, there would be liability because whoever was staying there would not be covered under the rental agreement, which includes damages, deposit, et cetera, et cetera. So that's a concern I have. I think I talked about my concern being eliminating normal reason at all housing, available market. And I see having apartments and condos having an impact on that, also. Once they find out that you triple your rental income or quadruple it by doing an Airbnb, why would they go back to a normal rental? I'm thinking the same thing would apply to condos and apartments. So that's a concern. And my friend who gave me her time -- there's a difference between small, multifamily that is owner-occupied, and apartment rentals. I would suggest that

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these be differentiated, especially duplexes. Under current proposals can ADUs be rented? I don't know that that's been addressed, either. So that's another concern. OK, thank you.

**Hales:** Thank you. Good afternoon.

**Jeff Reingold:** Hi, Mayor Hales and Commissioners, thanks for letting me speak today. I'd like to suggest -- I'm Jeff Reingold with Income Property Management, we're at 721 SW Oak. I'd like to suggest -- following up Deborah's comments -- that we just hit the pause button on the multifamily housing issue for a variety of reasons, many of which could involve what I think would be unintended and adverse consequences. First of all -- I think this is important to all of us -- the affordable housing providers, many of whom I represent, have largely been left out of this conversation. I really think that it's important that they do have some involvement. The data that's obtained from the single family experiment, if you will, will be valuable in that discussion, and I think it would be very helpful. There are also -- speaking again from the affordable side -- some complex issues regarding the regulation of affordable housing that have to be carefully followed. The result of not following, of course, is pretty severe penalties that could default both the tenant and the landlord or the manager of the property. In this particular context, I'm concerned that we need to work together to provide a verification process to make sure, if a landlord opts out, that in fact the units in that building are not being used in the B&B program. Third, I think this could very well have an impact on the overall supply of housing, particularly affordable housing in desirable areas, whether it's downtown or close-in on the eastside. In these high-demand areas, I think it's reasonable to assume that owners might very well take the advantage of three or four times the income levels that they could achieve using Airbnb and reduce the housing stock. We should talk about this a little bit more before we just dive into it. So, I would urge the council to limit the short-term rental program for the moment to single family residences. And at this time let's agree to work together for however long it takes -- whether it's two months or four months or more -- to get an ordinance that is right and that covers some of these items that I've suggested. Thank you.

**Hales:** Jeff, what do you think we should do about condominiums?

**Reingold:** Condominiums are a different kettle of fish. They're individually-owned, the units, and I think the rules may have to be somewhat altered for that versus apartments.

**Hales:** OK. And who should figure that out?

**Reingold:** Well, I think -- I don't know if there's anyone from the CAI here testifying one way or another, but we might want to involve the trade group.

**Hales:** OK. Thank you.

**Reingold:** Thank you.

**Hales:** Thank you all.

**Moore-Love:** The next three.

**Hales:** Welcome, go ahead.

**Sharon Garrett:** Hi. My name's Sharon Garrett, I'm representing Grace Bible Church, which is just up the street on 12th and Clay, right downtown -- one of those beautiful old historic churches that are a treasure to our city. And I appreciate the chance to briefly tell you our story because we're very excited about it. As many of the -- well, first of all, my husband is a pastor and we live in the parsonage next door. As many of the downtown historic churches can attest, downtown churches face unique challenges. And frankly, our church has been in crisis and at risk, really -- and we have found a solution. It's just very exciting. We have so many wonderful ministries that are part of our church that are housed under our roof, feeding the homeless community, and we have the Portland ministry and a Chinese students ministry. So, many communities under one roof. We're also a parish ministry, so that means both inside and outside of our doors, everyone in the neighborhood is considered a member of our community. So the house has always been open, our doors have always been open to people all around the world who have been in need of a place to stay, and even people on the streets of Portland who have needed a place, so the movement toward short-term rental

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seemed quite natural. And again, as I said, a solution for maintaining our building -- the cost of which is just staggering. Every time there's a rainstorm, we spring a new leak. And this has been enabling us to keep our doors open and to facilitate all of these wonderful communities. We are very grateful and feel that downtown Portland needs community and we're doing our part in enabling that. And Airbnb has been helping us to do that. Thank you.

**Hales:** Thank you, thanks very much. Welcome.

**Aaron Parecki:** Hi, my name is Aaron Parecki. A little bit of background on myself, I started my company in 2010 with Amber Case. She's talked a few times here. We were seven people in 2012 when we were acquired by Esri, and we became the Esri Portland office. And now we're 21 people in downtown Portland, just moved to a new office last month. It's been a fantastic experience here. Amber and I got into renting out on Airbnb because we wanted to buy a house -- not just to live in, but to use as an investment. So we're doing this as an investment property with the intent of offsetting our mortgage payments, essentially. We've been targeting our listing to a specific type of person -- basically, the professional people coming into Portland. So they're on short-term contracts, they're staying anywhere from one week to eight weeks at a time, or people who are relocating to Portland and needing a place to stay temporarily while they're looking for a place to rent or buy. I explicitly don't rent to people who're looking like they're going to be here for a party on the weekend. I really want to make sure we get good guests in who will take care of the place. And they want a place that feels like home, they really want to get to know what it's like to live in Portland while staying here on their contract. Their alternative is a hotel, and they really don't want to be in this temporary place. So this house gives them a nice place to stay. As a landlord who owns property, it's really nice that I'm actually doing the short-term rentals, because that means I have eyes on the property all the time, and I can't let things go wrong in the house. I can't let a roof leak go unnoticed for a year by the long-term tenants. So that's actually been really great. And that would apply in the non-owner occupied case. It's especially nice in that case, because I would have eyes watching out for me -- because I have to keep the property maintained well for the listing. So, thanks for considering this. I have another short story about cleaning if you have a couple more seconds.

**Hales:** Sure.

**Parecki:** I hired a cleaner for doing the turnover, and she's basically -- she was doing regular housecleaning but she's switched to essentially short-term Airbnb cleaning, because she prefers it so much more. She's actually grown her business from herself last year to now two part-time employees. She has 11 properties that she's doing this for, so that's been a great opportunity for her, as well -- to build a business here.

**Hales:** Great, thank you, thanks very much. OK, next few? Welcome.

**Fritz:** And if anyone upstairs wants to move down, there's seats down here now.

**Hales:** Go ahead, please.

**Hannah Sandmeyer:** My name is Hannah Sandmeyer, and I thank you and appreciate the opportunity to address you today. I'll be really short and sweet, because a lot of what I wanted to say today has already been addressed. I help market and provide operational software for door number three, as we're referring to it now. I work with professional vacation rental managers who are managing traditional short-term rentals throughout the Pacific Northwest and all across the United States. I was going to speak about the microeconomic impact of vacation rentals, and certainly it applies to all three doors. I think that's been hammered pretty hard, and I think the benefits are certainly obvious. In my experience, I get calls every day from budding entrepreneurs or even established real estate firms who are looking to offer a secondary service to their potential homebuyers. So there's really a lot of positive impact there. I think that's been well-said, so I won't say more about that. I certainly wanted to advocate that while this proposal take as step in the right direction, I'm certainly an advocate that we move forward in a direction where we hold a larger

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stakeholder meeting between all representatives of these different doors to create the best ordinance that includes door number three, or the traditional short-term vacation rental.

**Hales:** Great, thank you. Welcome.

**Jack Bothwell:** Good afternoon. My name is Jack Bothwell. Since August 2012, my son and I have operated two short-term condominium vacation rentals. During this time frame, we have generated \$96,000 in gross revenue, and I'm proud to say we've paid \$11,410 in city, county, and state transient taxes. We have the signs posted in the units that we are registered with the revenue department. I would suggest besides having it listed on the website, everyone needs to have those posted. We have been ambassadors for Portland to over 400 guests plus their friends and families. We've had guests from Australia, France, Israel, Brazil, England, Scotland, Switzerland, Holland, Canada, Mexico, and Sweden. We have been successful due to Airbnb. We acknowledge that much of our competition may not have been paying the transient taxes in the past, but Airbnb has rectified that and is beginning to collect the tax directly and remitting it to the regulating bodies. If you implement the six or nine month residency restriction, that's going to put us out of business, because we do not occupy the units. I can understand why some neighborhoods may not want vacationers, but apartments and condos seem to be a natural fit. We have never had a complaint because of noise. All apartments and condominiums are required to have sprinkler systems, so safety is not an issue.

**Saltzman:** Can I ask a question? And you don't have to answer this --

**Bothwell:** Sure.

**Saltzman:** Does your homeowner associations know you're doing this with your condo units?

**Bothwell:** They do now, yeah -- [laughter] -- I actually --

**Saltzman:** It's an important issue that's been running through the discussion today, so I had to ask.

**Bothwell:** No, no, that's fine. Each homeowners association is not uniform. Some of them have a seven-day minimum, and some of them have a 30-day minimum. Unless you read the bylaws, they're not consistent. And I know that some of the people are ignoring the bylaws, and then the homeowners associations sometimes vary as far as fining people who are in violation. So it just varies.

**Saltzman:** OK. Thank you both. Who's next, Karla?

**Moore-Love:** If I call your name, come on up. [reading names]

**Saltzman:** OK, we've got three. Welcome. So we will start with you, ma'am. Give us your name, and you have two minutes.

**Sue Carter-Low:** I'm Sue Carter-Low. Good afternoon, Mayor Hales and Commissioners. And again, thank you again for your time and attention to this issue that my husband and I are being blamed for bringing it to your attention -- [laughs] -- Number one -- I didn't intend to talk about this, but number one, I strongly agree with one of your first speakers that suggested that you put on your agenda later to address the policy about inspections for the long-term rentals for safety and so on. We have one across the street from us that has five young people going in and out, no egress in the windows, the owner lives overseas. So it is something that needs to be addressed if you're going to encourage inspections of short-term rentals as well. Number two, I'm concerned about the current complaint-driven system that we have. We already have noise and traffic regulations that are enforced. But even after the -- we stopped short-term renting over a year and a half ago. We've continued to have the same neighbors complain. And making these complaints are oftentimes, you know, not truthful. It's over-exaggerated. One example is during my mother-in-law's funeral, there were cars from out of town who were staying at our house for the funeral. A complaint was made to the city, we got a call the day of the funeral that we're out of compliance. We have people with cars from out of state. If we have a house-sitter, we get a complaint. So once this is passed and we get our license, we know we're going to continue to get some untrue complaints. Like for example, right now, because it's close to passing, there's a sign next door in our neighborhood from the same

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neighbors, Get the Hales out of our neighborhood. And so I have had guests that are long-term, intimidated, fliers spread around saying untrue things in Laurelhurst, the street where we live. So I am hoping that the neighbor-to-neighbor announcement, when you're short-term and licensed, will be encouraged by the city. We've also contacted mediation services, which have been ignored. But before complaints come that are oftentimes unfounded and taking time up from city inspectors and so on, I will hope that you will strongly encourage the neighbor-to-neighbor communicate, mediation, and hopefully that will take care of things. And as far as the signs go, you know, I'm sorry about that.

**Fish:** I want to officially thank the Mayor for generating that sign, because it replaced another sign that used to say, Get the Fish out of our water. [laughter]

**Hales:** It's a liability of having a certain kind of name -- [laughter]

**Carter-Low:** I'm sorry about it. But it's also -- we have driveways that touch each other, so it's also on the car window of the neighbor's car when we drive up. And we know it's directed at us. But we do have other nice neighbors that say, when the city decides on something, we intend to acknowledge it and enforce it and support it. So, I don't want you to think it's the whole Laurelhurst.

**Hales:** Good, thank you. Good afternoon. Who's next?

**Rosemary Brown:** My name is Rosemary Brown, I'm apparently the other Rosemary Brown, because you had one earlier. I own a small seven-unit garden apartment building on Hawthorne. Each apartment is 350 square feet and has one bedroom. I've lived in and managed this building for eight years. After I bought the building, I put thousands and thousands and thousands of dollars into making the building safe, functional, and charming, because I think my tenants deserve this. I would like to have the flexibility to have a few short-term rentals in this building while continuing to provide some standard apartment rentals. I have no idea if this is something that's even been considered. I understand that it is likely that there will be a delay of some months until you can get your hands around the multifamily issue. And I wondered what you plan to do in the meantime with those currently operating apartments which are being used as short-term rentals in my neighborhood. And that's all.

**Fish:** Ma'am, can I ask you a question? Thank you for taking the time to stick around and testify. You're the first person who's actually posed this -- framed your testimony in this way. That you own a multiplex, you would like the flexibility of renting out apartments and participating directly with Airbnb or some provider, and convert those rentals into essentially short-term rentals. I think you're the first that's actually made that case. So I have two questions for you. The first is, assuming we gave you that authority under the law, would you be willing to allow your tenants -- who are subject to a lease agreement -- to have the flexibility to participate in these programs as well? In other words, would you give them the permission to act as essentially the landlord for purposes of renting out their apartments in the same way that you seek it for yourself?

**Brown:** You have to understand, these are 350 square-foot apartments with one bedroom. I think it's unlikely that the folks living there as permanent tenants would find it appropriate or comfortable to have someone else living there.

**Fritz:** They don't have to be there at the same time. So if they wanted to rent them out for the week that they are on vacation, would that be OK with you?

**Brown:** Nobody in my apartment has ever taken a vacation. [laughter]

**Fish:** But would you -- under a proposal we're considering, a tenant in your building could only participate in this program if they got your permission. Can you foresee a situation where you would give your tenants the permission to deal directly with third parties like Airbnb and rent out their apartments wherever they want?

**Brown:** Only if I had the option to do some screening.

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**Fish:** You'd want to do some screening. On the units that you might just take off the market and use for short-term rentals, is the principal benefit to you that you could make lot more money per unit?

**Brown:** It's hard to keep up with the costs of managing my building without getting higher rents and/or finding a financial stream that is better.

**Fish:** OK, thank you.

**Hales:** Thank you. Welcome.

**Maria Thi Mai:** Good afternoon, Mayor and Commissioners. My name is Maria Thi Mai. Wikipedia, Vermont, and Airbnb. These three things, seemingly different, have one thing in common: they share a belief that a shared economy emphasizes extrinsic social values. Vermont is the first state to legislate a low-profit limited liability corporation. These generate modest profits with a primary aim toward social benefit. Wikipedia's success is attributed to a ragtag band of volunteers applying open-source principles. Airbnb operates on a shared economy. Social media offers a self-policing style to standards. I believe that council should invest in a larger citywide vision for shared economies. It needs a business model that uniquely reflects our new economies. This model needs to support emerging entrepreneurs, a shared economy, and community values. To develop this new business model, council needs to considerate three things: the distinctions between Airbnb and hotels; the Bureau of Development Services, BDS, their operating structures for inspection; and three, Airbnb's contribution to neighborhoods and the Portland economy. There are inherent differences between hotels and Airbnb properties, including tax abatements, random inspections, ownership, and neighborhood connection. The Economist magazine says Airbnb has only nibbled at the hotel industry's economies -- occupancy. Just last month, Metro struck a deal to subsidize the Hyatt regency hotel to the tune of \$60 million. Metro will draw on hotel taxes to pay the Hyatt. City council agreed to let lodging taxes be re-allocated from tourism efforts. I want to say something about BDS, too. BDS only inspects properties once the construction permit is pulled. The inspection is paid by property owners, and specific to the construction permit. There are no random inspections. If BDS requires to inspect property, what's the funding and staffing mechanism for that? What's the criteria? Who and how will that be selected? The question remains whether random inspections are fourth amendment violations, let alone being invasive intrusion to homeowners' personal properties.

**Fritz:** So let me just respond to that. The proposal is that every permit would be inspected and paid for with the permit fee.

**Hales:** Not random.

**Thi Mai:** Is this is built into BDS currently, or is there another system?

**Fritz:** Under the current system. There's staffing capacity to do the inspections for the fee that covers the cost of the inspection.

**Thi Mai:** I believe that there are more details to be worked out with that, and I'd like to see the plan on that. I also believe that we should have a shared emerging economy model, and that's a new model. And so I suggest that council take a step back and look at a business model that addresses this new economy. And it's not just Airbnb, there's a lot of other small businesses, emerging economies out there. So I think this is the time to craft a new business model that considers these new economies.

**Hales:** Thank you. Thanks very much. How many more do we have?

**Moore-Love:** Last three I'm showing. [names being read]

**Hales:** Thank you. Welcome.

**Kym Gordon-Cumbo:** Good afternoon, Mayor and Commissioners. My name is Kym Gordon-Cumbo, and I have lived in Portland for 27 years, all in southeast. A year and a half ago, my husband and I started an Airbnb so that I could decrease my full-time work at OHSU due to a diagnosis of degenerative joint disease in my hips, back, and pelvis. Airbnb has helped me to be able to do that. And what I have been able to do with that is to put more time into my other one

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rental. And I wanted to say a quick note about the multifamily. I as a landlord did put into my lease that the tenant would not be able to sublet. I personally -- like I do with my own home -- like vetting people who come into my space. So I love that about Airbnb. I also have a business license. I also pay, am current with transient tax. I do have that little form that I will tack up on my bedroom wall as soon as I get home. But today, what I want to talk about is the requirement of a home inspection for Airbnb homes. From previous meetings, I went online to find the specs for the proposed home inspections and what would be checked, I couldn't find one. When I went to the City of Portland online to find a checklist of what was currently checked for during a home inspection, and there wasn't one there either. I feel this is somewhat unnerving. As we have heard at earlier meetings, the home inspector -- whose name I don't recall -- said they could not be blind to other code violations beyond the code of the bedroom. I would like to know what exactly the home inspectors for an Airbnb home inspection will be and won't be looking at when they come into my home. I have a 104-year-old four-square craftsman home in Ladd's Addition. And as far as my husband and I know, the house is up to code and it's been perfectly safe for us to live in, raise children, have parties, rent a room to a roommate, and host foreign exchange students. Has anybody here had their home inspected before having family and friends arrive for an in-home stay for anywhere between a night and couple weeks? I doubt it. I believe you're opening a Pandora's box for roommate, family, friends, and foster parents if you require a home inspection in an owner-occupied home. And as an aside, my neighbors who own their homes I have called the police on more than the rental next door to my house. Thank you.

**Hales:** Thank you.

**Kathleen Bushman:** My name is Kathleen Bushman. I see a number of issues, especially if you're having -- if you have family and friends in, you know who they are, for one thing. When you're having strangers, it's a different thing. My mother owned a motel. The best and most reasonably well-dressed people on Mount Hood near the ski resorts -- you could never determine who was going to do, like damage your brand-new carpets because they burn candles directly into the carpet and left the cat in there for three days straight without a litterbox. I had a friend that I rented a room to in my own home, and because he was sick with diabetes -- he had a very good job, made more than \$2000 a month, and ended up burning up my home. I'm telling you, if he hadn't been so sick at the time -- he was sick with undiagnosed diabetes. And he was exhausted. Without sleep. So he did something stupid. Well, it would have been stupid if he had been in a normal physical condition. But these -- when you have long-term rentals, you may not know who you're renting to until they have actually been there for a while. But at least you're not running through so many different people. Just because people have money doesn't mean they don't have alcohol or drug problems, either. I mean, in my own family -- my sister married into big money. That didn't save him from alcoholism, either one of them. Old money. But this is -- I'm just saying that what I see as a result of this is that this Airbnb seems to be catering to people from out of town who can afford to vacation in this economy -- and it isn't most of us Portland residents who can afford to do that. They're catering to international travelers, from what I can tell. And that's fine and dandy, but that is not going help the average Portland community or the average Portland resident. It's going to create more homeless. I mean, I already feel like Portland policies are creating a tsunami of homeless. When the interfaith group spoke here last week, to me, I thought these are well-intentioned compassionate people, but they are putting the finger in the dike, just as the tsunami is coming over the dike and going to swamp them and you and us. Because of the policies that -- with stagnant wages, you don't want to move the minimum wage. And the average rental increase between 2000 and 2013, the average rental price in Portland jumped more than 25%. That's in just six years. And with this Airbnb, that's going to -- we already have a chronic and bloated inflation problem with rentals. This is going to pump -- oh, it's going to make it explode.

**Hales:** Thank you.

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**Bushman:** And you're going to have a tsunami of homeless.

**Hales:** Thank you very much. Welcome. I think you get the last word.

**Paula Wade:** My name's Paula Wade. Thank you for your time today, and I'll keep this very brief because most of my concerns have been covered. I just wanted to add one concern with neighborhood notifications, just asking for some consistency. When I travel, I rent out my home, and I also use Airbnb throughout my own travels, and also people are vetted and reviewed and whatnot. And I've had very good experiences. However, I recently learned that my neighbors were going to open a daycare in their home, which is eight feet from my home. And that's completely legal, you don't have to do a neighborhood notification, you can have up to 10 children. I think there needs to be some consistency with neighborhood notifications, and what is allowed in private homes that we may be looking to restrict Airbnb that we may not in other businesses being operated in homes and residential communities.

**Hales:** Good point. Thank you. Questions? Thank you all. So I'm going recommend we take a five-minute stretch break --

**Fish:** Compassion break.

**Hales:** Compassion break, whatever you want to call it, and then call staff back up at 4:45. So we'll resume the hearing in five minutes. [gavel pounded] Thank you all.

At 4:44 p.m. Council recessed.

At 4:55 p.m. Council reconvened.

**Hales:** OK, thank you for your patience. We'll come back to order. I think we have staff coming up to answer questions and take it from here. OK, Commissioner Fritz, you had some questions?

**Fritz:** I just want to clarify. When we had the hearing last time, we had an ambiguous response from the state. So at the mayor's suggestion, we asked again, and I wanted Mike Liefeld from the Bureau of Development Services to talk about the code implications of doing multifamily housing.

**Mike Liefeld:** Yes. Director Scarlett did follow up with the building code divisions for the state of Oregon and asked them to clarify their position. It was unclear in the interpretation letter that they issued to BDS. Myself and Terry Whitehill, another billing official at the bureau, were able to speak with Mark Long, the director of BCD yesterday afternoon via phone, and he did confirm that the change of occupancy permit absolutely is required in multifamily structures for this proposed use. So he did agree verbally that a change of occupancy permit is required for these situations. He said he would be following up with additional written information, but it has not been received.

**Fritz:** What kind of process is a change of occupancy permit? What does it entail?

**Liefeld:** It's a building permit submittal. So, like any change of occupancy, if you want to convert to a house where the zoning allows it and want to convert it to a commercial building, then you would come in and show your proposal and show how you comply with the code requirements for that proposed occupancy class. And in this case, for multifamily, for R2 occupancies, they would be proposing to go to an R1 transient occupancy. And they would have to show, based on their building, how they can comply with the R1 occupancy codes. And that differs. It all depends on the configuration of the building, the year of the building, things that are already in place. There will be buildings where a change of occupancy with the additions of fire sprinkler systems, exit corridors, fire rating systems that will be difficult to meet. There will be other buildings that have been built in a code cycle that already have some of the large elements, such as fire sprinklers. Fire sprinklers were required in every new multifamily building with dwelling units starting in 2004. So any building constructed or when the permit was submitted after the effective date in 2004 already has that system in place. And so the change of occupancy may not have great obstacles. It may be some signage for exiting, other types of requirements, but not large structural changes, requirements for the building.

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**Fritz:** And things that were already built at the R1 or better standard wouldn't need any kind of change?

**Liefeld:** Right. So -- well, if you have an occupancy of R1, that is your given occupancy. You're not required to upgrade at this time. You are vested in that occupancy.

**Fritz:** What about all of the multifamily, whether they're rentals or condos, that are in EX zones or CX zones? How does that compare -- is the R1 the same as the R1 that I'm thinking of --?

**Liefeld:** It is not. It is confusing -- the building code has occupancy classes, and it includes R3, R2, R1. That is not the same as the zoning designation for R3, R2, R1. Again, the zoning set aside, the zoning sets the policy about what uses are allowed. After the zoning says what uses are allowed, then you come in and show how your building will comply with the building code requirements. And so in those zones, let's say northwest Portland, where there's a lot of EX zoning and you have multifamily mixed-use building, they already comply with the building code occupancy classes for that space, for the units, commercial space.

**Fritz:** So that would be R1.

**Liefeld:** R2, most likely.

**Fritz:** Most likely R2. So would it be fair to say that most multifamily buildings would require a change of occupancy so that the owner of the building would have to be notified, right, if somebody came in to get a short-term rental license, that that would require a change of occupancy?

**Liefeld:** We're talking multifamily residential, we are talking R2 occupancy. When you go to motel, hotel, that's an R1.

**Fritz:** I see.

**Liefeld:** There are not R1 residential occupancies.

**Fritz:** I see. So this actually might be helpful, Mayor, as we're looking at how to make this work, if we can make it work, that would provide a built-in mechanism that the building owner would be notified of the request. Because they have to have an inspection or something, right?

**Liefeld:** Correct. It would make sense that we had owner information and authorization for the short-term rental permit, which is, again, the allowed use provision. And because the owner has to sign off on the building permit submittal at this time if they need to come in for a change of use permit.

**Fritz:** Thank you.

**Hales:** Other questions for staff? Guidance and suggestions from you, Susan, or Sandra?

**Anderson:** Well, one of the things we want to make sure that we do is before we approve which of the amendments you went through -- I think we did that a little convoluted in the beginning. So we'll go back and go through those. If you are at all interested in looking at vacation rentals -- which it sounds like you might be -- one option would be to do that separately, depending on what you do with multifamily. If you wanted to table multifamily until later, you could do those as a package. I can do a scope of work and come back to you and tell you what that would cost to figure that out, and staff it and get it back to you. It would probably be a six-month process.

**Hales:** OK. Comments on the options?

**Fish:** So you're saying there's a way we can do doors number one, two, three in a reasonable time frame and come up with some suggested --

**Anderson:** Well hopefully, we're going to do door number one relatively soon.

**Fish:** I think we can close the door -- [laughs]

**Anderson:** And depending on what you decide with door number two. And if you decide to table that for a while, I suggest we put it together so that we don't have to run two separate process.

**Fish:** Susan, has there been any discussion of the vacation rental issue as part of this process? Or would that have to be -- would that be just from scratch?

**Anderson:** There was some discussion of it in the beginning, definitely. And there was sort of a decision not to go down that road right now.

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**Fritz:** Seems to me that we got ahead of steam here and a lot of engagement, heard a lot of positives, many of the concerns. So I don't know what it would take in terms of staffing, and that would be your call as the commissioner, but doing both the multifamily and the vacation rentals together seems like a good use of time.

**Hales:** To return to my own doors metaphor. Having at least looked through the other two doors, I think we ought to finish the job here. I mean, in some relatively brief time period. I think we've got a high level of consensus on the council about door number one, about single-family short-term rental code which we have in front of us. And we have amendments that we've talked about and that we're prepared to act on. I still believe the multifamily issue is relatively simple. However, we were talking about a January 1 effective date anyway. So I'm certainly persuaded that we ought to have some more discussion about that with people that care about it without actually changing the time table of when the new code might go into effect. So, my preference would be to withdraw -- or actually to set over my own amendment about multifamily with the understanding that, again, the council is going to be returning to that question in time to have our new revised policy still in place by the first of the year -- same day it would have been in place if we had acted on it today. And while we're at it, go ahead and make an attempt to deal with the third door, that is, the question of vacation rentals in existing housing in the city because it's happening. The same basic question arises here. It's happening now, it's contrary to our code, what do we do about it? So, we'll figure out what level of staffing and whether Sandra will leave the city if we give her this assignment.  
[laughs]

**Fish:** Mayor, if the bureau determines that vacation rentals just start posing novel questions or issues, at the very least knowing that we want a comprehensive proposal that's been cooked to come back to us in time so that we can act on it within the framework, within the timeline that you have set for action.

**Hales:** Yeah, how's that sit with you? I know it's more work and you'll need the resources to deal with that. I understand that bureau director plea, which you are right to articulate.

**Anderson:** The main issue is that if we want this to go through the planning and sustainability commission -- which I think would be appropriate in this case -- that there's a little bit of a time lag. So, you know, it would take three or four months to work out solutions, pull stakeholders together, begin to basically have a draft that people could comment. And then you'd need to go through planning commission and then to hear it. I don't think all of that would end up so we'd be back in this room in January. It might end up longer than that.

**Saltzman:** I guess, going back to what the mayor's opening remarks when we got into the debate about the multifamily --

**Anderson:** Right. We could separate it --

**Saltzman:** The planning and sustainability commission got us to a certain point, but aren't we capable of standing on our own legs at this point?

**Hales:** Not sure -- why we need more staff work, not sure why this needs to go back to commission --

**Fritz:** Because they're --

**Saltzman:** I think it's at the policy level right now, which is us.

**Fritz:** I think you've done a really good job on this package. And so if there are going to be code recommendations, it wouldn't take all that much longer to do the planning commission.

**Anderson:** My recommendation would then be to separate the two. If you want to move multifamily more quickly, we do have a lot of good information, we can do that more quickly. We could bring something back to you. And roll the vacation rental, that would be put off, and we can roll that into other work plan in the next year or 18 months or something else down the road.

**Novick:** Yeah, and I think I would be inclined to do that. I wanted to state for the record the specific issues that I want to look into a little more in terms of multifamily. I want to call some members of

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the planning and sustainability commission just to get their sense as to, if they had been focusing on this issue, what process would they have wanted to follow? I tend to agree with the mayor that they're an advisory body, we are not an appellate body to them, but I do sort of want to check in with them and see what they have to say about the issue. I'd also like to provide an opportunity for affordable housing advocates to come to us and talk about the multifamily housing issue, and maybe give them a separate session just to talk about any concerns that they might have. Because I know -- I mean, I've been reading all of these articles saying that affordable housing advocates are concerned about this around the country. I'd like to give our local ones an opportunity to say whether they are, and if so, why? And there's a couple of pieces of research that -- maybe there's not much data, but there's things I would like to at least make phone calls and find out about. One is that if it's true that this industry has led to all sorts of upset neighbors, whether in the single family or the multifamily context -- but especially in the multifamily context -- I would like to call around and see, are landlords and city officials around the country dealing with lots more complaints about riotous visitors since the advent of Airbnb? It might be hard to get hard data on that, but I'd like to at least make a few calls. And second, I think it would be interesting to see, even just in Austin in the past few months, has there been an explosion in the number of Airbnbs? What's become officially authorized? Or has there been a decline because now there's a regulatory structure? I would like to make those phone calls.

**Fish:** Mayor, if I could. I thought one of the most compelling pieces of testimony we had today -- and it was another one of those only in Portland hearings, so interesting, and the quality of the testimony -- but the woman who testified toward the end who was the owner of I think a four-plex. And she was -- and 350 square feet per unit. She made note of the fact that her typical tenant doesn't take a vacation. I'm guessing it's mostly working class, middle class, affordable rental housing. And she would like the flexibility to be a direct participant in Airbnb. It's precisely that niche in the market that I'm concerned about losing affordable housing, because I think what we're doing -- some cities have put in rent control to prevent loss of stock. We have a no net loss policy of affordable housing in certain districts. My concern for the smaller landlords -- and that's not necessarily who Metro Multifamily represents, there's another trade association of the smaller mom and pops -- is that we may be fundamentally altering the market economics so that someone has two to four units would frankly be foolish not to withdraw them from long-term rental and participate in short-term rental, because that person can triple, quadruple their income. And that concerns me, because that is the housing that is providing last-resort housing for working-class people in our community. And I think we may be altering the market economics on that. That's not an issue to cause me to oppose regulating it. To your point, Mayor, it's happening and we have to get in front of it. But it may inform the council's view about what other steps we need to take to address the affordable housing inventory question. Because I think she made a compelling case as to why we're going to start losing units, particularly units in four-plexes and smaller settings.

**Fritz:** I'd just like to put on the record my concern about the philosophy of "it's happening so we need to regulate it." My experience has been that if Portlanders know the rules, they follow the rules. And so if we have 1500 now, I think we will have many more once it's known that this is legal. So it's -- as I said, the fact that everybody else is doing it has never been persuasive to me when my children are trying to make an argument to me. It's more of a, what the best public policy? And my concerns with multifamily is that they are shared living spaces. Think of micro apartments, where it's intended to have a shared kitchen, maybe even shared bathrooms in some situations. It then becomes much more like a commercial business if a lot of the units are being rented out short-term. And that's where we have heard a lot of comment from the neighborhoods about residential zones versus commercial zones.

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**Hales:** Yeah, don't misunderstand my comment. My comment was not intended to say this is happening, we should be passive. My point is we right now have this happening at some scale in city, and every single one of them is illegal. And so --

**Fritz:** Right. That's not necessarily a good reason to legalize them, though.

**Hales:** No, but to the extent that we have studied the question and decided that it would be better to have it regulated than unregulated, I would rather be moving forward than sitting still. So, that was my point. Again, this is happening, and the sharing economy is happening here and elsewhere pretty quickly. We don't move -- we, government -- don't move that quickly very often. We're trying to in this case using this RICAP model to address a code issue or two that we know we have to deal with. So, here's my suggestion. And that is, my suggestion based on this discussion would be that we go ahead and act on the June 30th package of amendments -- and we'll go back through those so that we're clear about what we are acting on and not acting on. That we set over the issue of multi-dwelling structures as an amendment, which I earlier put on the table, for two months, at least, maybe three. Not to go back through the planning commission, but instead to have stakeholders that are interested in meeting with staff and further vetting these issues before we bring it back to the council in the fall. I'd like to do that. I'm persuaded that although we should be acting on the short-term vacation rentals issue, we shouldn't try to sweep that in now, but I think I am going to ask the staff to include that in the next RICAP package. Because you are getting ready to start another one, right? This is the moment when Sandra quits -- [laughter]

**Anderson:** Let's say that we'll include it as a part of our work plan. I think we have a lot of hits where there wasn't a RICAP project --

**Hales:** Yeah, but it needs to be addressed swiftly --

**Anderson:** Not in three years. Got it.

**Fish:** Mayor, I would like to support your proposal. My guess is that three months is probably a little more generous given vacation schedules, but that would mean we come back in October and have a hearing on the package, and it still gives us the time to be nimble to meet the January 1 deadline that you've established.

**Hales:** I would like to put the single-family issue to rest.

**Fish:** Yeah, I'm talking about the multifamily --

**Hales:** Yeah, the multifamily piece we set over --

**Fish:** Have that come back to us in October, and still give us time to deliberate with the January 1 effective date if we move forward.

**Hales:** Yeah. Are we comfortable with that process?

**Fish:** Yeah, I am.

**Wood:** And the multi-dwelling coming straight to city council, not through the planning and sustainability commission.

**Hales:** Yeah. We want you to meet with the stakeholders, vet the issues we've heard about, and that the organizations -- some that have spoken today, and some of which have been referred to -- that have a role in the multifamily issue, particularly the affordable housing side, a chance to influence this discussion and then you bring it back to us. Again, we know -- I think it's really important to remember why we are doing this work. That we're enacting zoning code, not a housing code. We're enacting what is legal or not legal to do on a piece of property or a building. We are not regulating the housing market. Yes, we have an effect on the housing market when we do this. I get that. But I think it is important to maintain that slightly academic-sounding distinction. That what we're trying to do is put in our zoning code, what's possible, and still -- as my cross-examination of my friend Deborah indicated -- it's still up to every landlord to figure out what they want to allow and up to every homeowners' association to figure out what they want to allow. As a landlord, I know what I want to allow, and it's my choice and it will be my choice regardless of which version of this we adopt unless we do something radically different. So that's where I'm headed. Let me return to our

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amendments now. We have put two sets -- we put a set of amendments and then a single additional amendment on the table, I believe, if I'm recapping this correctly. In our June 30th memorandum from Sandra Wood, we have the amendment A, which is to require an initial BDS inspection, self-certification for renewals every two years, and another BDS inspection at year six over the change of ownership. Secondly, we have Commissioner Fritz's --

**Fritz:** Well let's just vote on that one.

**Hales:** OK, you want to vote on that one? You want to take them one at a time?

**Fritz:** Yeah.

**Hales:** So, further discussion on amendment A? Then a roll call on that amendment, please.

**Roll on motion to approve amendment A. Inspections from BPS memo dated June 30, 2014 to require an initial BDS inspection self-certification for renewals every 2 years and another BDS inspection at year 6 over the change of ownership.**

**Saltzman:** Aye.

**Novick:** Aye.

**Fritz:** Aye.

**Fish:** We did hear one novel issue today, which is a fourth amendment claim. And I'm not the lawyer on this one, I'll defer this to Commissioner Novick, but it does occur to me that since we're regulating a commercial activity, it's not really a fourth amendment question about unreasonable intrusions in someone's privacy, it is our police power authority to maintain life safety issues. Aye.

**Hales:** Aye.

**Beaumont:** Mayor Hales, may I make one clarifying statement? Since you had previously put on the table at the last hearing the first motion, and it passed that, let's -- I want to be clear that the amendment that you just voted on replaces the amendment that you adopted at the last meeting --

**Hales:** That's correct.

**Beaumont:** So no one is confused.

**Hales:** That's correct. OK now, on item B, we would not have needed to take any further action except for Commissioner Fritz's friendly amendment to the carbon monoxide detector --

**Fritz:** Which is to require that the dwelling unit be located on the floor of a dwelling equipped with a functioning carbon monoxide alarm where the detector is required by law.

**Hales:** OK.

**Fritz:** And that's in section 33207104A4C.

**Hales:** Further discussion on that amendment? Everyone clear? So let's take a roll call on that amendment.

**Roll on motion to approve amendment B. Carbon Monoxide Detector from BPS memo dated June 30, 2014 amended to require the dwelling unit be located on the floor of a dwelling equipped with a functioning carbon monoxide alarm where the detector is required by law Section 33.207.104A.4.c.**

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

**Moore-Love:** I'm sorry -- Fish.

**Hales:** Did we leave someone out? I'm sorry, Commissioner Fish.

**Fish:** It's OK, you had the votes -- [laughter] -- Aye.

**Hales:** Well yeah, but still. Item C. Lost my own paperwork here, hang on a minute.

**Beaumont:** Item C you have already adopted.

**Hales:** Already done that one. OK, then item D, the earlier motion which I will reiterate is to require the resident occupy the unit for at least nine months as shown in this attachment. Is there a -- we don't need a second, it's already on the table. So, further discussion on nine months versus six months? OK. Roll call on that.

**Roll on motion to approve amendment D. Primary residence to require resident to occupy the dwelling unit for at least 9 months.**

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**Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye.

**Fish:** Thank you, Karla, for calling me. Aye.

**Hales:** Aye.

**Hales:** Item E allowing a designee to operate the rental, as opposed to only the owner occupant. Further discussion on that one? Roll call.

**Roll on motion to approve amendment E. Designees to allow a resident's designee to operate the short-term rental as opposed to only the owner occupant.**

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

**Hales:** OK, then I will set over --

**Novick:** Mr. Mayor, there's also -- if it fits -- my little amendment about making Mr. Unger's point.

**Wood:** Yes, so that would be moving to amend city code to require the license number be posted on all advertising.

**Hales:** Yes. Roll call on that.

**Fritz:** And in the unit?

**Novick:** Oh, actually I wasn't -- didn't say that. But I have no objection to it.

**Fritz:** As a friendly amendment. We heard the testimony on that -- I think that would be a good thing.

**Novick:** sure.

**Hales:** Requiring that the license number --

**Fritz:** To be posted in the dwelling unit as well as in the advertisement.

**Hales:** OK. Roll call.

**Roll on motion to amend City Code to require license number be posted on all advertising and in the dwelling unit:**

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

**Hales:** OK. Now, I am going to set over my own amendment for 90 days, assuming that works out about right for calendar. And we'll set a council date roughly 90 days from now to return to that. In the meantime, I will ask that bureau staff convene the stakeholders that have been mentioned as well as folks from the short-term rental industry that we've heard from here to further refine this question, again, about both condominiums and multifamily housing. I don't believe we necessarily have to divide the two for purposes of dealing with the zoning code --

**Wood:** We would prefer not. Nothing else is divided in the zoning code in those two.

**Hales:** Yeah, so we're going to keep those two management schemes together, because the zoning code doesn't draw the distinction, but then take up the multifamily issues that have been raised. So, if there is no objection, I'm going to set that over for 90 days.

**Fish:** And Mayor, the only other thing I guess, to the benefit of people here, we don't have council next week, so this comes back for a second reading in two weeks, not one week.

**Wood:** As a matter of fact, you haven't seen the code -- I lost track now. We will come back, right, with clean code.

**Saltzman:** Single family.

**Wood:** The single family on July 23rd, with the clean code and a clean ordinance that reflects all of these amendments.

**Hales:** OK, so that will return to council on the 23rd of July.

**Wood:** On the 23rd, mm-hmm.

**Fritz:** Great work from staff. Thank you very much.

**Novick:** Thank you.

**Fish:** Thank you, good job.

**Hales:** Thank you all. And we are adjourned.

At 5:23 p.m. Council adjourned.