



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **29TH DAY OF APRIL, 2015** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz and Saltzman, 3.

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

<p>DUE TO THE ABSENCE OF TWO COUNCIL MEMBERS EMERGENCY ITEMS WERE NOT CONSIDERED AND ITEMS WERE NOT HEARD UNDER A CONSENT AGENDA</p> <p>COMMUNICATIONS</p>	<p>Disposition:</p>
<p>415 Request of Richard Rubin to address Council regarding the need for employment and housing services (Communication)</p>	<p>PLACED ON FILE</p>
<p>416 Request of Sean Cruz to address Council regarding predatory towing practices (Communication)</p>	<p>PLACED ON FILE</p>
<p>417 Request of Michael O'Connor to address Council regarding Artists United's plan for Last Thursday on Alberta (Communication)</p>	<p>PLACED ON FILE</p>
<p>418 Request of Diana Scoggins to address Council regarding PDXLovesArt initiative (Communication)</p>	<p>PLACED ON FILE</p>
<p>419 Request of Sandy Polishuk to address Council regarding climate change (Communication)</p>	<p>PLACED ON FILE</p>
<p>REGULAR AGENDA</p> <p>Mayor Charlie Hales</p> <p>Bureau of Planning & Sustainability</p> <p>420 Authorize an Intergovernmental Agreement with Portland State University in the amount of \$80,297 for the Portland Single Family Weight Study 2015-17 to determine weight of garbage for ratemaking purposes (Ordinance)</p>	<p>PASSED TO SECOND READING MAY 6, 2015 AT 9:30 AM</p>
<p>City Budget Office</p>	

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421	<p>Adopt the FY 2014-15 Spring Supplemental Budget and make other budget-related changes (Ordinance) 30 minutes requested</p> <p>Motion to amend Exhibits 1 through 5 to reflect the funding and carryover of \$350,000 for the Off Road Cycling Master Plan currently funded in PPR to be split between PPR at \$50,000 and the bulk of the funding assigned to BPS at \$300,000: Moved by Hales and seconded by Fritz. (Y-3)</p> <p>Motion to amend Exhibits 1 through 5 to increase bureau expenses in the General Fund for PPR by \$45,000 for Tree Code implementation resulting in a decrease in General Fund contingency: Moved by Fritz and seconded by Saltzman. (No Vote taken)</p>	<p>PASSED TO SECOND READING AS AMENDED MAY 6, 2015 AT 9:30 AM</p>
<p>Office of Management and Finance</p>		
422	<p>Accept report on Civil Service Board activities for calendar year 2014 (Report)</p> <p>Motion to accept the report: Moved by Fritz and seconded by Saltzman. (Y-3)</p>	<p>ACCEPTED</p>
423	<p>Authorize an Intergovernmental Agreement with Multnomah County to partner on a Digital Inclusion Strategic Plan (Second Reading Agenda 400) (Y-3)</p>	<p>187100</p>
424	<p>Authorize a grant to Elders in Action for Arts Education and access Income Tax outreach in an amount not to exceed \$8,750 (Second Reading Agenda 401) (Y-3)</p>	<p>187101</p>
<p>Commissioner Nick Fish Position No. 2 Water Bureau</p>		
425	<p>Authorize an agreement with TriMet for the sub-lease of the co-location of radio equipment at Mt. Scott in the amount of \$52,337 (Second Reading Agenda 403) (Y-3)</p>	<p>187102</p>
426	<p>Authorize a contract with Analytical Services, Inc. not to exceed \$1,200,000 for Intake Compliance Monitoring and contract with Scientific Methods, Inc. not to exceed \$300,000 for Tributary Stream Monitoring in support of maintaining the Bull Run Treatment Variance Program (Second Reading Agenda 408) (Y-3)</p>	<p>187103</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Transportation</p>		

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427

Vacate a portion of NE Vancouver Way south of NE Gertz Rd
subject to certain conditions and reservations (Hearing;
Ordinance; VAC-10097)

**PASSED TO
SECOND READING
MAY 6, 2015
AT 9:30 AM**

At 10:43 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **29TH DAY OF APRIL, 2015** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish and Saltzman, 3.

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

The meeting recessed at 3:08 p.m. and reconvened at 3:13 p.m.

<p>428 TIME CERTAIN: 2:00 PM – Accept 2015 Arts Oversight Committee Report on the Arts Education & Access Fund (Report introduced by Commissioner Fish) 1 hour requested Motion to accept the report: Moved by Fish and seconded by Saltzman. (Y-3)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
<p>429 TIME CERTAIN: 3:00 PM – Accept the State of Housing in Portland 2015 Report (Report introduced by Commissioner Saltzman) 1 hour requested Motion to accept the report: Moved by Fish and seconded by Saltzman. (Y-3)</p>	<p>ACCEPTED</p>

At 4:28 p.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

APRIL 29, 2015 9:30 AM

Hales: Good morning, and welcome to the April 29th meeting of the Portland City Council. Would you please call the roll?

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

Hales: Commissioner Fish and Commissioner Novick are both away on City business, so you'll have to settle for the three of us this morning.

Welcome, everyone. We're going to start with communications items. We have a tradition here in Portland where we allow people to sign up for three minutes to speak to the Council on a subject of their choosing, and we have five people signed up this morning as usual. Then we'll have our regular calendar for the balance of our agenda this morning. Thank you.

So, if you're here to speak on an agenda item, we have some basic rules and procedures first. You just need to give us your name, there's no need to give us your address. If you, however, are a registered lobbyist for an organization that's required to register under the City Code, you need to disclose that. Most likely if you are in that business, you already know that, but I want to make sure that's out there.

We typically allow people three minutes to testify. If you are here to speak on an item, you can sign up with the Council Clerk to do that. We also ask that if you are in support of your fellow citizen's point of view, feel free to wave your hand or give them a thumbs up, but we ask there not be vocal demonstration this is favor of or against our fellow citizen's opinions in this room.

Finally, we had a demonstration in the Council chambers last week which forced me to adjourn the meeting, and that's what I'll do if there's another one. We do deliberation in this room and demonstrations in the plaza outside. It's really important that we follow that rule because we have to deal with a lot of contentious issues in this room, whether they involve police or growth or anything else. I want to ask you to respect that rule and that tradition that again, if you want to conduct a demonstration, that's why we have the plaza. Please feel free to exercise your first amendment rights outside, but we do deliberation in this room. So, let's take the first of the citizens who signed up.

Item 415.

Hales: Mr. Rubin, come on up.

Moore-Love: He may not be able to make it; he was not feeling well.

Hales: If he comes in before we finish this section, we'll put him up at the end.

Item 416.

Hales: Good morning. Welcome.

Sean Aaron Cruz: Good morning, Mr. Mayor and members of the Council. My name is Sean Aaron Cruz, and I'm here to once again talk about predatory towing practices that take place in the city. I've been working on this issue since I began working for Senator Gordly in 2003, and it continues to disturb me that the practice continues to play out here in the city years after we passed citizen protections in the 2007 legislative session.

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You know, it's good to see all the profusion of towing warning signs blooming like spring flowers all over the city. Those signs have been coming up over the past year since the City began enforcing that provision. Those signs have been required by law for all those years that the towers got a free ride. But what I want to talk to you about today is -- well, also, to frame this -- in a lot of issues, Portland is the big dog in the state. And in this case, in towing, it's the only dog. There aren't any other municipalities that work on towing policy. They just generally follow whatever policy Portland creates, which is why the signs are appearing in places like Salem and the Dalles.

And so the thing is, there is progress being made on getting to where Portland citizens have a place where they can find out what their rights actually are under the law, but that's still a long ways to go. And I particularly want to call your attention to a place on the towing hearings page where it says, and I quote, "note: private towing generally is not regulated." And while that is absolutely true in practice, it's not true in statute. And I've looked at the towing contract, I've looked all through section 7.24 of the Portland code, and it's required to conform to state laws, and in particular to ORS 98.854.

Senator Gordly's intent was to provide protections for people living in apartment complexes. That was the focus, but there was other areas where what we put in place spilled over to other areas wherever private property towing is allowed. And one of the key factors is the issue of consideration. And this is also in state law very clearly stated as any other part of state law, it's the only place that I'm aware of where because people have always done business this way, it continues to operate and open to fines of state law, which is that towers cannot provide consideration in exchange for the privilege of towing the vehicles from private property and also, in City ordinance, property owners cannot receive consideration. [beeping]

Hales: Sir, you are out of time. I want you to wrap up.

Cruz: OK. What I want to say is that please take a look at the statute. You'll see that the system operates in -- every tow taking place from private property is an illegal tow under the law, is what I'm saying. And I'm asking you once again to suspend PPI towing until the people that are doing this can come in and prove that they are operating within the law. Thank you.

Hales: I appreciate your vigilance on this. Commissioner Novick is away, obviously, but I will be meeting with him this week. And between the Transportation Bureau and the Police Bureau, that's where a lot of this gets addressed. I'll take up these issues with him and make sure he's heard about this concern about the ORS and the private companies. Appreciate you following that for us. Thank you.

Item 417.

Hales: Good morning, welcome.

Michael O'Connor: Council. So, we presented a plan to the stakeholder groups around Last Thursday to essentially take over the management under stakeholder interest. And it was about a month ago, everybody has been mulling over this plan, but largely what everybody is deciding on is the way that we're going to be making decisions in the future in the committee format.

So, I sort of campaigned in the local business district, talked to the vast majority of the business owners, and gotten them to sign a petition style endorsement form, which was to justify to the Office of Neighborhood Involvement to show the representation for the support of this plan. And it's largely just about building stakeholder committees and getting an event permit.

I've been doing this for five years as a volunteer, and it's been a very long road, so this is about five years in the making. But ultimately, all the resident businesses have a committee, the neighbors have a committee, vendors and performance community will

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have a committee, and then a public safety committee. It is essentially my role to get everybody to agree on what we're doing before we do it. And I've been doing this long enough to tell you that the things that we're in disagreement on are few and far between. We have a pretty good understanding of what we would like to see out of this event.

The number one issue is the nuisance problem in the neighborhood. That is indisputable. And it's going to take hundreds of things over time to lower the nuisance problem. But no matter what we do or how good we get, we'll never get rid of it completely, so we'll have to compensate in other ways for the neighbors. And so I'll be working very closely with all of the neighbors to, essentially -- you know, we'll have about a little over 100 volunteers to help us manage this event. We want to maintain no cost for artists, but if they are unable to donate financially, we'll want them volunteering with us. So we may have 200 volunteers that are really eager to help out around the neighborhood, so we'll be identifying a lot of community development projects. Most likely, neighborhood cleanups, public art projects, and perhaps more neighbor-eccentric community event because we can do other fun for the neighbors.

As far as the financial issue, you know, that's pretty much one of the biggest hurdles that we have to overcome before any liability could be responsibly transferred. We have to prove without a doubt that everything is gonna get paid for. So, you know, we'll have so much in vending fees and we'll be able to get so much in sponsorships from the local businesses, but it won't quite get us all the way there. So, we'll have to look for outside sponsors. And you know, as we're sort of building this thing, and as the business district sort of decides what they want the creative integrity of the marketing message through Last Thursday to be, eventually, they may take on the full cost of the event.

So, that's kind of the direction that we're going. It's going to be a formal process that's driven by the consensus, and ultimately, if there is an objection, we need to know what it is so we can fix it.

Hales: Great. I really appreciate what you're doing. We've been looking for community-based leadership and management for this event, looking for frankly my office to work itself out of that job because it really shouldn't be managed out of the Mayor's office. So, thank you for taking this on, and we really look forward to working with you.

O'Connor: That's great. And I look forward to meeting with you, as well.

Hales: Thanks so much.

Item 418.

Hales: Good morning.

Diana Scoggins: Good morning. I'm Diana Scoggins, I'm the Executive Director of the Metropolitan Youth Symphony. As we are nearing the end of our 41st season, I wanted to take this opportunity to thank you all for your ongoing support of the arts through RACC.

We are grateful for the funding we receive, and most recently from RAC through the arts tax. The consistency of funding for core operations has been just critical in helping us to grow and meet the needs of the community around us. To cover a few of the basics about MYS, we serve over 460 students. We have 12 beginning through advanced ensembles for orchestra band and jazz. We meet every Saturday during the school year at Roseway Heights School in Northeast Portland. Each of our students performs three concerts a year, and half of them participate in outreach concerts to underserved schools. We do 15 of those total. We employ five full-time staff, 13 part-time artistic staff. We hold over 100 coaching sessions per year with music professionals. We rent space from Portland's three times a year and hold nine additional concerts in venues throughout the community.

We believe passionately that music should be accessible to all children, and we only ask that our students have one year of experience to enroll. We recognize, however,

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that this is very difficult for some families. The stability of RACC funding in part allowed us to start a tuition-free Saturday morning strings program for low income students. Now, in our second year, 18 students are currently enrolled, and 12 of them are on track to begin our entry level string orchestra next year. At that point, they go on to our financial aid program, which currently has 13% of our families participating. Again, the consistency of the RACC funding is so helpful in maintaining these kinds of programs.

RACC funding has also given us the financial flexibility to pursue collaborative efforts throughout the community. At our recent March concert, which Commissioner Fish graciously opened for us to rave reviews, band students from Beaumont Middle School and the choirs from Grant and Wilson High Schools joined MYS students and experienced the thrill of performing at the Schnitzer. There was a great amount of energy in the hall that day.

Five students from Bravo string orchestra from the Rosa Parks school are on full scholarship with MYS as they play with the entry level string orchestra, and we are absolutely thrilled for those students to get to know our students and have these relationships just grow, these friendships grow. We are working to bring in new students and audiences that reflect the diversity of Portland's culture. We are, for example, currently creating an ad campaign to Univision to enroll students for the upcoming season. A RACC opportunity grant helped to fund this two years ago. As a result, Hispanic participation increased 90% in the organization -- so it was very effective.

Finally, as RACC remains committed, the quality and reputation of the arts in Portland has continued to rise despite the recent recession. We know the benefits of this firsthand, as three years ago, we hired a brilliant and dynamic music director Andres Lopera from the NEC. He was attracted in MYS in part because of the very strong music scene here. His work and vision is absolute proof that artistic excellence can exist alongside access, equity, friendship, and fun.

And finally, we recently had a flip chart rehearsal with the following question to the students: "Give us one word for what MYF stands for." The word that touched me most sitting in the middle of that paper was "joy." So, thank you. Your support is just so meaningful, it touches so many lives, and it has a huge ripple effect throughout our community. I wanted you to know that. Thank you.

Hales: Thanks for your report and thanks for what you do. That's great. OK, we have one more, and then we'll see if Mr. Rubin arrived.

Item 419.

Hales: Sandy, come on up. Good morning.

Sandy Polishuk: Hi, Mayor Hales and Commissioners. My name is Sandy Polishuk, I live in Northeast Portland. I'm here today representing 350PDX. I've met with all of you and come before this Council several times asking you on behalf of the climate to divest the City's investments from fossil fuel.

Fossil fuel divestment takes the fossil fuel industry to task for its culpability in the climate crisis. By naming this industry's singularly destructive influence and by highlighting the moral dimensions of climate change, we hope that the fossil fuel divestment movement can break the hold that the fossil fuel industry has on our economy and our governments. Our ask is for a binding resolution divesting the City from the 200 companies with the majority of the world's fossil fuel reserves within five years, and to ask the state treasurer and the Oregon Investment Council to do the same. Most of you have agreed. Mayor Hales, you made a divestment community on U.N. Climate Day in June 2013. You made the same commitment to Bill McKibben in July of 2013. I'm here to hold you to that commitment.

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Many cities across the country have already done so, including on the west coast, Ashland, Eugene, Seattle, San Francisco, Santa Monica; also Province, Cambridge, Northampton, Ann Arbor -- the list goes on and on. I can't tell it to you in three minutes.

Portland is known for its planning on climate action. Divestment fits within this framework. It sends a message of the fossil fuel companies and the world that it's not business as usual in Portland, that our city understands that we must wean ourselves off the fossil fuels and move to renewables, a sustainable lifestyle, and creating good family wage jobs doing so.

In February, for global divestment day, 300 of us gathered in front of this building. It was Valentine's Day Friday, and we made valentines for you. We took pictures with them, and many of us sent them to you by email, Twitter, and Instagram. I hope that you had a chance to look at them. You weren't able to join us, so we're bringing to you now. A photo montage that we made --

Hales: Great.

Polishuk: -- of a few of the valentines, just a selection -- of some flowers we made for you, a much lower carbon footprint than real ones -- a few cards, and some very special valentine candy. If you look out in the audience, we had hoped to have our signs, big pink hearts that we made for the day, but we weren't allowed to bring them in. And I know it's not the usual protocol, but I hope that you make an exception and allow me to bring these gifts up to you personally.

Hales: Of course. We'd be happy to accept your gifts. We appreciate your advocacy, Sandy, and all of you. In fact, just a report back -- maybe everyone knows, we have seated our Socially Responsible Investment Committee, and I think it's fair to say everyone on this Council expects their first product will be a resolution on just that subject. So, thank you for your advocacy, and the non-fossil fueled wheels are in motion.

Polishuk: Great. Thank you very much.

Hales: Thank you.

Saltzman: Thank you.

Hales: Thank you very much. Thank you all for being here. We can violate the rules and say, thank you, Sandy. [applause] Good work. Thank you very much. We'll move onto the regular -- wait a minute, see if Mr. Rubin arrived. Richard Rubin, did you make it? I guess not. Let's move onto the regular agenda, please. We have no consent calendar this morning, so just the regular agenda.

Item 420.

Hales: Thank you for that clarification. We first had this on the agenda and didn't mention that it was weighing garbage, not people. So, it has nothing to do with the weight of people who live in single family residents. [laughs] I don't believe that we have a staff presentation on this ordinance this morning, but if there are any Council questions before we hear it -- anyone want to speak on this item this morning? OK. So, that will pass to second reading.

Item 421.

Hales: Mr. Scott and the team. Welcome.

Andrew Scott, Director, City Budget Office: Good morning. I'm Andrew Scott, City Budget Director, and we're here this morning to talk about the fiscal year 14-15 spring budget monitoring process, or BMP. I will be relatively brief. We had a work session on this last week where we covered in detail some of the items in this BMP, but just to give a high level of summary for those who are here. And the spring BMP again is when the bureaus make final allocations, movements within the budgets. They ask for carryover, compensation, set aside, and a number of other mostly housekeeping items, and then also, funding can be allocated from the general fund contingency.

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So, again, just to briefly cover what is in the BMP before you today. Six bureaus are going to be budgeted to receive compensation set aside, totaling about \$5.9 million. This is part of the bureau budget, which is budgeted separately. We wait until the end of the year to see if they need it. The six bureaus requested it and are in fact recommended to get that \$5.9 million.

There's about \$1.4 million coming back to the general fund. Again, due to underspending on superstition projects, underspending in the Office of Emergency Communications, a reimbursement on the campaign finance fund, and a return of street fee implementation funds.

There are several new items totaling about \$1.1 million that have been included, and again, we covered those in the work session last week, but they are in exhibit number four as part of the documents in front of you. Happy to talk about any of those if there are additional questions.

Finally, about \$5.1 million is included for program carryover from bureaus. These are projects that were allocated or appropriated in this current fiscal year that bureaus were not able to get to, and I'm requesting to carry that over into the next fiscal year.

Finally, in terms of the overall contingency, I believe that we started the BMP process at \$900,000 of unrestricted contingency and we're going to end at about \$1.1 million of unrestricted contingency. Again, some of those coming back will actually increase our contingency a bit. And there will be \$2.3 million in compensation set aside in case anything -- bureaus discover anything in the next month before the over-expenditure ordinance. And again, \$5 million in program carryover.

And finally, in terms of overall position changes, a grand total -- in this BMP, we add about 40.2 FTE, 39 of those are in the Bureau of Development Services, which again, is experiencing a large increase in workload as development in the city increases. With that, I will just take any questions.

Hales: Questions for Mr. Scott or Mr. Campuzano?

Fritz: Are there changes compared with the work session last week?

Hales: I have a motion about the recycling master plan, so that will be a change. I think you have a proposed amendment, too. So other than that, I think the answer is no, right?

Fritz: How about the positions of Office of Neighborhood Involvement?

Hales: Where is that, Andrew?

Scott: The marijuana permitting program -- \$14,200 is included.

Fritz: And how about the other position that was related to the move of the new --

Scott: The staff upgrade related to the New Portlander program?

Fritz: Yes.

Scott: It is also included, yes.

Hales: Yeah, those came out of the work session, I think.

Fritz: Yeah. So were there other changes that came out of the work session, or just those two?

Scott: Sorry, I'm trying to remember. Do you want me to walk through the new requests?

Hales: It wouldn't hurt.

Scott: I'm happy to do that again -- sorry, I'm trying to remember the version that we went over last Tuesday. So, very quickly, in terms of the new request that came in from bureaus. The Bureau of Emergency Communication asked to retain their underspending. That is not currently included. So again, that \$411,000 will fall to general fund balance at the end of the fiscal year. And again, it's part of that increase in the contingency we talked about. Planning and Sustainability -- there's \$150,000 included for the single dwelling development code project. In ONI, the two packages we mentioned -- a small amount for the New Portlander program, and the marijuana permitting program. Last Thursday

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requests for cost from the Mayor's office is not included, the \$3500. There is \$255,000 for streetcar system improvements, and again, Transportation was returning about 230,000 of underspending, so again, this is going back to them for a different project to make some streetcar improvements in the city. \$68,478 for the Housing Bureau for severe weather shelter expenses; \$126,000 to extend women's shelter capacity through the end; \$150,000 in Housing for veteran's housing assistance -- again, to get that program started -- or actually, I think it is started but to continue those efforts to the end of the fiscal year. \$20,500 for Parks for the decorative fountains repair -- this is at the Ira Keller fountain. \$45,000 request for tree code implementation -- there is not funding included for that, nor for the Parks Ranger requests, the \$198,000. There is \$350,000 for the off-road cycling master plan. And finally, a small amount for the membership and dues to keep us on the budget there.

Fritz: Thank you.

Hales: So that's the list as it came out of the work session, and we can take motions on amendments. I have one, which is a technical change -- actually, more than that, because it's also the \$50,000 for Parks. I think that the language that I want to put on the table is if the bureau can't encumber -- here's the motion -- to amend exhibits one through five to reflect the funding and carryover of the \$350,000 for the off-road cycling master plan currently funded entirely in the Portland Parks and Recreation to be split between Portland Parks and Recreation at 50,000, and the bulk of the funding assigned to the Bureau of Planning and Sustainability at 300,000, because they will issue the RFP.

Fritz: Second.

Hales: Second on that motion. Further discussion on adopting that motion? And then we'll take the testimony on everything, of course, after we deal with the motion. OK. Roll call on accepting that amendment.

Roll on amendment.

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

Hales: Did you want to bring up the other item?

Fritz: Thank you, yes. I have a motion to increase bureau expenses in the general fund for Portland Parks and Recreation by 45,000 for tree code implementation. This amends exhibits one through five as appropriate. The additional appropriation will result in a decrease in general fund contingency.

Saltzman: Second.

Hales: Do you want to discuss that? I'm still unwilling to approve this now because of the same thing with the Ranger issue -- I'm still working on the Mayor's proposed budget. If it's BDS positions where they're funded by fees, or if it's expenditures for consulting contracts like this master plan or materials and services, doing that in the BMP is fine because we don't in effect Preprogram what we do in the fiscal year budget. I would be worried about adopting either of those items now, because if we don't include those positions in the fiscal year 2015-2016 budget, then what have we done? We've hired someone for a month.

Fritz: On the other hand, if we don't approve them, the staff that are currently working can't go on vacation this summer. So, I think Commissioner Saltzman's intent and mine was to not vote on this today, but rather put it on the table for discussion, and then vote when we have the full Council next week.

Hales: OK. Well, we can wait that long on the whole BMP? I'm not sure. It's on the calendar today.

Ellen Osoinach, Office of the City Attorney: The Budget Office did confer with our office, and in terms of proposing an amendment, you have to vote on the amendment in order for the BMP to pass to a second reading. What you could do is propose the amendment next week, but then of course, that would then put you out another week.

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Hales: OK. Well, I'm not willing to approve the amendment today, so --

Fritz: I believe I will have the votes amendment next week --

Hales: That may be.

Fritz: -- so we can either -- if we're not voting on it today, then we would then have to extend it out another week if we vote on it next week.

Osoinach: Yes.

Hales: I would be willing to table the amendment and let you bring it back next week, or whatever the process is, in other words. We don't have to vote now. We can vote now and I will vote no and it will fail, or we can --

Fritz: Will it fail, Commissioner Saltzman?

Hales: Well, it has to have three votes.

Fritz: Oh.

Hales: So, I understand we don't have a full quorum, and I don't want to trap you in that problem, but I'm not willing to support it for the reason that I mentioned.

Fritz: OK, so we can carry it over until next week.

Osoinach: Can I just ask -- one thing we weren't able to clarify -- is there a problem from the Budget Office perspective with having the vote on the BMP not occur next week but the week after?

Scott: No. I think from the process standpoint, it's fine.

Hales: OK, so we will have accepted one motion, one amendment for purposes of public testimony. We won't have acted on the next amendment yet, but we're free to act on that next week.

Fritz: There will be public testimony next week.

Hales: At least on the amendment.

Fritz: Yeah, OK.

Hales: Does that work for everyone? Alright, thank you both. We'll see who signed up or who's interested in speaking on this set of proposals. As you may -- hopefully, it made sense to people, but we do this process a couple times a year in which we revise our adopted budget and call it the BMP because it stands for budget management process -- arcane term at best. But the point is we do adjust our budget over the course of the year because bureaus don't spend all the money they have, or they are unforeseen requirements or requests or things we want to get started on early, and that's very much the case with the bicycle master plan, we want to get started on it early. So, for anyone who wants to speak on any of those items, Karla has a list and if you're not on it, you are free to add yourself to it.

Moore-Love: We have 13 people signed up. We have had someone ask to come up who has a child.

Hales: OK, come on up.

Daniel Greenstadt: Good morning, Mr. Mayor and Council. I am Daniel Greenstadt. Before I get up-staged by the next speaker, I'm just here to offer my support and thanks for the budget that's being considered here today and for the inclusion of funding for the off-road bicycle master plan. I think that's going to be a really important step. My family really enjoys hiking, biking, and recreating in our public parks, and we would love to have more opportunity to do that by bicycle. So, we're really happy to see that issue moving forward, and just wanted to give a thank you and a big show of support for that.

Hales: Thank you very much.

Greenstadt: And speaker number two, do you have anything you want to say to the Mayor or anybody?

Hales: Hi.

Gigi Greenstadt: My daddy and me want more trails. Thank you.

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Hales: Well said, thank you very much.

D. Greenstadt: And apple juice in all the drinking fountains, thank you very much.
[laughter]

Hales: That may be harder to manage. Thank you. Next folks that are signed up? Good morning.

George Devendorf: Good morning. That is a tough act to follow. My name is George Devendorf, I'm the Executive Director of Transition Projects, and I wanted to come here this morning to thank you, Mr. Mayor and Commissioner Saltzman and the Council for its continued support and leadership on behalf of the city's most vulnerable. And in particular, I'm speaking to your support for shelter off the street options for women who are experiencing homelessness, and also for support to housing options for veterans and for their families.

With regards to women's sheltering -- by transitioning what has been a women's winter shelter to a year-round women's emergency shelter, the City will be helping to provide continued assistance -- and frankly, safety -- for up to 700 women. We've seen 700 women already since mid-November in the shelter that we operate with the City's support. That's a shelter that has been running at capacity every night since we opened it. So, we know the need is there, and we're grateful for that support. In addition to helping protect the vulnerable women living on the streets, this also provides a platform to work with them towards their goal of attaining sustainable and secure housing going forward.

With regards to veterans and their families -- as you know, as a community we're very lucky to have a substantial amount of federal support through supportive services to veteran families -- \$2.5 million. But it requires additional funding at the City level to leverage those dollars most effectively and help us to strive towards our common goal, which of course is to end veteran homelessness functionally speaking by the end of the year. That's going to be a tough effort. We believe it's attainable, but it will be hands on deck, and we're very grateful to count all of your hands on that deck, as well.

Clearly, both of these programs are programs that will require ongoing support as the new fiscal year comes, and we look forward to working with you as that process unfolds to make sure that we're spending those dollars in the best possible way. So, thank you all for your support.

Hales: Thank you for your partnership. Good morning. Who's next?

Andrew Jansky: Good morning, Mayor and Commissioners. I am Andrew Jansky, I'm the Northwest Trail Alliance advocacy chair. I also volunteer -- the volunteer organizer for the Northwest Trail Alliance take a kid mountain biking day event that happens every year. Last year, we had 300 people. The year before that, we had 200 people; and the year before that, we had 100 people. The picture here is a graduate of one of these events. She was here, too, she was a customer, too, at the event.

So, basically, demand is growing and the problem is there is no place to ride a bike in Portland on trails. So, you know, to people like you and I, a year is nothing. To an eight-year-old kid, a year without a trail is like a lifetime. One year in her time is a long time. So, to fix this problem, me and my Northwest Trail Alliance friends -- many who are here and you're going to hear from -- we build three miles of trail up in the gorge called Easy Climb specifically for families to go up and go biking on trail. We put 2000 hours into it already, and we have done it for zero cost -- essentially free. There is a labor pool of people that are willing to do this.

Unfortunately, we have to go to Cascade Locks to create this because so far, there hasn't been a lot of opportunities. And so I wanted to commend the Mayor for finding the money and immediately prioritizing this off-road cycling master plan, and greatly thank the Commissioners for working with everyone to make it happen.

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I really look forward to an open and a non-biased planning process to get through this. Today, we are going to really -- we're starting to recapture a community, the community of off-road cyclists, and to start heading in a positive direction and start making some change. So, anyway, with that, thank you very much. Really looking forward to it.

Hales: Thanks very much. Good morning.

Joe Carpenter: Good morning. Thank you for the opportunity to address the Council. My name is Joe Carpenter, I'm also on the NWTA board -- Northwest Trail Alliance -- and I'm here to extend my personal appreciation as a mountain biker for the last 25 or so years for the inclusion of the \$350,000 towards the off-road cycling plan that's included in the BMP process.

Portland is a wonderful city. It's known throughout the world as a cycling city for many of the policies and innovations in terms of the cycling. But what the world doesn't know is that curiously, we don't have any off-road cycling within our city limits. It's unavailable. We get questions from the NWTA -- people, visitors coming here all the time, "this is a great cycling town, where can we go ride?" And we tell them, "get in your car and go and drive an hour" because that's the real option that they have. And we have world class facilities, such as Easy Climb, such as Sandy Ridge, Stub Stewart -- we're doing a huge trail build out there, and they welcomed us with open arms, but we don't feel that love from the city that we live in.

I'm grateful that we're making progress towards fixing some of that oversight that's happened throughout the years. I was looking on my way over here earlier to see that the bicycle was invented in 1817 -- almost 200 years ago -- and it's about time that we include off-road cycling here in Portland -- hopefully, before we get to that anniversary. So, thank you again.

Hales: Thanks very much. Thank you all. Next three? Good morning.

Ron Strasser: Good morning. I am Ron Strasser, and I've lived in Portland for like 42 years, since my college job brought me here. Grew up in eastern Oregon, and I have to say that I remember riding on really hot asphalt as a kid on my bike, and the fun didn't begin until we got to the end of the asphalt and rode in the dirt around the sagebrush, no hills. [laughs]

But I'm thinking of the kids. I also worked for like over 30 years as a custodian with kids, and it's just so amazing how much fun they can have on their bikes. Of course, they have fun walking around and playing games, too. But you know, in having that available is the key because not everybody has the economic ability to travel for an hour and a half in a car with their bike. So, I think that that's really important for sustainability and actually, fossil fuel use. So, it all comes together within that. All the stuff can be done in a way that really doesn't harm the environment, or does so so minimally compared to so many other things that society does. And I'd like to ride a trail in Portland with a hill. I like to climb hills. I'm a little more dainty going downhill, but the physical activity that you get on a bike is just unbelievable. It's very body-friendly. As fat tires have come into play and my body has gotten older, I really appreciate those a lot more than I do narrow hard tires.

So, with the society growing, and coming together here in Portland, in the sense of population growth, I think that we need to give options to people now and in the future to get exercise and live a healthy lifestyle. That's really what I want to say.

Hales: Thanks very much. Good morning.

Aaron Berne: Good morning, Council, thanks for your time. My name's Aaron Berne, I'm the vice president of the Northwest Trail Alliance. I want to start by thanking Mayor Hales for recognizing the need to identify some legitimate places to ride our bikes in the city. I moved to Portland because of its reputation as a bike town. I moved to Portland because

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of its reputation as being a place that accepts and welcomes people for who they are. I came here because it's a place of inclusion and tolerance and open communication.

While attending law school at Lewis and Clark, one of the highlights was taking a lunch break and riding my bike at Riverview. I spent every single lunch riding my mountain bike in between law school classes at Riverview. Even more incredible was seeing some father-son duos in there riding their bikes, and I thought to myself, wow, I cannot wait to share that experience with my kids in Portland.

I want to emphasize my support for your plan, Mayor Hales, for prioritizing the off-road cycling master plan, and I really appreciate the Commissioners' support in that. Right now, there's a dearth of trail access in Portland, despite the thousands of wooded acres that are within the city limits. This needs to change, and the Mayor's new direction in supporting the mountain bike trail access is a deep breath of fresh air for me.

The Northwest Trail Alliance is a group of positive, eager, willing people who can invest lots of funds -- we have very good fundraising capabilities and a lot of volunteer hours to preserving the nature, to keeping nature a safe place within the city limits, to adding trail access to families, and it's all at no cost to the City. We're here, we have funds, we have people -- we want to take care of nature and we want access to it, as well.

I hope that this plan that you guys are looking at will identify some places in Portland for the large cycling community to access nature, and I look forward to an open and non-biased planning process. I look forward to having a cooperative and healthy relationship with the City. Thank you. That's all.

Hales: Thank you very much. Good morning.

Bruce Liles: Good morning. My name is Bruce Liles, I live on Hayden Island, and this is my first time speaking before Council.

Hales: Oh, welcome.

Liles: Thank you. Can I speak to agenda items in general or to stick to the trails?

Hales: Anything on this budget proposal, so you bet.

Liles: Thank you. I am going to do it with song, just out of desperation. I play under the jay bruce 38. This is a song in celebration of your five-year-old selves that sat around a campfire, and you moved around that campfire, with that smoke, whenever it came back to you, you just thought you figured out something, and you said -- and I'll shorten this song because it goes on forever.

Hales: [laughs] OK.

Liles: [singing] Oh we can't breathe what we burn, oh, no, no, we can't breathe what we burn -- for crying out loud, when are we going to learn that we can't breathe what we burn? King coal takes his shovel and he shovels up the ground, shovels up so much that there's nothing left around, then he drags his drag line another 20 miles, counts up all his money with his cancer-causing smiles. Then he takes the black rock and breathes it in the air, gets up in the wind and it goes everywhere, comes back down to earth and we breathe it in our lungs, poisons everybody, especially the young. And the wrongest part of using this type of energy is sending 'em below the earth by those that are greedy, cut back on expenses and the safety of the mine, and if they killed somebody, they only pay a fine. We've got to change our course, new way of doing things, yes, I'm talking solar, water, and the winds of change. Got to change our course and we've got to do it fast, if you want to make the same mistakes, start with biomass. Oh, this song has got to end and so does burning fuel, we've got to take our knowledge that we should start to use. I know I will get it right and then it will happen when we learn that we can't breathe what we burn. Oh, we can't breathe what we burn, no, no, we can't breathe what we burn -- for crying out loud, when are we going to learn that we can't breathe what we burn? [end of singing] Thanks for your time.

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Hales: Thank you. Did you write that?

Liles: Yes.

Hales: That's well done. There's a guy named Guthrie who I think may have influenced you a little bit, I hear that echo. [laughter] Thank you.

Liles: Thank you, Council.

Hales: Thank you. OK, next three. Another hard act to follow. I mean, we have two hard acts to follow already. [laughs] Good morning, go ahead.

Carolyn Bateson: I'm Carolyn Bateson, and I'm the manager of the homeless program at the Portland VA. I'm here mostly just to say thank you to the City of Portland for all the support that we've felt through the 25 City Initiatives, the Mayor's Office challenge to end veteran homelessness.

I've had the privilege of being in this role for three years now, and the amount of support that the Portland VA feels from the City of Portland is pretty amazing. And it's at all levels -- it's the nonprofits that we work with, it's Sally Erickson at the Portland Housing Bureau, it's the Mayor's Office, it's Marc Jolin at the County and the County Commissioners.

At the Portland VA, we've had a tremendous amount of resources that have come to us at the national level, but our resources are staffing. And so what we bring to the community are lots of social workers and the housing specialists and the psychiatrists and occupational therapy, and those types things. But we can't do everything else that's involved in getting all the housing vouchers in use and also just getting all the veterans that are out on the streets or in marginal housing housed properly. So, we rely on our partnerships. And the creative way that the community has kind of helped us to figure out what the barriers are and to help rally resources around getting this job done is profound and it's also extremely helpful. So, I just wanted to come here and say thank you.

Hales: Thank you. I think what Commissioner Saltzman and I have experienced so far in this partnership not only with Home for Everyone but with the VA is that we have a cohesive effort of agencies and nonprofits and everyone involved to try to meet this challenge of getting our veterans inside. So, thank you for your good work.

Bateson: I've been in the VA for over 20 years and I've always worked with community partners, but it's always been much more siloed. And what this program has allowed us to do is to see ourselves as part of the community, and not the federal government versus the local government. So, it's been really very, very lovely. Thank you.

Hales: Good morning, Linda.

Linda Nettekoven: Good morning, Mayor Hales and Commissioners. My name is Linda Nettekoven, and I'm here this morning just to speak in support of the single family code development package. I wanted to thank you. It sounds like you're already supporting it in the BMP. I wanted to stress the urgency of the situation.

You know the details of what's in the proposal, but I think that this, if it's done well, is also an opportunity to be one of our tools for dealing with displacement and demolition -- furthering that conversation and expanding it. As you know, home ownership is the way that most families acquire and pass on wealth across generations, and certain segments of our community are kept from being able to do that. Having a range of housing options within our single family neighborhoods that doesn't undermine the character of those neighborhoods would allow more opportunities for more people and still have people keep their sense of place and home in the process.

I'll be quick -- I wasn't able to be at the budget hearing because I was at the affordable housing summit, which is also a great concern to many of us, and I just want to support the others. I'm a longtime member of the Planning Bureau Budget Advisory Committee and want to support their request on the budget for historic inventory review. I

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think that that's also a great community development effort that can be done in a way to help people sort of reconnect with their neighborhoods in a broader way as they start to look at assessing the resources, and historic resources of course are not all about architecture, it's also about cultural heritage, and sometimes cultural heritage it comes in funny little non-descript packages but is still words saving and acknowledging. And if we don't do something with this 30-year-old index, which only includes one property east of 82nd as being of any value historically, we are going to be in danger of losing things that matter to people, and again, create that sense of place. And if you value your place, you take care of it and you continue improve it. So, this piece is really important.

And of course, please let them finish the Central City Plan. I know that we put extra resources onto the Central Eastside, the Southeast Quadrant, which I've also been working with, but we need to finish that process in a meaningful way and as quickly as we can. So, those three pieces of planning requests I think are all really important and they are all tied together.

The last piece is for me living close to a corridor that's undergoing transformation -- that is Division -- please don't make us wait until 2019 for some meaningful role in the design. The problem isn't density as much as it is design in our community, and we have to find a way to address that. Thank you so much.

Hales: Thank you. And obviously, we want to get this moving quickly because this change is upon us.

Nettekoven: Yes.

Hales: But it's going to take a lot of volunteer effort by people across the city. Some of whom, like you, already put in a huge amount of time as volunteers, but this is really important, so I hope that we can not only get a little more of your time but also get a lot of people involved in this. Because it's a tricky issue. How do we change the code in a way that preserves the character of neighborhoods but also still allows reasonable redevelopment in places that most of us would agree is OK? And there's a lot of judgment calls in there.

Nettekoven: Yes, and that's why I'm so concerned about the immediacy of it. Because we're wasting so much civic energy fighting with each other as opposed to a common vision and pulling together to try to solve problems. And if we can come up with an approach that feels fair, at least to most people, I think we can save a lot of time and energy for the things that really matter.

Hales: Good point. Thanks very much. Welcome.

Kelsey Cardwell: Thank you. Good morning, Mayor and Commissioners. My name is Kelsey Cardwell, I'm the president of Northwest Trail Alliance, and I'm here to thank you on behalf of Northwest Trail Alliance's 1000 members and the nearly 3000 people who signed our petition requesting money for an off-road cycling master planning process.

I first moved to Portland a few years ago for the same reason a lot of my peers and friends did. We're ambitious young professionals who want to be in a vibrant city where there is a lot of opportunity to grow our careers, but then the other thing is that Portland is a gateway to the outdoors, and it's unique in that it can provide those things to us.

Outdoor activities like hiking, trail running, surfing, skiing, cycling -- which you can't really find in a lot of other cities within an hour of a city around the U.S. -- they keep us happy, healthy, and connected to the outdoors even when we're pursuing careers in a city. But all too often, things like lack of a car or lack of an income or lack of a network can get in the way of pursuing those recreational activities outside of work.

Portland has all the tools to become a renowned city for off-road cycling and provide that for its community within the city -- that kind of access to the outdoors. I really look forward to working with the City and with the thousands of advocates, hundreds of trail

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builders, the diverse set of community groups that would want to join this conversation, and the hundreds of bike businesses around Portland in starting work on this plan. We all look forward to a fair and balanced approach that honors the spirit of public involvement. I'm really excited to get to work, and I thank you again for supporting this.

Hales: Thank you very much. Thank you all. Good morning, welcome.

Tamara DeRidder: I am Tamara DeRidder, I'm the chairman for Rose City Park Neighborhood Association. Thank you for letting us speak today -- or me speak today.

I wanted to tell you our sincere support for the single family development code project that you have in the BMP on behalf of Rose City Park. We had a visioning workshop last night on livability at our neighborhood, and attracted 60 people, and infill was the top issue by far. And so, as Linda was mentioning, the issues are dealing with adjusting the building envelope, because we're getting the supersized houses that are really not affordable to most people. I understand the need for that type of housing, as well as the fact that it blocks the solar access. So, how can we build solar access credits into this discussion?

Also, we're dealing with split lots, and a lot of property owners don't know they have a split lot. That means that their property is on the market right now. People want to take those houses down and build two houses on those lots. And most of the neighbors don't know that exists.

Also, skinny lots. The question is, how skinny is too skinny? 25-foot wide lots are a bit too skinny, and I think that that's a real issue because the design ends up being a shoe box, and many people don't get along with that. But if you can make that into a common house with a common wall, make it into a townhouse, people will accept that much better.

But these are things that we need to talk about in a balanced discussion with the infill task force. And bringing people together from all walks of life and building a common language and an acceptable process will speed it along for both the neighborhoods as well as the developers. So, we can't do this quickly enough.

Also, about infill, I am helping out Southeast Uplift, Central Northeast Neighbors, and North Portland Coalition in an infill expo. And it's going to be infill and affordable expo on June 4th at the German American Society, right on Sandy Boulevard. And we are trying to gather all the different folks that have been talking about gentrification, affordable infill -- all of those people to come and set up a table so everyone has a chance to see what is happening, get some ideas, and then come to the table with infill task force and bring those ideas up. Thank you.

Hales: Thanks very much. I appreciate you organizing that, too.

DeRidder: Thank you.

Shannon Singleton: Good morning. My name is Shannon Singleton, I'm the Executive Director of JOIN, and I'm here today to thank you, the Council as a whole for the support on the money for ending veteran's homelessness. And additionally, I want to specifically thank Mayor Hales and Commissioner Saltzman for your leadership with Home for Everyone. The commitment of these dollars allow us the opportunity to house folks immediately when opportunities present, which is not the situation that happens with some of the longer term vouchers. So, this support and these dollars are vital to our work.

I also want to ask for your continued leadership as we seek to recruit additional landlords in the private rental market. It is taking the JOIN team about two or three times as long to secure units, and as we move through Home for Everyone and seek to increase the availability of landlords for affordable housing, we're asking for your leadership in that to bring people to the table to support financial resources needed to maintain those relationships and to align the City's affordable housing development with ending

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homelessness goals. So that's our ask at this point, and again, thank you for your commitment to this work.

Hales: Thank you, Shannon. I appreciate your partnership. Thank you both.

Singleton: Thank you.

Hales: Anyone else want to speak on this item? Come on up, please.

Steven Entwisle: Good morning, Council, Mayor. My name is Steven Entwisle, lifelong resident of Portland. Also a member of the individuals for justice, also executive director and founder of the Oregon healing man sanctuary, which is OHM. We like these trails built in the parks would give, as the former testimony of the citizens, as requested. I think this is a great idea. I think that it's a little overdue, but the time has come. My concern is, who is going to be working doing the labor on these trails? Is this going to be contract laborer City laborer out of state labor?

I have a suggestion. There is a lot of houseless folks that could use some work right now. Nobody is hiring houseless folks, as far as I know. And there is a lot of folks out there that are desperate, and they really need and would love to be away from the city helping to build trails. We need to have a task force that gets people motivated and they can take ownership in the park, and I think that this is a great idea. I don't think it's going to be as difficult or as problematic as some might think or try to impose. I think this can be cooperative with the City and the houseless. And I would recommend you look into it, and take a hard look at trying to get some of the houseless folks to work. And it would be really easy because they would not have to commute to the job. They could be right there and have a supervisor take them out and put them to work. It seems to me that would be a very constructive thing to do, and it would be good for the future of Portland. Thank you.

Hales: Thank you, good morning.

John Dabby Campbell: Hi, thank you for having me. My name is John Dabby Campbell. I'm lucky enough to be on the board of directors for the Northwest Trail Alliance, and I do a lot of varying trail work with Parks and the City.

I'd like to say growing up in the city, the big city, having dirt, places to go on our bicycles as bored kids was everything. You could go on your bicycle -- we used to ride, thinking now, five miles away from home. We would be out on the street. And it's a long ways now, you know, but we had dirt right next door that we could stay there, and I really think that it's important to kids to have inner city dirt, dirt in the neighborhood. Transition from the backyard to the park or to the woods, then onto the road or the trail, whichever they choose to develop as a riding style.

I am very happy that we, the city of Portland, will have this opportunity to have more trails in general, and I would like to say, mountain bike trails -- these trails are not just going to be mountain bike trails. There are going to be more trails in general, which is what we need. Thank you very much for your support.

Hales: Thank you for coming. Good morning.

Dan Coffman: Good morning. Thanks for this opportunity to speak before the Council today. My name is Dan Coffman, I think that this is my second or third time speaking in front of you and I appreciate it.

First of all, I want to echo and agree with just about everybody who spoke here today on the various different issues. I haven't heard anything that I disagree with. So, in terms of how do we develop the neighborhoods, how do we deal with the issues of veteran's homelessness and homelessness in general -- all the different subjects. Really appreciate everyone who came here and spoke today.

I really wanted to echo what Dabby Campbell was talking about with children having access. I have three sons aged seven, 12, 15. Most of the roads are safe for their ages, especially the seven and 12-year-olds, 15-year-old is now riding his bicycle to Cleveland

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High School, and I feel more comfortable with that, but I think 30 miles per hour roads in general are just too fast, especially for younger children. And so, kids need I think off-road ways to get there all throughout the city -- so not just the recreation opportunities in the parks, but ways for children to be off-road. On-trail is a very inexpensive way to do that, so I appreciate that we're now looking at this as a city, and want to really promote that all throughout the city -- eastside, north, southeast, northwest -- all throughout the city to do this, and perhaps we can get some people out into the parks to enjoy our parks for recreation, but also want to see a way for kids to be able to get around safely on the streets. Thank you.

Hales: Thanks for coming. You know according to a story in the Oregonian today about the need to burn off testosterone, I wasn't thinking about your household, but good luck with that. [laughter]

Coffman: Yeah, and it's nice when we don't have to drive up an hour from the city to enjoy mountain biking, but we do, and we appreciate where we live and we love it. So, thank you.

Hales: Thanks very much.

Entwisle: One more word if I may -- also, I would like to see not just bikes, but I would like to see wheelchair access also to a lot of the open areas, because I know that they are really lacking. People need to get out of the house. They need to get out of their apartment, and they need to be able to go to a safe place where they can get into nature. Thank you.

Hales: Thank you. Good morning.

Barry Joe Stull: Good morning. Barry Joe Stull. I just wanted to make a couple comments and tie some of these issues together.

The Saturday Market vendor has kind of capitalized on the signs regarding our interface with bicyclists and rails in the street. It kind of shows the person on a bicycle with their front tire going into the rails and bailing out, and they used that with the -- our version of the "I love New York" which was a great piece of art, saying a lot with four symbols, saying all those things. Ours is, "I crashed my bike when I hit a rail in the street on my bicycle PDX."

Years ago, when I was a Pacific Green Party candidate, I focused on a number of issues, and one of the ones was making bicycling safe for commuters. And since then, I got to have a fellow on his way to work as a school teacher run the stop sign and I got to break the windshield of his car with my body and find myself pinned in the street in my bike frame. So, I know what I speak, I know what I'm working towards. And what I advocated in 2000 was what they have in Seattle and what they have in San Francisco -- it's electric buses. The bus goes down the street. The UPS truck or the FedEx van goes down the street. The bicyclist goes down the street, and there is no fixed rail. The only thing that it needs, really, is the suspension which we call the catenary poles that suspends the cable.

And I come from a town in western Pennsylvania that has its footprint here in the form of the suspension bridge, the St. Johns Bridge, which was built by the robling company, and our Tilikum crossing is using cables. So the reason we use cables for tow trucks and every other thing is because they are strong and cheap and you hang the cable out, and you have the electric bus like they have -- I'm repeating myself -- in Seattle, and in San Francisco, and not in Portland. Because Portland wants to put the rails so that they can monopolize the property development on those rail lines and beat up the feds saying we're doing commuter rail infrastructure, where for much less effort and much safer environment, we could have electric buses and catenary poles.

Hales: Thanks very much. Thank you all. Unless there is any further Council discussion, this item will pass to second reading next week -- or get continued to next week.

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Fritz: Do you want to vote on your amendment?

Hales: We already voted to accept the amendment, so I think that it's --

Fritz: No --

Hales: Yeah, we did.

Moore-Love: Yes, on your amendment we did vote, Mayor Hales.

Fritz: I apologize.

Hales: It's OK. So, this passes to next week's calendar. Let's take 422.

Item 422.

Hales: Thank you, all. I don't think that we have a presentation -- yes, we do -- no, we don't on this item. Is anyone signed up to speak?

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

Hales: It's simply a report from our civil service board. Are there any Council questions, or is there a motion to accept the report?

Fritz: So moved.

Saltzman: Second.

Hales: Further discussion? Roll call on accepting the report.

Item 422 Roll.

Saltzman: Aye.

Fritz: I very much appreciate that we get a detailed report on the appeals and other activities at the civil service boards, and it's very clearly laid out so anyone can read and know what happened. And I commend the board for all of their work, both paid and volunteer. Aye.

Hales: Yeah, I appreciate the report and the volunteer effort by the members of the board. It looks like from the way these cases have been disposed that the process is working, and that they're making a variety of judgments and a variety of situations, so thank you. Aye.

Item 423.

Hales: Roll call and second reading.

Item 423 Roll.

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

Item 424.

Hales: This is also a second reading item for a roll call vote.

Item 424 Roll.

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

Item 425.

Hales: Roll call.

Item 435 Roll.

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

Item 426.

Hales: Roll call vote.

Item 426 Roll.

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

Item 427.

Hales: I think Lance Lindahl from PBOT is here? Or maybe we surprised him by moving so quickly this morning. So, this is a hearing on a proposed street vacation, so I'll open the hearing and see if there's anyone signed up to speak.

Moore-Love: No one signed up.

Hales: So if not, I'll close the public hearing and if there are no Council concerns, it will pass to second reading next week. So ordered. And we are at recess until 2:00 p.m.

At 10:43 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.

APRIL 29, 2015 2:00 PM

Hales: Welcome to the afternoon session of the City Council. Would you please call the roll?

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

Hales: Commissioners Novick and Fritz are in Salem or Washington D.C, respectively, on City business. Welcome, everyone else. Would you please read the first item?

Item 428.

Hales: Commissioner Fish.

Fish: Thank you, Mayor. I'd like to begin by welcoming our honored guests from the City's Arts Oversight Committee, AOC chair Stan Penkin, Jim Cox, Jessy Friedt, and Craig Gibons. The AOC has been hard at work the last several months putting together their second annual report analyzing how the Arts Education and Access Fund dollars were spent in the prior year. With that, I'd like to turn it over to Stan for his presentation.

Stanley Penkin: Good afternoon, Mayor and Commissioners. My name is Stan Penkin, chair of the Arts Oversight Committee, as it's commonly known. We are pleased to report on the Arts Education and Access Fund -- our second year of the Arts Education and Access Fund report. I must say, I am a little nervous because my wife and one of my daughters showed up here unexpectedly, and they are my biggest critics so it makes it very tough.

Before we get on to the actual nitty-gritty of the report, we would like to share with you a video that speaks to a large portion of what this fund is about, and then we will have another little surprise with some special honored guests.

*****: Hmm, how do I make it go here?

Hales: Karla will probably have to help you -- it takes a village to operate our PA system here.

Penkin: There we go.

[video playing]

*****: Sometimes, it might include some trees, that's right. What else can we tell about a landscape?

*****: [music] [singing]

*****: To have kids be around art is just so much more reflective of life in general. Because without art, without music, without the visual arts, it just feels empty. But they come here because there's something they can do that makes them feel good. It's a reason to be excited to go to school. [music]

*****: Vamos hablar un poquito acerca de tu arte, OK?

*****: What I love about Rigler is it's a super diverse school in a lot of ways. Our students come from all kinds of backgrounds. I think there are nine or 10 languages in our school.

*****: Caitlin has been great because she's incorporating their work into the school curriculum, and so they get a connection that art can really be part of everything.

*****: I definitely have students who, at the beginning of the year, I never would have expected to have run up to me in the bus line and say, "we have art tomorrow! I can't wait to get to school first thing in the morning, I'm going to be on time!"

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****: It's very special because most schools don't have art. And it just shows you how to express how you feel about things and to show things that you've barely seen before and just put on paper and see how you see it in your head.

****: It feels like it makes me happy that I can do actually something that I've never tried before.

****: I teach dance.

****: Step, step.

****: I never thought -- and I've taught dance for 10 years -- I never imagined this would be something that I would be able to teach in the public school system. That type of career didn't ever seem like an option to me.

****: Yeah, well dance in terms of its relation to the more basic and traditional curriculum in school -- you know, dance is physics, dance is science, it's all about how the body moves. [music]

****: I'm, like, infinitely grateful. I'm infinitely grateful for the Oregon arts tax and for getting the opportunity to really practice my art form and implement my passion for teaching in the public school system.

****: I think that is just incredible, and I brag on that all the time -- that the people came together. I mean, it's no doubt Portland as a city values art.

****: I just want to say thank you, thank you, thank you to all of our voters in Portland who are helping us build the arts back into Portland Public Schools. You can see what a difference it is making for our kids. Thank you, thank you, thank you. [music] [end of video]

Hales: Great.

Penkin: So with that, we have some very special guests here today, and I would like to call them up to introduce themselves and present a little surprise. Come on up, folks.

Nancy Helmsworth: On that note, we have some actual students who have benefited from the arts tax.

Penkin: By the way, this is Nancy Helmsworth, who is an arts educator and also a member of the AOC.

Helmsworth: And you can say your name, your school, and you can hand your gift to the closest person. [laughter]

Fish: And then we'll line them all up here.

Helmsworth: OK, cool.

****: Thank you. [applause] [laughter]

Fish: Good work. We'll take turns.

****: I go to [inaudible] and I really want [inaudible] -- [applause]

****: Thank you. [applause]

Fish: What a great tie you're wearing!

****: [inaudible] [laughter] [applause] Thank you very much. Thank you for joining us. [applause]

Fish: Can we get a big group picture here? Let's have all the kids come up here. Boy, did Steve and Amanda choose the wrong time to be gone. [photo taken]

Fish: By the way, are these the parents or special friends or loving, caring adults in your lives?

****: Yes.

Fish: Let's give them a round of applause. [applause] And teachers. [applause]

****: Thank you.

Penkin: Wow, that is one hard act to follow. I think with that, maybe that would be the end of the report -- [laughter] -- it could speak for itself unless you insist that we give the report. OK. I guess we are.

Hales: I think we better here.

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Penkin: Before we get to the nitty-gritty, I'm happy to say that last year, it took us approximately 18 drafts to put the report together and we were editing it up until literally the last moment. This year, we were able to do it in seven drafts. I'm sorry to say that the report is just as long if not maybe longer, but at least we became more efficient in this second year. I just want to apologize in advance for reading from my notes because I had an emergency call from the White House this morning and the White House asked for our tell prompter in anticipation of the President's visit here upcoming. So, we're going to move on.

By now, you're all familiar with the history of this fund. But just to provide a little context, the AEAF was adopted in 2012 and provided for the creation of the Arts Education and Access Fund Citizen Oversight Committee, as we commonly now call the AOC. We were charged with reviewing the expenditures, progress, and outcomes of the fund and reporting their findings to City Council on an annual basis.

A group of 20 diverse citizens came together to fulfill its task of overseeing the integrity of the system and ensuring that taxpayer money was being collected, distributed, and utilized as intended by the voters. To that end, the committee set out to establish guidelines by which it would perform its task and to develop a set of metrics by which it would evaluate the distribution and implementation of the tax funds to the schools and to the Regional Arts and Culture Council, as well as evaluating the data and documentation provided by the Revenue Bureau. We established a set of uniform metrics, which you will see in appendix B -- and I think we'll have it up on a slide later -- by which school data would be requested and submitted to the committee for review and evaluation.

During this past year, the metrics format has been minimally improved based on experience in year one. In the coming year, the metrics committee is considering the addition of a data request for the actual hours of arts instruction in order to better gauge the educational impacts of arts tax funding on our children.

A little bit about the committee. The committee started out with a maximum of 20 members in an effort to represent as broad a spectrum of the community as possible. During the course of its first two years, the committee lost a number of members for a variety of reasons. We more recently brought on three new members. The AOC and the City will continue its outreach for new members as it deems necessary to maintain a representative and diverse group. The AOC, now numbering 17, is pleased to welcome its newest members, Srule Brachman, who I think is sitting over there; Nancy Helmsworth, who is also here; and Jessy Friedt, who is up here reporting with us today.

Just a little bit about our meetings and venues. In 2013, our first year, we held a total of 15 full committee and subcommittee meetings. In 2014, there were four full committee meetings and three metrics committee meetings. A full meeting was also held in February of this year and three metrics meetings prior to this report. With the uncertainty of the early period behind us, the committee scheduled only two meetings for this year -- one in February, which we just had, and another in October.

The AOC feels that it's important to move its meetings around the city and into different communities. Meetings have been held at the Parkrose School District, the Centennial School District, RACC offices, Revenue Division offices, and at City Hall. The AOC will continue to bring its meetings to diverse areas of the city.

So, a few acknowledgments. From day one, it has been the goal of the AOC to establish a mutually respectful and collaborative relationship with all of those involved in the many aspects of the arts fund. The AOC wishes to acknowledge the help, guidance, and administrative support provided by the Revenue Division, led by Thomas Lannom and his dedicated staff Terri Williams and Meghann Fertal. Tom and Terri are right there.

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We have been most fortunate to have the continuing coordination and liaison efforts of Jenny Kalez from the Commissioner Fish's Office and Josh Alpert from the Mayor's Office, for which we are most grateful. We are also thankful to Mayor Hales and Commissioner Fish for their support of our efforts.

RACC has been an integral part to our work, and we wish to thank Eloise Damrosch, Jeff Hawthorne, and Marna Stalcup who between them have attended all of our meetings and offered valuable input and guidance. We further appreciate the cooperation and collaboration of the six school districts that attended many of our meetings and offered valuable input. While the committee developed the data submission format, input for improving it was requested and received from the districts. This helped substantially in developing a workable format that was easy for everyone to use.

Now, we report on results and evaluations of the second year of the fund and our recommendations moving forward. I want to turn it over first to Craig Gibons, who will report on revenue; followed by Jessy Friedt, who will report on the schools; and to Jim Cox, who will report on RACC. You're on, Craig.

Craig Gibons: That's quite a microphone stand. I have two slides in my presentation, and it is all just reflective of numbers and information we have received from the Revenue department about revenue collected and disbursed under the arts tax.

The first slide shows for the two tax years that have been closed what the collections have been, the interest earnings, the administrative costs, and then the school and the RACC disbursements. The numbers are pretty consistent, and one of the important things to understand is that these years are closed for everything except future revenue that will be collected for these years. So, all of these numbers will stay the same, but revenue will increase over the years. It looks like we collected less money in tax year 2013 than 2012, but that's also because 2013 is 12 months behind in its collections. Does that make sense?

The distribution is on this slide. And again, this distribution is closed. These years are closed. This shows the amount of money in thousands that went to each school district, and there is some fluctuation here between years and between school districts. I believe that that is based on changing enrollment, but we would have to turn to the Revenue department for clarity on that. That's what I have to say, unless there are any questions.

Hales: Questions from anybody on the Council? Thank you. Thank you all very much. So, we have more members of the report.

Fish: We have the next two parts.

Jessy Friedt: Great. I'll be reporting on the public schools and how arts funding impacted schools, and also how they're doing to meet the expectations put forth in the IGA.

The first year for the AOC was really about assessing and evaluating the schools. Year two for us has really been fairly routine. Schools turned in their data prior to December 31st based on a uniform set of metrics that was set forth in year one by the AOC. You can in this first slide a sample of metrics that we request from school districts every year. Some of the metrics we look at are total arts fund dollars, average teacher's salary, total full time equivalent teachers commonly referred to as FTE -- and I'll refer to that going forward -- school population, as well as how the FTE in each school is broken out within each discipline.

I wanted to take a minute here to highlight some feedback throughout the year regarding FTE allocation. In some instances, schools have allocated less than one FTE to a single arts discipline. You can see an example of that here, where there's 1.0 FTE for visual art but 0.5 for music --

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Hales: Wait a minute, I don't think your slides are up.

Moore-Love: Sorry about that, I've got to get the TV person to put that up. David, could you get the slide up there?

Hales: While we're waiting, I don't customarily make announcements about the Mayor's proposed budget before I propose it, but next year, if I have my way, we'll have a different sound system. [laughter] We're tired of this one. There we go.

Friedt: So, I was referring to the examples here of 1.0 visual arts teacher and 0.5 in music, and you can see that as an example here. In many cases, this kind of situation with FTE reduces teacher contact time with students, as they may have hundreds of students but they only see a group them once for a 30-minute period each week. While on paper, there's nothing particularly wrong with that, it does raise the question of how effectively one can educate within a discipline given a very minimal amount of time with students each week. While it is not within our purview or is it stipulated in the arts tax language to interfere with how the schools use their resources in this regard, we thought it worthy of discussion and bringing it forward. We believe access to the arts is crucial and was the purpose of the arts tax, but so is the quality of the education, and we believe the distribution of FTE might affect that. One change going forward in the metrics to help us better understand the FTE issue is we will be requesting school districts to report on hours of instruction in addition to what you see here.

On the next slide, we have a sample evaluation that the metric subcommittee does. After we receive the data from schools, the metric subcommittee takes that data and does a deep level evaluation within each school district and prepares an analysis. You can see here that we're comparing everything to the base year, which was the year prior to the arts tax, to sort of see how far we've come. You can also see that we're looking at data from grades 6-12. Even though the funding is for K-5, we thought it was important to look at long term effects of the arts tax.

The next slide is a sample of the narrative evaluation that the subcommittee does. We have reviewer's notes and specific recommendations made to the district here. You can find detailed analysis of each of the school districts in your appendix. We wanted to just give you a sample here.

While these slides so far have just shown single school districts, one of the most important slides we have here is the summary snapshot of how all school districts did in this past year, and it's good news. As you can see here in the base year, many school districts had ratios of one arts teacher per 1500 students in some cases, which is quite high. Year one was much better. We had a few districts not quite meeting the recommended one arts teacher per 500 students. But in year two, we're happy to say that all districts are in compliance and have met at least one art teacher per 500 students. And many are doing better than that, with the average being one arts teacher per 387 students. Which is great. In fact, there were no schools within any of the districts that did not have at least one arts teacher in their K-5 student population.

Another item of note for the good news is that the arts tax has been able to contribute to an increase of 44 art teachers, and in this last year -- so from year one to year two -- there was an increase in nine additional teachers. While we wouldn't expect it to be as great as that first year, we're happy to see that there still is growth there.

The other thing of note here is that all money is being spent on teachers this year and not ancillary purposes. We discovered in year one that there was some confusion with some of the school districts around what that money could be used for. We want to commend all the schools who have made great strides to fixing that this year.

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Fish: I'm looking at this slide you have up, and we used to say we had about 70 teachers serving about 30,000 children. According to this in 14-15, we're up to over 80 teachers, is that correct? Am I reading it correctly?

Penkin: Total.

Friedt: Yes.

Fish: 80 full time.

Friedt: Yes.

Fish: So, that's a healthy jump over last year and it's one of the reasons why the ratio is now even better across all six districts.

Friedt: Yes.

Fish: So I have to update our talking point on that stand, because I was still using 70. We're now at 83.

Penkin: Well, get with it, Commissioner. [laughter]

Fish: Please don't embarrass me in front of your wife and daughter, if you don't mind. [laughter]

Friedt: By and large, the AOC is extremely pleased with how the arts money is being used and the improvements we've seen both in the number of arts teachers increasing and in some of the anecdotal feedback we've received, some of which you've heard today.

We do have a few recommendations in the area of public schools that I want to just touch on before I pass it on. The first one I mentioned before, and that is we do think it's worth looking into the FTE issue around distribution of arts teachers.

The second one is fairly simple, but the term "certified teacher" was not defined in the ordinance and was raised as an issue specifically among charter schools. They're the ones that it affects the most, and they just need some definition around what that term is.

The third is that there are two Portland charter schools currently -- Ivy and Southwest charter schools. They were chartered by the state of Oregon, but they are Portland schools, they serve Portland students, and they are not currently receiving arts tax funding. We as a committee do recommend that they receive funding from the arts tax, as it was the taxpayers' intent that Portland schools serving Portland students receive funding. So, we recommend that we change that. That's it for me.

Fish: Thank you.

Jim Cox: I'm Jim Cox, and I'm reporting on the funds to the Regional Arts and Culture Council, also known as RACC. And a little refresher on how the tax money is distributed.

First and foremost, the Revenue Division by their formula figures out the total number of dollars to support one teacher for every 500 students for each district, and that money goes first to the schools. All the moneys collected after that are distributed to the Regional Arts and Culture Council in order to support three different funding streams, one for general operating support for 35 major arts organizations here in the Portland area, one to do access and equity arts grants for organizations that don't qualify for general operating support, and also for an arts education coordinator.

This was the challenge for us this year. If we look at the very top line on the left-hand side says 1/21/14 \$200,000. At this time last year, that was all that had been distributed to the Regional Arts and Culture Council. And as I remember my report saying, it was really not a very significant sum, particularly because the Regional Arts and Culture Council has a fiscal year of July 1 through June 30, which means that in order to distribute those funds, they have to have a reasonable amount of time to do it to their grant programs. Last year, they only had the opportunity to distribute \$200,000.

On top of that, no one had an idea of how much more was going to come in. This was the first time for the tax, the Revenue Division had no idea, it was up in the air, RACC had no idea. So in the collections, if we look down on that through the first set of totals,

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we're looking a total of \$1,225,000. These were distribution from the very first 2012 arts tax that were -- have since been given RACC. And these funds are used in their current fiscal year, the 2014-15 fiscal year. And you can see that again in the green section, if you look at that, there's a total of that \$200,000 -- just shy of that \$200,000 and some of that was put into this current fiscal year.

Then if we look down below and we look at the distributions for 2013 tax year, we're looking at \$880,000. So already, \$880,000 has been distributed for the current 2013 tax year. Last year, it was only \$200,000. And that has been able to be used already in the current fiscal year. So in effect, RACC had nearly a million dollars from the 2012 tax year. They have \$880,000 from the 2013 tax year, and still potential more money coming in from both of those tax years depending on late filers that the Revenue Bureau is able to collect from.

Going forward, if we go into the next slide, we're looking at the general operating support. So, the majority of the funds go to support general operating support grants. This year -- and the news is great -- because of the increased distribution, they'll make distributions to 45 major arts organizations. As of March 31, they had made distributions to 16 of those. They will make the final distributions through June of this year.

Fish: Jim, remind us -- I think I recall the goal is to get the public support for these organizations up to about 5%?

Cox: That exactly correct, Commissioner, yes.

Fish: Where are we now?

Cox: About 3.8 if you look at the aggregate. For some organizations, it's going to be closer to 2.5, for some it's going to be over that. But in the aggregate, it's getting to about 3.8 where before it was about 1.7. So, it's a significant increase.

And if we look at the dollars, too, last year's dollars from the AEA covered about 11.2% of the total money going to this distribution for the operating support. This year, it's 46%. So, it's significantly greater.

So the arts organizations in general are seeing a greater significance to this, and will in time as this tax stream increases.

Fish: And Jim, just for the audience watching, the second column is the additional \$600,000 the Mayor put in his budget of one-time money, so-called bridge funding during the transition. So that's why you get to almost \$1.5 million that went in operating support.

Cox: That's correct. We can go to the next slide. The second stream goes access grants, and these are going not only to organizations but also -- it doesn't have to be an arts organization, but it can be a community organization serving minority communities or neighborhoods that might not normally receive funding for arts activities, whether it's an arts festival, music in their neighborhoods.

What we're looking at is the distribution from last year, which was \$26,000. These grants -- we weren't able to report on this because these grants aren't distributed until May. So last year was \$26,000, this year we're looking at \$79,000. The grant applications are already being processed. Again, RACC will distribute these funds in May of this year, so we will report on who receives those funds in next year's presentation. But these are the groups that receive funds from last year.

And finally, the last stream -- on this stream, just to you put this in perspective, this is at least 5% of the funds that RACC receives in their fiscal year for the tax that goes into the funding stream, and they are well within that limit.

The next one is for an arts education coordinator. Last year, it was \$23,000 and it basically helped to do some arts training. But the real goal was to hire a full-time coordinator to make sure that there is a coordinated approach to arts education from kindergarten through grade 12. Also helpful to us, because one of the issues that we are

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struggling with as a committee right now is how do we assess the value and performance of what's going on in the schools? And so, RACC has been able to hire Marna Stalcup, who again has been coming to all of our meetings since she was hired. She is going to be helping put together benchmarks, looking at national programs, what's going on in national cities, national benchmarks that we can look at how Portland is matching up to those with the arts tax and just kind of see how effective are we not only reaching one teacher for every 500 in the lower grades, but how effective that is and also, are we seeing a coordinated effort from grade six through grade 12? So, we're thrilled to be able to say there is \$14,000 now supporting that position. This is funded out of what's called less than 3% of the gross revenues of the entire tax. So, they are using \$114,000, the entire tax brought in more than seven million. They are well below that 3% mark and well within the funding source of what where they should be.

Overall, what we'd like to say is we believe RACC is doing a great job stewarding these funds, getting them in our good grant streams, and we encourage the City again to continue funding on the City side as well as the arts tax so we can get closer to meeting that 5% goal.

Penkin: Thank you, team. Let's move on. Before offering our recommendations for this year, let's take a look at last year's key recommendations and let's see what happened with those.

Number one. City should be at the forefront of providing more positive messaging about the tax and its benefits for children, the arts, and the entire community. We believe that some of this messaging has been provided and we trust that we can look forward to a continuation of positive communication in the future.

Number two. Our recommendation last year was that the Revenue Bureau -- now Division, by the way -- and City leaders should seek ways to better communicate the arts tax requirements to the public, including more outreach to minority population and expanding explanations in additional languages, although there's been effort to do so even under cap restraints. We understand there have been administrative caps, but the City may need to explore ways to partner with other agencies to provide this important resource. That was our recommendation last year.

The result. We are pleased to report that the Revenue Division has made excellent strides in reaching out to diverse communities. Materials are now published in 10 languages, and they are working with the Office of Equity and Human Rights, the Office of Management and Finance, and Elders in Action to improve outreach.

Recommendation number three last year. The Revenue Bureau should work towards expediting its collection process in the future. Incorporating the arts tax into Turbo Tax and other third party software and seeking file share with the IRS should be implemented as soon as possible. This year, we're happy to say the arts tax can be filed using a number of leading tax software products like H&R Block and Turbo Tax. File sharing with the IRS is still a goal on which the division is actively working.

Number four. City Council and Revenue Bureau should review the 5% cap and determine if it is in fact a realistic figure, especially in light of expected reduced revenue. And we did have a conversation about this last year, especially with you, Commissioner Saltzman, if you recall. This has not been reviewed this year but remains a consideration for future years after more historical data becomes available.

Number five -- I'm sorry --

Saltzman: No, go ahead, go ahead. I'll ask later.

Penkin: OK. The Revenue Bureau should provide a three-year projection of revenues and expenses after all the data is in for the first tax year -- that was tax year 2012 we were talking about. This was not viable in the early stages, but is something that will be

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discussed again for future years as data becomes more reliable. The Revenue Division has however advised the AOC that revenues are expected to begin stabilizing as the tax matures.

An important recommendation last year -- the IGA between the City and school district should have more specific language about how funds should be spend and a clear definition of cost language. Language should also be included about the citizen oversight committee's role and responsibility. I'm happy to say the IGA agreements have been renewed, and all those issues were addressed. You have the details of in that your full report, I won't go into it here.

Number seven. The AOC should be more insistent all schools submit their data in the same format that was established by the committee and within the time frame establishes. We recommend that the renewed IGA address this point, which it did. And I'm happy to say that this year, all the school districts submitted their data on time and in the format we requested with the exception of a little bit of Portland Public Schools. Their data is so vast that we accept a slight variation to what our format is.

For the most part, our recommendations last year were pretty much fulfilled and the AOC is very happy and grateful for that.

So, recommendations this year -- just a summary, because I think we've discussed most of those in the body of our report. Number one. Provide a clear definition of certified arts teachers via an administrative rule procedure.

Number two. Provide arts tax or other funding for the Southwest and Ivy charter schools so that they equally benefit on a proportionate basis with the other school districts.

Three. The school districts and RACC through its education coordinator should collaborate toward creating a model program that aligns with recognized national standards for quality arts education and which addresses the concern over FTE allocations. We further recommend that this be undertaken over the course of the following year with a report to be submitted to the arts oversight committee by no later than this time in 2016.

Recommendation four. AOC to add request for hours of instruction in each arts discipline in its data submission form.

Number five. The Revenue Bureau should provide projections of revenues and expenses at a time when it becomes viable to do so.

Number six. The legislative intent of the AEOF was to add new resources on top of the City's current levels of funding. We recognize that the City is on track by continuing its general fund investments in RACC, and should continue to do so.

Seventh and last. The AOC to work with RACC to create a more comprehensive way to track how different fund tax years dollars in any given fiscal year. This will continue to be an ongoing need as the Revenue Division becomes even better equipped to collect taxes from late and noncompliant filers.

Moving forward, where do we go from here? Qualitative impact. As stated in last year's report, while the committee's charge is to oversee and review the expenditures and outcomes of the arts fund, we continue to strongly believe that our task should include a qualitative evaluation as well. What are the ultimate impacts on children? Are children doing better in school? Are children doing better socially? Do we see an effect on graduation rates and student attendance? Do we have qualified and diverse arts teachers, not just more teachers? Has there been an effect on parent involvement in the schools? Have arts institutions been able to open their doors to more underserved communities? Are our multicultural communities more engaged with the arts?

These are more difficult questions to answer than simply evaluating numbers, but we believe that these can be answered over time. We are currently moving forward on that

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path by asking that question about FTE hours, as discussed previously. We always remains open to input and suggestions from all sources. Thank you, that is our report. We'll welcome any questions.

Hales: Thank you very much.

Saltzman: You caught my attention when you said that the revenues are projected to decline. I guess I --

Penkin: That as really -- not decline, but the numbers were not as great as anticipated because of the challenges that took place in year one.

Saltzman: OK. But I thought you were saying -- you were mentioning the administrative cap of 5% and you were saying there was some question about whether that should remain.

Penkin: That was a statement made last year that applied to last year. That was the recommendation last year, but that does not apply to this year.

Saltzman: OK.

Penkin: Sorry for that confusion.

Fish: Just remind me, Stan -- we're supposed to look at this 5% over a five-year rolling average?

Penkin: It's over a five year period, average over five years.

Fish: And it's no more than 5% of the revenues generated by that tax.

Penkin: Correct.

Fish: It doesn't preclude the Council from supplementing the overhead from some other source?

Penkin: No, it does not.

Fish: Mayor?

Hales: I have no other questions. It's a great report, thank you.

Fish: Karla, do we have people signed up?

Moore-Love: Yes, I have three people signed up.

Fish: So before we dismiss the panel, this is really terrific work. It's a comprehensive report, a very understandable PowerPoint, a very clear presentation. And what's really heartening is the progress we're making. We particularly appreciate seeing the recommendations and the follow-up on the recommendations. In government, we have to always make sure that we take recommendations and act on them or react to them, and so it's nice to see there's been progress on those recommendations.

And you have some additional recommendations that are a little more controversial -- thinking through the question of the charter schools, looking ahead to the administrative cap, the definition of certified teacher, the definitional piece. But what all these scream to me that is you're doing your job in a very thorough and thoughtful way. So, thank you. We'll have more to say when we accept the report.

Penkin: Well, we want to keep things interesting with some controversy, you know. [laughter]

Fish: Before we lose any of the young people that are here, I see that the art has a card. Does each card have the name and contact information for the young person, or do we need to collect that separately? Because I'm guessing that each of us will write a note back. If for any reason we don't have an address -- Jenny, would you wave your hand? -- Jenny will collect emails or addresses to send the young artists thank-you notes directly.

Hales: Great work, thank you all.

Penkin: Thank you. [applause]

Hales: OK, let's take public testimony on the report. Come on up, please. Good afternoon again, welcome.

Esja Mirty: Hello my name is Esja Mirty.

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Millie Jarvis: Hello, my name is Millie. We go to school at Metropolitan Learning Center.

Mirty: We are here to talk about how the arts taxes impacted us at school.

Jarvis: Having art for two years has been an amazing experience.

Mirty: It has taught me to use my voice creatively, says Jayla Turner, a fifth grade student at MLC.

Jarvis: Liliana McClaine is another student at MLC. She said, "before we started having art, I was scared of art class. I love to create but I was scared that I would be told my style is wrong. I also felt the same way about math. But in my art class, I learned that no art is wrong. Learning to take risks in art helped me to take risks in math, too."

Mirty: Having the arts tax has not only influenced us at school, but at home, as well. Fifth grader Noah Penwell states that "art class has influenced me to make style of guitar playing more creative and artistic."

Jarvis: For us personally, we have both enjoyed having art and have benefited in many ways.

Mirty: Having art at MLC has been an incredible experience for me. I have always loved to do art, especially sketching and painting. Having art has helped me improving my skills with both pencil and paintbrush. I have learned styles of painting and collage from all around the world. Since we started art class, I have found myself drawing and painting more in my free time. School has been even more fun with art, and I often look forward to the days when art is part of our schedule.

Jarvis: Art has taught me many ways to express myself through many styles of painting, drawing, sculpting, and more. But this is just visual art. There's dance, music, drama, and each is a bridge to many other ways to show how you feel, think, explore, speak, and learn. I feel grateful that the art tax has given us an umbrella of art. This is why the art tax is a great thing that has happened to us at MLC and all over Portland.

Mirty: On behalf of all the elementary school students at MLC, we are so happy to have art at school. It makes a difference to our learning and enjoyment of school every day.

Jarvis: Thank you for this opportunity to speak to you today, and we'd like to leave with you a final quote from a fifth grader, Liam Brown, another MLC student.

Mirty and Jarvis [speaking in unison]: "Sometimes to one mind, the art piece is a failure, but to another, it is a masterpiece." [applause]

Hales: Well done. Steven, a hard act to follow.

Steven Entwisle: Good afternoon, Mayor and Council members. My name is Steven Entwisle, a Portland native and a member of the individuals for justice and executive director for Oregon's healing man sanctuary. I grew up here in Oregon -- I don't know, have you gone school here in Oregon as kids? Dan did, OK.

I don't know what year it was but back when I went it, was like the golden years of electives. It took me a week to figure out how many elective classes -- everything from bachelor skills, I could go down a whole list -- foundry work, small engine repair, auto body, paint, lathe work, woodworking classes, arts classes, intermurals. Remember that word? We used to have intermurals after school and there would be all sorts of activities going on. And that was funded by the federal government.

Those were the golden days. Nowadays, unfortunately -- remember the show the lives of the rich and famous? Do you ever wonder why that's not on anymore? Anyway, in the '80s politicians decided they needed tax breaks which took arts funding from all of our public schools along with other proven programs for children and others that worked really well. And right now, now it's the order of the day.

My point, fair taxing on the over-privileged would make all of these desperate measures such as arts tax, street tax -- would be unnecessary. So we should take a very hard look at our history of funding schools. We can do a lot better. I love arts. We don't

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have enough arts, as far as I'm concerned. It has nothing to do with liking or disliking arts. What it has to do with is how all of this is funded and how our schools have taken a real big hit.

I volunteered quite a bit. I had four children that went to public schools and I volunteered quite a bit. And I saw the class size rises -- 30-plus people. It was hard enough to manage the class, let alone trying to teach something. Teachers were glad to have me in there, because I would make them laugh and stuff.

Anyway, we need to take a hard look at our overall things. What's the next tax for whatever we need? We need to get back to the over-privileged and not put the burden of these taxes and this funding on the people. Thank you.

Hales: Thank you. Anyone else want to speak on this report? I think we need a motion to adopt.

Fish: Mayor, I move to accept the report.

Saltzman: Second.

Hales: No further discussion? We'll take a roll-call vote on that, please.

Item 428 Roll.

Fish: Well, what a wonderful way to start the afternoon. Let's begin by thanking the young people that took time to come out and advocate for the arts. [applause] You're the reason that 62% of Portland voters agreed to tax themselves so that you would have more robust arts education in the classroom. And because of the generosity of Portland voters, we now have over 80 teachers in six school districts impacting the lives of over 30,000 children and exposing them to the arts. And that's a wonderful thing. I think we're all up here proud to live in a community that supports arts and arts education and believes that it matters.

I want to thank Stan Penkin and all the committee members who've joined us today and all the others who are in the audience for the tremendous effort you give to the City as an oversight body. Yours is not an easy task, and you're still refining your metrics, you're still developing a more comprehensive way of evaluating. And it is hard work and you do it very well. This is the second time we have received a report, and we are very grateful for your service. Thank you for the work that you do and for your advocacy.

Last month, for those of you who might have gone to see a local show -- a dance production or a play or music -- you would have gotten a copy of Artslandia, which is the program handed out whenever you go to see the arts. And in it was an unusually critical commentary about the arts tax. And someone was actually quoted as saying that it was a blankety-blank disaster. I respectfully disagree. And so in this month's Artslandia, as the Arts Commissioner for the City, I penned an essay called "Arts Education Matters" in which I tell the good news about what this tax is doing and why we should be proud to live in a city that has an arts tax. One of the things I point out is that in just the last few months, we've seen Beaumont Middle School students perform with the Metropolitan Youth Symphony at the Arlene Schnitzer concert center. Poetry slam winner Bella Trent came here and read a poem about picking a poem for Verselandia, which was her award-winning poem, and she took our breath away, this young woman who is dealing with a significant disability but has found her voice through the arts and poetry. And then later, I had the honor of seeing Roseway Heights' Vietnamese immersion program children do a traditional dance at the Newmark Theater.

So when someone asks you the question, "why does arts education matter?" I think the answer is look at our kids. Look what they're doing and look what this funding is allowing them to do. And the additional dividend of course, is that the additional resources go to RACC to support operating the operations of distinguished arts organizations and access and equity funding and coordination.

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So, it's a big deal, but in order to maintain public trust in this program, we have to have an oversight body that takes it responsibility very seriously. And to Stan and to Jim and Jessy and Craig and all the other committee members, a heartfelt thank-you for the great work you do, and I commit to doing my part to address the challenges you've placed before us. Aye. Oh, by the way, thank you to Jenny Kalez -- who you mentioned, kindly -- who works in my office; Josh Alpert in the Mayor's Office and of course our friends at RACC; Thomas Lannom and his crack team at Revenue. They're a great team and we're grateful for all their efforts. Aye.

Saltzman: Thank you to the oversight committee. I'm really impressed with the amount of time you're spending on this, and it really shows in terms of the quality of the report you gave us. It's a very elegant, simple reporting form, but I'm sure it's not that easy to have gotten the information to the point where you have succeeded in getting it now. So, I really appreciate the hard work you've put into it because we need to maintain the ability to demonstrate this tax really is funding the teaching positions that we intended it to when we asked voters to approve this a few years ago. Great work and appreciate it, particularly Stan Penkin's leadership. I want to thank the Revenue Bureau for all of its work as well, and for its commitment to customer service and demonstrating such a high personal interest in making sure everybody pays this tax that I actually got a personal email from the director of the bureau asking whether I'd paid my tax. [laughter] I appreciate that level of commitment, Thomas. [laughter] I trust every potential taxpayer in the city can count on calls like that in similar situations. It's probably because I'm old fashioned and I mailed it and I didn't pay it online -- that's why he was wondering.

Fish: Commissioner, you did not appreciate it when Thomas showed up at dinnertime with the envelope to follow up. [laughter] That probably was going a little too far.

Saltzman: I do appreciate the work. I know it's been a struggle to get the revenues to where we hoped it would be, and it looks like it's getting better. And I certainly understand some of the issues around the administrative costs versus the stabilization revenues. And then, Mayor, you did foreshadow a little bit about your proposed budget in terms of the acoustical equipment -- I hope the proposed budget might have \$20,000 for Ivy and Southwest Charter School too, to make them whole, as well. They seem to have lost out through no fault of their own. I'm pleased to support this report. Aye.

Hales: Well, Stan, thank you to you and your committee; Thomas and Terri and those at the Revenue Bureau, I appreciate my colleagues remembering the great work you do, and we all should. Thank you.

I think in any governmental enterprise, there are sort of three ways to make sure it's doing its job. One is careful formal analysis in public administration. We have that through our bureau directors, we have that through the numbers and the statistics we see, and that's important. The second is we have independent citizen oversight -- citizens who aren't elected officials who can bring us bad news if there is bad news, who can speak truth to power and say "this isn't working, this isn't, you need to tune this up." And then the third is lived experience, the anecdotal experience that each of us has in anything, whether it's how our Police Bureau is working, whether we've got the urban growth boundary right, or whether we're doing right by our kids in the arts.

In all three cases, we've got positive indications. We've got great numbers that show this tax is delivering really a significant effect on the community at a modest cost. And while we're talking about numbers, by the way -- maybe lived experience too -- every elected official's office gets occasional kudos and frequent complaints about things that aren't working. We've had a trickle of complaints, a handful of complaints about the arts tax in my office this year. To that extent, that's an effective backhanded compliment that this is working.

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Secondly, we do have really effective independent oversight here, and we thank all of you for doing that volunteer job. It's really important. Obviously, the report we've heard today shows that we're doing well.

And the third piece is lived experience, and Commissioner Fish mentioned some we've had here just in this Council chamber recently. I've had the opportunity to have a little bit of that lived experience myself. Two of the three of my kids are working in the arts because they had the opportunity as kids here in Portland to have access to that. But the most fun I have in my job is when I get out of this building and I get to interact with kids in our schools. We have no formal responsibility for schools here, other than maybe this one, but every now and then we get to escape this building and interact with kids.

Just in the last few months, I was at Sitton elementary watching kids read their poetry with the teacher that had helped them achieve that openness and self-understanding. It was just would you feel to listen to. I was at Parkrose Middle School listening to their middle school band. And for a while, schools in this city didn't have middle school bands, much less access to music in the elementary schools. And they sounded really great. And then I went to Sunnyside and heard their production of "Portland, the Musical," which is a historical musical play about our city. Those kids worked so hard with the artist in residence that was there to help them with that production, and it blew us away, it was wonderful. So for me, that lived experience is a really powerful verification that these numbers indicate success, this report from our leading citizens who've looked carefully at this work are indications of success, and so is the smile and joy we hear in those kids as they participate in the arts.

This mechanism is kind of a complicated work-around, but it's working. There was an economist in Oregon named Ed Whitelaw, who coined the expression "the second paycheck" in that we get a second paycheck in Portland because we live in a great city. We live in a great city with parks and public schools that work and safe streets and a great transit system. We actually have to spend less money -- that's why he put it that way -- we have to spend less money on what people might have to acquire privately in other cities because the common wheel works here. Well, think of it this way: the arts tax is a small deduction from a really big second paycheck. That's a great deal. Thank you all very much. Aye. Thank you very much for coming. Let's hear it for the arts. [applause] We'll take a break.

At 3:08 p.m., Council recessed.

At 3:13 p.m., Council reconvened.

Hales: OK, that's a hard act to follow, but we'll give you the opportunity. Let's read item 429, please.

Item 429.

Hales: Commissioner Saltzman.

Saltzman: Thank you, Mr. Mayor. Members of the Council, before we begin, I'd like to acknowledge that this is Housing Bureau Director Traci Manning's farewell performance in front of Council today. Traci has led the bureau for nearly four years and she is leaving for new adventures, and we certainly wish her well. She has been an exemplary director and she will truly be missed. Thank you, Traci.

Fish: Dan, a question. Does she need Council approval to put in for this?

Hales: I'm not sure we're going to agree to that.

Saltzman: I don't think we can stop her. [laughter] And now a bit about why we're here today.

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This is the first annual state of the housing report. It's a comprehensive, data-rich source looking at the housing market in Portland and integrating the most recent and I should say reliable public and private data that is available. And quite frankly, it paints a pretty stark picture for many of our fellow Portlanders trying to buy or rent in the city of Portland.

The average Black or Native American family in Portland, simply put, cannot afford to rent a two-bedroom apartment anywhere in our city. Many portions of our city that were once affordable to the average Portland family are no longer affordable. So, it's rich in data but it's also sobering in its message. I hope we will all as a result of this report rededicate ourselves to increasing the supply of affordable housing and continuing to help those who are most vulnerable to changes in our economic climate.

As I said, this report is rich in data and on housing bureau programming, its affordable housing portfolio, expenditures related to affordable housing, and we will be seeking Council and community feedback on this report to help make sure it becomes, as I said, it will become a regular occurrence. In October of each year, we will present this report -- so we're presenting it to you now in April but we will be doing a supplement to this and getting it on a regular October cycle. It will also become the vehicle for which many of the reports that the Portland Housing Bureau is required by one Council ordinance or another to submit to Council, we will try to get those all incorporated into one comprehensive report, such as you have before us now.

Now, I'd like to turn it over to Traci Manning; Matthew Tschabold, policy and equity manager; and Martha Calhoun, our public information officer to present of the report. **Traci Manning, Director, Portland Housing Bureau:** Great. Thank you, Commissioner. And really want to thank Commissioner Saltzman for his vision and leadership in setting us on the path for creating what really is this first of its kind report for the City of Portland. And since it's my last Council meeting, I hope you'll indulge me to introduce a couple of my staff people you may not have met before. Matthew Tschabold is our new equity and policy manager, and he really providing the leadership for this report. I have a feeling you're going to be seeing a lot of him. He's outstanding. I hate introducing you to my staff, because you'll try to steal them for your bureaus.

Fish: I've got it too, in my office.

Manning: Yeah, you get no more. [laughter] And Martha Calhoun is our public information officer, and pretty much anything that's really well-written that you see come out of our bureau she probably wrote. And then also Antoinette Pietka, who you have seen because she wrote all three of the bureau's three successful innovation fund applications. She's the head of our data team and it's something I'm really proud of working with her during our time at the bureau to really have a strong grounding for our policy work and data. And so Antoinette, would you and would the data team stand up? They're not all here, but you guys are gonna have to indulge me this last time. And then the rest of the PHB team -- come on, it's my last day, you have to. [applause] Lisa counts as being part of our team, too. Lisa represents us. I also want to note that there are a number of members of our housing community here with us today who you probably recognize -- directors of a lot of the most important housing institutions in our community.

Historically, we've measured the City's impact on housing by reporting what we have done -- how many units we've produced, what we've accomplished with the resources available, who we're serving -- but looking back at what has happened has given us only part of the picture. So, Commissioner Saltzman recognized that this approach was inadequate in our current market environment that's rapidly changing. It did not serve to inform forward-looking policy and programming. So, this report is a snapshot

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of Portland today and it's also then a window into the current environment that the housing-seeker faces in terms of choice.

As a snapshot, its remarkable strength is that it is current market data throughout the city. We're purchasing some private market data and blending it with more historic sources to get a current snapshot. There are some limitations to that because it's a point in time. You'll see a couple of anomalies. Why are there so many studios suddenly available in St. Johns? Well, a building opened the day before. So, strengths and weaknesses, but overall, a remarkable set of data we haven't had access to before.

Our goal with this report is really to provide the information that the Housing Commissioner and City Council needs to set policy for the City of Portland, and also to understand how your interventions primarily through our bureau -- although also through BPS and others -- are impacting that market.

It's a look at our City's total housing market by housing type, by geography, and by affordability for different types of Portland households. It also pulls together a variety of housing reports, as the Commissioner mentioned, that Council has historically requested as well as the outcomes of PHB's programming and our development portfolio.

This is a phase one. One of the things that Commissioner Saltzman is great about prompting us to do things quickly and get something, because we knew we needed to make some decisions. Going forward, this provides us an opportunity to get your feedback -- and so if you would, as you either listen to us today or talk to people later, or peruse the report, think about what would add value for you and what doesn't add value in those things you would see every year that would help inform decisions.

Now, we are going to move into a presentation an overview of what's in the report and how to read it. Some of the slides came direction from the work of our graphic designer. They're a little blurry when they get blown up to that side, but the whole report for any of you -- and certainly for people listening -- is available on our website. With that, I would love to turn it over to Matt for a little bit.

Matthew Tschabold, Portland Housing Bureau: OK, thank you. I'm going to go ahead and walk you through the structure of the report really quickly, and then answer any questions you may have about it.

The report looks at various housing and household and population indicators at both a citywide level and in 24 neighborhood areas that you see on the slide in front of you. The neighborhood areas were determined in partnership with the Bureau of Planning and Sustainability, and they generally correspond to the neighborhood areas in the Portland Plan.

The report blends historic data on households and the housing stock, along with current market data on housing production, affordability, and the rental and ownership markets. The data is derived from a number of sources. The federal Census Bureau, Multnomah County, Metro, the City of Portland, some private market sources as well.

One thing we do want to make sure we note is that a lot of these data sources due undercount some of our most vulnerable communities as well as communities of color in Portland. It's widely acknowledged that a lot of these data sources do. But in order to allow us to produce an annual report that can be constantly informing and gaining value throughout the years, we thought it important to acknowledge it and try and address the shortcomings, but to use the sources available to us because the bureau doesn't source data itself.

The report is divided into five sections. And so, we've got the first part -- there are five parts. The first is a narrative overview and some contextual information on the data sources as well as our process. The second piece is a citywide analysis, looking at demographic data, the housing stock, as well as affordability across the city. Part three

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presents a neighborhood profile data summary for each of the 24 neighborhoods, looking at the same kind of information that's in the citywide analysis where it is available. One piece I'd want to note is that there are some areas where you see blanks in data, particularly in the demographics section. We reported everything with a 95% confidence level, and when you start to get to some of the sub-geographies, some of the data we didn't want to publish because we weren't confident in yet.

Part four, as Traci mentioned, presents information on the historic reporting, the programming and direct expenditure of the City of Portland on homelessness and housing programming; and then part give comments on the methodology.

So at a citywide and neighborhood level, the first section of analysis is really looking at the demographic data. The indicators and source data we looked at are the same of the City economist Josh Harwood, particularly in the report the Portland Perspective 50 City Comparison. And as one would expect, we see similar trends in our household profiles, our income profiles, our population changes over the last 15 years.

The report then moves into the housing stock and production, where we present a series of data on single family and multifamily housing units, permitting data as well as regulated units from the Metro inventory from 2000 up until 2014. And then finally, the report moves into a couple of larger sections, which are the affordability estimates for home ownership and rental ownership. And the affordability estimates have been assessed for the average Portland household as well as a variety of household types in Portland to demonstrate how affordability varies by race and ethnicity, income, and household composition.

One of the things we'd like to take a moment to do for Council as well as members of the public that are watching is -- because the affordability estimates are such a large piece of report -- is to walk through how to read and interpret the affordability estimates. If you're looking at page 28 in the report or on the slide in front of you -- this slide presents kind of the top half of the page in the report. What you see there is first the household profile we're using as an example. In this case, it's a three-person low-income household, so a household that earns 60% of the median family income.

You've got two components to the top half of the rental affordability estimates. On the right-hand side, you see the median income for that particular household type, as well as what would be considered the maximum monthly housing cost that's affordable -- so, up to 30% of that particular household's income. On the left, we've mapped the 24 neighborhood areas and highlighted in blue the neighborhoods that are considered affordable for a two-bedroom rental unit.

On the lower half of the page and the next slide in the presentation, what you see is each of the 24 neighborhoods. You see quarter one data from 2015 -- so as of March of 2015 -- what the median rents were and vacancy rates for each unit type: studio, one bedroom, two bedroom, and three bedroom for each of the neighborhoods. We went in and assessed which one of these median rents in quarter one would be considered affordable for this particular type of household typology. Those in green are considered affordable and red is considered not affordable -- where the household, were they to rent at the average market rate, would be paying more than 30%.

Moving on to a sample of our ownership affordability profile, I would turn your attention to page 51 in the report. What you have -- again, it's a very similar structure. In this case, we're using it is average single mother household in Portland. Again, on the right-hand side on the top there, you see the median income for the average single mother household is \$33,732 and the maximum monthly housing would be \$844. Again, you see a map of where ownership would be considered affordable in the city. In this case, again

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highlighted in blue, there are two neighborhoods where they would be considered affordable.

In the table what you see -- again, similar to the rental affordability profiles -- are each of the 24 neighborhoods paired with the 2014 median home sales price in that neighborhood, and then what the monthly home ownership costs -- an estimate of what the monthly home ownership cost would be for that particular median home sales price. And then on the far right again, an indication of whether or not that would be considered affordable by the 30% standard in the different neighborhoods.

Manning: OK. I'm going walk you through a couple of -- just an introduction to what you think the overall the report is telling us, and then we'll go through some key findings.

Really, in short, the findings put hard data behind what we I think have intuitively observed and understand about the current state of housing in Portland. Certainly, as we would have predicted, it shows there is currently nowhere in the city that's affordable to an extremely low-income household, those what we define as one making 30% or less of our area median income. And I apologize to people at home, but if you go to the report starting on page 26, you can actually quickly flip through the average households and what they can afford, and just looking at these maps is very instructive.

What you see is that for nearly everyone, if you're making a median income, the central city is unaffordable. For communities of color, seniors, and households headed by single mothers, few neighborhoods anywhere are affordable.

Some people are already being pushed out of the city altogether. Of course, our analysis currently stops at the city line.

One thing that's quite clear from decades of research is that the segregation of households by poverty really has terrible outcomes for families. But every neighborhood is different, and every household is different. The good news is that Portland long ago realized the great value to all of our families in complete neighborhoods, which provide opportunity for quality of life, as well as for prosperity, and that we in Portland aren't giving up on a city that can include everyone and where all of our neighborhoods are vibrant and prosperous.

So, with that introduction, Matt is going to walk us through some of the key findings and then turn it back to me to wrap up.

Tschabold: So, as Commissioner Saltzman acknowledged, this is a fairly dense report. But we did want to pull out some key findings that we thought would be nice to highlight during the presentation, but also encourage that there are a lot more findings in there as folks have time to read through.

The first one we wanted to comment on is the multifamily permitting and production in the city. Increasingly, as folks would probably guess, the permitting is multifamily in the city in pretty close alignment with what the Bureau of Planning and Sustainability has been planning for in a lot of our corridors and within the central city.

In 2014, production still had not reached pre-recessionary levels, and we measured production by active housing units on the market. But permitting for the first time far exceeded in 2014 the pre-recessionary levels. And anticipating that those move to production, including those under construction right now, 2015 may see more multifamily units come online than we've seen before. Production continues to be concentrated in the central city, but also northwest, Interstate corridor, Belmont/Hawthorne/Division, and the St. Johns neighborhood.

Moving to income, broadly across the board, we saw that housing -- we know that housing affordability is as much of an income issue as a housing cost issue. And we did see dips across the board in the median income when you look at it by race and ethnicity for the Portland population. But we are seeing in the 2013 one-year estimates, we're

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starting to see the median incomes kind of tick back up. Unfortunately, the trend doesn't seem to correspond to our communities of color who are seeing their inflation-adjusted incomes continue to fall. And this obviously exacerbates the issue on housing affordability for communities of color, as well as those households such as seniors that find themselves on fixed incomes.

If you look at some trends in diversity in the city, what we see is that generally, the city's racial composition is slowly changing, but not substantially over the last 10 years, but the migration and settlement within the city has dramatically changed. The chart you see in front of you demonstrates the change in diversity in terms of the overall percentage of communities of color in each neighborhood over the last 14 years, since the year 2000. As you can see -- and this speaks to the North and Northeast Housing Initiative presentation that you all saw in January -- communities of color are moving out of the MLK, Alberta, and Interstate corridor area, and increasingly moving to neighborhoods on the outer edge of the city.

Overall, this report -- and Traci mentioned this as well -- but when you think of this in the context of housing choice, again, households such as single mothers, households from communities of color, and households of seniors continually are struggling with respect to housing choice, particularly when it comes to the central city. There are very few rental units and ownership units available for these households, and for those that choose to live closer toward the central city, they're often paying far above 30% of their incomes in rent.

Manning: And then wrapping it up, we want to talk a bit about the historic policies, some of the reports over time that we've taken a look at.

This is Central City No Net Loss, initially passed by Council in 2001: the City of Portland will maintain no less than 8,286 rental housing units affordable to households who earn zero to 60% of the median family income. The City is currently not meeting the Central City No Net Loss goal. As of March, there was a total of 6,818 units affordable at 60% and below. 96% of those units were regulated units, meaning they had some form of public subsidy that kept their rents affordable. Only 267 units that were affordable at 60% or below were free market, market rate, private market, unregulated units. Over time, in the central city, while the number of regulated affordable units continues to increase, the central city itself has seen a continued loss of affordability, primarily in the private market units.

We've also included in the report the most recent set-aside report, which is one of the other big countings that we do for you. It's through the end of fiscal year 2013-14. It shows that we are meeting the adopted policy goal of an aggregate citywide minimum of 30% of tax increment financing dedicated to affordable housing. We talk a bit about that on page 85 of your report. Pointing out to me that I have lost the end of my talking points.

And so, talking about regulated units is one of the primary ways that we as a City impact the affordability of our housing market. This is a map of all of the regulated units in the city. So, what we learn is that investing in housing affordability works. Between 2000 and 2011, the number of regulated affordable housing units in Portland ballooned from 12,800 in 2000 to nearly 20,000 today. And of those regulated units, 65% were funded at least in part by the City of Portland. So, preserving the City's investment in our affordable housing infrastructure is a cost effective and vital intervention.

The City currently regulates through the Portland Housing Bureau over 12,000 units that we have invested in to keep the rents affordable for our citizens. The bureau currently prioritizes our preservation work, but of course, that stock is aging, and so in upcoming reports, the bureau is going to share more details with Council about your affordable housing infrastructure.

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A couple more pieces of information. The way that the City's investment in the preservation and creation of affordable housing is funded is two primary ways. I talk about this during the budget hearing every year. The first is the federal funding. This chart shows funding over the past -- a little over 10 years. This is all from the U.S. Department of Housing and Urban Development for a variety of kinds of affordable housing investments. Community development block grant has dropped quite a bit over time, although it's stabilizing. Our next most robust form of subsidy, the home grant, has also been dropping, and right now has a little less favor in Congress. So, we don't -- we're not as optimistic about that.

And a couple of more specialized sources -- housing opportunities for people with AIDS and the emergency solutions grant, which directed specifically for homeless interventions. You three probably know more about the prospects that we have in Congress than I do. So, we'll leave it at that.

And then finally, tax increment financing -- you know, the reason that we have been able to maintain a lot of the regulated units in the central city. So, this chart is psychedelic, but it does a good job of showing what we used to call the TIF cliff and was redubbed by our financial analyst as sort of a slow slide. The current years always show this big bubble, because we have -- this is current developments, we have two or three years' worth of money going out the door for -- you can see the big blip in the River District is the Abigail, which is currently under construction. Convention Center, Miracles. You can see sort of the larger bubbles in the Interstate investments, a peak in 2021, you'll know is parcel three in North Macadam. But in general, this represents what you would see in the Portland Development Commission's forecast of the tax increment financing and the set-aside --

Hales: Let me make sure I understand that chart. That is projected spending, not available funds or --

Manning: That is projected available funds specific to the set-aside.

Hales: OK.

Manning: Funds available for the development of affordable housing currently projected both by PDC and PHB.

Hales: OK.

Manning: So it includes recent decisions by Council.

Hales: OK.

Manning: As you see various districts tail off, that's generally just the end of the district. Although a lot of times we have -- you know, downtown waterfront ended a number of years ago. We had a recent loan come back in, so we've actually got a little pot of money there so even though that district is closed, we can continue to spend the proceeds specifically for affordable housing in that urban renewal area.

So, that's an overview of a dense report. You know, the next steps -- we have talked about the next phase coming up in October. We really want to spend some time with you, with your staffs, the stakeholders -- many of whom are in this room -- to learn what has value. I have no desire to leave to these people a 200-page report that nobody will read. So, really thinking about what you want to know, and we'll try to figure out if we can get data good enough to tell you. So with that, I think we're open for any questions that you might have.

Fish: Traci, let me jump in. And I'm sorry there's just three of us today, because this is a milestone, this report, and it is a treasure trove. So your intent is to do a follow-up with our offices to get some specific feedback about other kinds of data sets, comparators, and at least put that out there and get a response from the bureau?

Manning: Absolutely.

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Fish: I look forward to doing that, because I think you started at a very high level in terms of the data and the clarity of the presentation, and then we could have a discussion about what else is useful.

I had a few little comments that I wanted to share with you today and will follow up, and I start on page 94. Actually, let's go to the reports generally, because I think they're really helpful. And that starts at page 84.

The no net loss policy and tracking it in the aggregate -- the one thing that gets maybe lost in that is year-to-year is what units have been preserved and replaced against the tidal wave of market forces putting pressure on other regulated units. So, I would urge you to at least think about also including a chart about any activity that went against the tide. Because we understand the market forces, but there still might be activity within the district that is consistent with the no net -- a preservation or new unit.

As to the policy, could you remind us, does the replacement has to be within the district?

Manning: It has to be within the central city. As the policy stands, it's only tracking units within the central city. One of the things I think that's valuable for Council to consider is whether this specific way of tracking affordability is the most useful. With this data set, we've got a lot greater ability to track a lot more specifically than we did before. I mean, until this year, we are hand counting these units and then trying to extrapolate a little bit. So, I think it's worth considering questions like, you know, where does the replacement occur? What do you want to track? And I think we'll talk to our stakeholders and make some recommendations as well.

Fish: And do we think the policy needs to be updated somehow to state -- faithful to the goal, but maybe give us more flexibility. That's the question. On page 85, one thing I would suggest in a number of these areas is that, at least in the first couple of reports, you tell the story as expansively as possible and set the frame. For example, we often get people coming into Council saying, "oh, any given year you're below 30%, you failed." And of course, the policy is over five years, 30%, and you know, it's in the aggregate in balance. And I would encourage us to put that in the key so that people don't look at one year and say, "oh, my god, we failed," because of course development doesn't happen that way and we get judged on the basis of five years of performance.

Manning: Yeah, it's a good point.

Fish: Again on methodology -- on page 95, you almost need a Ph.D. to understand the timing issues for the asset portfolio production. And I think that's one that might even benefit from a footnote and a description.

Manning: We're just going to redo that one. [laughs]

Fish: It's a dynamite document and it's an important document, but unless you understand all of the timing issues of when you credit it, a unit, like the closing of a tax credit program, which could happen actually after the opening, and blah, blah, blah.

Manning: Have a back-up for you.

Fish: It's very hard. And I think that's another example of where more information so that people don't just draw assumptions from this, because there's a ton of stuff in the pipeline that's going to hit a certain year, but then you're likely to say average it out. And averaging it out is a more accurate reflection of production. So, I offer that.

If we could turn to page 20 for a second. It may just be me, but because my eyesight is faltering, I love pie charts. And these are important, these are great, but 2.2.2 is a really important piece of data. It's almost our baseline. It's the total units. And just for people like me, a pie chart sometimes works better than this dense forest of data. And it also sometimes, if it's color-coded, it allows you to compare year to year in that way that's

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very visual. So, that might just be the Commissioner Nick Fish appeal because of his eyesight.

I had a question. This contains a treasure trove of data for policymakers and then has really important information about reporting. Do you foresee a time in the evolution of this where there's some companion data about what our key partners are doing to tell the broader story? So, for example, Reset and all of the work happening between the County, the City, and Home Forward. Do you foresee a time when there's a consolidated balance sheet and a consolidated snapshot of production that shows what those three jurisdictions are doing together?

Manning: Yeah, I think to some degree that would certainly add value. We don't sort of want it to be a kitchen sink report, but I think one of the things that we wanted to do -- and frankly just ran out of time -- was to figure out a way that added value that specifically tagged A Home for Everyone into -- you know, where does that effort fit here? I think that just makes sense to most people.

Fish: Two other minor things. In page 96 on the homelessness expenditures, just a quick primer. What is the difference between direct and indirect expenditures? Is there a simple dividing line between a direct or an indirect expenditure?

Manning: Yeah, usually direct services are actually going directly to the programs, and the indirect is what it takes to get the program on the street, the money out the door, that sort of thing.

Fish: OK. And then finally, given that you have all of this tremendous data by geographic area, is there a way to include opportunity mapping in this report?

Manning: Sure.

Fish: So many of our policies are geared towards privileging opportunity. I just think it's an interesting overlay to look at the snapshot by district and also to have a current opportunity analysis so we can sort of overlay both and get a sense about whether the housing is going in the areas of highest opportunity.

Manning: Yeah, absolutely. And I think also areas of gentrification.

Fish: Thank you very much.

Manning: Thank you.

Hales: Other questions for the team? I have some requests, but I might just save them for later. Well, maybe put them on the table now.

Manning: Sure. Matthew is taking notes. [laughs]

Hales: The report's great, there's no danger in our office that it will go unread because it's already marked up with highlighters and stickies.

Manning: You can have another one, we have more. [laughs]

Hales: It doesn't have to be pretty. But I guess some specific requests for follow-up in my case -- you know, we've spent about \$100 million in TIF in the last four years on housing, which is more than the governor's proposing investing in the whole state, which I'm happy about for us and maybe it causes the governor to want to up the game. We're proposing -- as your chart shows -- to spend about \$50 million this year in 15-16. We've just focused our urban renewal area down to nine urban renewal areas so we can focus even better. So, I have three requests there.

I'd like to see a narrative of what you expect the role of housing to be, you know, strategically, not just numerically, but what do we expect the role of housing to be in each of the urban renewal areas? What's the proposed activity for the year, and how are we doing with respect to that? And then, what other plans and strategies elsewhere -- not just in the Housing Bureau -- what other plans and strategies have to work or need attention in order for that strategy to work? What does PDC need to be doing? What does the Planning Bureau need to be doing? What does BES and Transportation need to be doing

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to pave streets where we have dirt roads and it's pretty hard to develop the housing that's in the plan? So, I'd like to hear from not just you, but you as a bureau in particular, so we have this housing strategy for each urban renewal area, the Housing Bureau has its resources and its responsibilities, it has its partners, but what do other people need to do in either City bureaus or elsewhere in order to make that strategy actually happen -- or better yet, outperform our goal? If we did this, we could really do great things.

For one thing, I appreciate, Traci, that you've said, you know, we are able to build housing-only projects on main streets, but we're not going to do that, we're going to build mixed use projects because they should have ground floor retail in order to have lively streetscapes and not just more units. Thank you, that's the right approach. We should be thinking like one organization, even if we have multiple bureaus. Well, you obviously need some help in order to get the commercial spaces built and managed and economically successful. So, you get the point. But I'd like to see -- here's the capsule summary for the gateway district, here is what our partners really need to do, and here is what the results should be if all that orchestration comes together.

And then obviously, then what does that mean in terms of TIF expenditure in each of those districts? That's sort of the part you already have. But as the guy who spends the most time here with PDC, I'd really like to have that view of what they need to do to be your effective partner as an organization for this year and the next five years.

Manning: That's great, thank you. I think that's --

Fish: Traci, Dan and I are going to move a budget note to give you additional resources to meet that request -- this has now been transformed City of Portland, opportunity housing, jobs, transportation --

Manning: We're trying not to duplicate Josh's report. Although I appreciate that note as well, because I think one of the things that we wanted to emphasize in our presentation was just the couple of places that we sort of started to tag. We wanted alignment with Josh's report. We want certainly a lot of alignment with the Bureau of Planning. And I think, as you point out, Mayor, obviously very clear line with PDC. And I think that would be my sort of heart's desire is that in each report, that is something that we can improve on is that alignment with the other bureaus.

Fish: Traci, can I add three more things?

Manning: Absolutely. So far, you've still got another couple shots at us.

Fish: Most people who come here give us report and they're not read as carefully, so it's a compliment to your team. So, page 94 on the tax exemption. You do a separate report on tax exemption every year and took over that from PDC, and it is a terrific report. Included in that report is forgone revenue and the accountability piece, the folks that have lost their exemption because they no longer qualify. I would just say, consider whether that's useful addition to this, both the forgone revenue so that the reader knows what is the value proposition, and the accountability piece, the number of units in any given year that are disqualified because you're actually scrubbing the numbers to make sure they qualify.

Manning: That's a good idea, we should get that report.

Fish: You already give us that report.

Manning: Yeah.

Fish: Number two, I'm constantly amazed at how much debate there is in our community about definitions. And I'm not alluding to one person who sends out an email on a daily basis, but more generally to what are the most -- what's the -- what are the terms that we use, what do they mean? And because this is such a valuable education tool, I would urge you to consider a definitions page early on.

Manning: That's a good idea.

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Fish: Just in plain English, tell your story so that people then as they read it know what we mean by affordable housing or tax increment finance, regulated unit -- just the basic information.

Manning: Yeah, it's a good idea.

Fish: Because I think this is going to have an amazing, a tremendous impact on raising public awareness and understanding.

And then, finally, I hesitate to open up this scab, but there is another equity piece that we don't really get to here, which is the region. Where half of the population of the region and two-thirds of the affordable housing, and that's not sustainable. And at least I would ask you to put on the table the question about whether we should track that annually. Because at some point, we have to broaden this conversation beyond what Portland and Multnomah do. And we have to stop saying that the regional strategy is handing out the Street Roots guide to people on the street and saying, "get on the MAX and go downtown." There has to be investment regionally. And I know HUD agrees with that, but we haven't had a systematic planning process to get at the heart of that, and perhaps that's a page that's worth tracking.

Manning: Yeah, I -- there's a couple of times where Matt or I mentioned that we suspect one of the things that is happening people are sort of -- people in poverty are sort of falling off of the map at the eastern end of Portland city limits. We can't get this level of detail county-wide, but we can get the things that you find add value so we're not guessing and we can actually see some of those indicators.

Hales: Yeah, I want to second that. That's exacerbated by what the employment trends are and what the housing production trends are, both of which used to be heavily skewed towards the suburbs and now heavily skewed towards the city. So, we've got to have that understanding of and progress in what the region does about this, because we simply -- no matter what we do, we don't have enough money to solve the region's problem. It remains to be seen whether we're going to be able to solve our own, but we certainly don't have enough money to solve the region's problem. So, that's a big deal.

Manning: Yeah, absolutely.

Hales: I would urge that future reports track at least to the extent that we're able -- as you pointed out, we don't have the same level of data -- but track our situation and what the region is doing and what we're doing, because the knowledge is the first step in that discussion.

Manning: Absolutely, yeah.

Hales: OK. Other --

Saltzman: We have Sheila Martin from PSU' Institute of Metropolitan Studies here today who [probably can help us on that --

Hales: The region --

Saltzman: Yeah, tracking the region. She can help with that, too. That completes the presentation. I don't know if we have people signed up.

Manning: We probably do. We have some great community partners here today.

Hales: Thank you.

Manning: Thank you.

Hales: Let's see who we have signed up to speak.

Moore-Love: We do, we have two people signed up.

Hales: And anyone else who hasn't signed up --

Fish: Sheila, are you planning to speak?

Hales: Planning to be available, which is why she's here. Welcome.

Cat Goughnour: Thank you. Good afternoon, Council and Mayor. My name is Cat Goughnour, I'm now the newly-appointed housing chair for the NAACP. And I've been

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before you before, so you know I'm a very active housing advocate for North and Northeast Portland.

I'm a native-born Oregonian, and I did want to say that I'm from a very rural part of the state. And so, I've only been a part of the Portland community since 2002. Moved into Alberta and Maryland Street, at that time right before the light rail came in. And so, a lot of these issues are very close to my heart because my family first had a chance to buy a house on Alberta and Maryland -- my youngest brother did. I hadn't planned to kind of tell some of the lived experience, but I do think there is some importance to understanding what we are dealing with in my area specifically.

And his house was foreclosed on in 2010, and my mom and I were made homeless. I had gone to London to study a Master's and move back in 2012, which is when I kind of came on to your radar as we were looking for houses. Housing and jobs -- you know, the kind of idea that an education will help you to pull yourself up and to stabilize your family are very out of reach.

I appreciate this report. As I've said before, and I also very much appreciate the work of Portland Housing Bureau in leading this data. It's very important, I understand, to have data-driven responses to social problems, and I do a lot of equity work. I really wanted to appreciate you flagging up the regional issue. I've just completed a 14-month process with Metro working on their equity baseline framework report and housing equity, transportation equity -- these are all interlinked issues. And so, we were very much able to show through a social determinacy of a public health lens, restorative justice approach how the cost burden of 30% of income for housing is important, but when you add transportation to that, when you add utilities to that -- just the general daily maintenance costs -- people are obviously going deeply into debt if they're able to maintain any kind of housing.

I currently live in housing through PCRI, the Portland Community Reinvestment Initiative. I was able to find that data through the state of Oregon. They're a subsidized low income house provider. And so, I'm very thankful. I know they came by their housing stock in a very different way. It would be great to have more of these CDCs in North/Northeast Portland, specifically providing housing for us.

There is a lot of talk. I work at Self Enhancement, Incorporated. I am the assistant to the president of the company, and we serve primarily African American clients, and our job has been made much harder. A significant portion of our people have been moved out. I think that some of the data I found kind of striking with PHB's community engagement process. We've never been a very significant proportion of the population in Oregon, but the demographic in Alberta, Albina have gone from 31% to 15%. We do have a population that is highly impacted.

So, I think with what we know with this data, the kind of coordination with Metro, we have an opportunity to act. This sounds an alarm for some of our most vulnerable community members. We need to couple affordability with opportunity, as was said, and make sure that people have a right to return to areas of high opportunity as well as developing areas we've been pushed out to.

Hales: Thank you, thanks very much.

Steven Entwisle: Mayor, Council members, my name is Steven Entwisle, life-long resident of Portland, member of individuals for justice, and executive director of Oregon healing man sanctuary. I hear the sentiments here. I'm just surprised that we don't have a packed room. This is a real important issue. And it just really surprised -- but, you know, when you have meetings at 3 o'clock in the afternoon, it's hard to get people that are locked into the workday culture to come in and testify. I would suggest maybe getting a little more advertisement out there on these issues, because these are important.

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That being said, I'm also a survivor of foreclosure, having a house in Northeast Portland, and I know what that is like to go through. And that's not fun. Most people don't even survive that issue. And this is going on all of the time.

Gentrification -- it just rolls off lips like it's nothing. You know what gentrification is? It is a violent displacement, that's what gentrification is. You're displaced in a violent way. Sheriff will come down and drag you out of the house. And you might be late on a couple of rents, couple of payments. Now, what's going on in San Francisco as I speak right now? Hunters point, mission district, okay, I don't know if you guys know what's going on there, but I would suggest -- and people in TV land to take a look at that and ask themselves in a serious manner -- if this is what they want here for Portland.

You have a lot of gentrification to do, if you want to make your guys' rent and your owners happy, you are going to have to gentrify a bunch of people and bring in, recruit a whole bunch of people with money. I mean, that's what they did down in San Francisco, didn't they? Yeah. So, anyway, we need, as a people, we need a rights-based local law making. We need to get around the Dillon's Rules, and we need to use eminent domain, as a public, as a community, not as a government, but as a community, to get rid of some of these crony landlords and so forth. I'm serious about this. Thank you.

Hales: Thank you. Good afternoon.

Lightning: Good afternoon. My name is Lightning, I represent Lightning Watchdog X and also Lightning Housing X. On this data, this report, it's very impressive. I'm going to probably read it five times, if not 10 times over. Absolutely amazing.

Now, one of the things I guess when I try to look at the overall picture is the shortage of people at 30% MFI or below. I try to look close at the people out on the streets, the people that I think need the housing the most that the market is missing. I believe that the private developers are doing an outstanding job of 60% MFI and above. We're missing that market of 30% and below. We need a catch-up phase.

We keep talking a number of 2500 people currently out on the streets. We need to hit that number somehow, some way. I still want some thought put on that United States Post Office site in the Pearl District for housing 30% and below. It's 13 acres. We need to have a catch-up phase.

You're still implementing other plans. They're working. We need to have 1000-plus people on the streets that will rotate and not end up becoming chronic homelessness. There needs to be a fine line built into that to hit that right number that is going to rotate.

We need to still focus on the tourism dollars, the benefits of having people off of the streets into housing, the benefits to the businesses on improved income. The total amount of dollars by having them into housing will be in the millions, if not the hundreds of millions plus by the business revenue, tourism revenue, and the of money that we have to pay on their health and other expenses.

We need to look at the overall reduction of units currently out there. We need to start utilizing that space more efficiently. If somebody has a subsidized unit they've had for years and they're not paying rent, would they consider taking someone that they might know off of the street into that unit with them as a low cost of say \$250? What we're doing is we're doubling up certain spaces and utilizing that and we're also dropping the cost down extensively to get the people off the sidewalks into housing. The cost savings can be tremendous by looking at that, but we all know that we need to develop more units. More units are necessary. And the private sector is doing an outstanding job, picking up remaining units at 60% and above, but that 30% and below is the main focus, and that is the people out on the street, that is the people in the doorways, that is the people who are lucky to be able to carry a sleeping bag with them. Those are the most vulnerable that need the housing units built. Thank you.

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Hales: Thank you both. Anyone else?

Moore-Love: We have one more person.

Hales: Come on up, please.

John Miller: Good afternoon Mayor, Commissioner. My name is John Miller, I'm Executive Director of Oregon Opportunity Network, also a life-long resident of Portland. And certainly seeing lots of changes in Portland. I've known through my work and also just from living in different parts of the city sort of anecdotally the changes. What's great about this report is it actually puts numbers to what I've known for a really long time. I feel like this is an extremely valuable report, and I think PHB has done a great job at putting this together. It really highlights a lot of the areas where we've done well and also a lot of the areas where we've got a lot of work to do.

One thing I wanted to talk a little bit about is some of the areas of note as I read through the report that really stood out. First of all, it does show to me that there's a fairly adequate amount of workforce housing within the city. Certainly, when you look at least the average income and the housing supply, other than in the central city, there seems to be enough housing throughout the city for the median income folks. Where you run into trouble is the folks when you get below 60% especially, there seems to be a great lack of housing.

It also shows that poverty has definitely moved east, and that was one of the most remarkable things I noted was how drastic the poverty has shifted out east.

Some of the points of alarm -- it shows that Black families and Native American families are priced out of almost every neighborhood in the city, no matter what. They really only have two or three areas that they can reasonably afford.

It also shows that our resources really don't match where we need to make investments. So, we've got TIF and other things, and those are in certain areas. We actually need to make investments in more areas than just TIF areas in order to make this really effective -- a city that everyone can live in.

And as a member of the Fair Housing Advisory Committee, I did see a pretty big concern in that just in looking at this, it does look like we're not doing a very good job at furthering fair housing. When you look at the ways, the investment -- where people can have access to live and the moneys we're getting from the federal government -- I guess I'm just concerned that we might -- some of the federal funds that we have might be at stake if we don't take some pretty quick action to resolve these things.

We also need to look at policies to create more resources to build more housing, but also we need to be looking at policies to raise income. I think that's -- there's two ways to solve the problem. You can bring up income or you can lower prices, and I think we really need to make a concerted effort at doing both.

Clearly, the private market is not meeting the need. And so definitely applaud Commissioner Saltzman and his effort around incentive zoning. We also look forward to overturning the inclusionary zoning at the state level coming right up.

On the resource side -- right after this, I'm going across the river to the Welcome Home kickoff, and that is an effort to bring in significant resources to help with this effort to make a lot of those red lines that we see in here -- the red percentages turn to green through more resources.

I guess I would in closing say that I'm looking forward to working with PHB over the next several months as we move on to phase two of this report, and I just want to thank you for your time.

Hales: Thank you, John.

Diane Linn: Good afternoon, Diane Linn, Director at Proud Ground. By the way, the cover of this report is a Proud Ground family, a success story. Beautiful family. I just want to add

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a moment or two additional comments to John, and he said a lot of what many of us feel about the critical importance of this kind of data to drive really good and thoughtful decision-making and policy work. And of course, as you three know better than anyone else in the city, we've got to be really creative, innovative, aggressive at what to do around the fact that the city we love so much -- and there's a lot of us natives here today -- needs to be affordable to groups of people.

And remember, that the neighborhood grouping that you are looking at is a little different than a lot of us are used to. We have to remind people that those are broader neighborhood groups than we're used to looking at, and that median income means that there are a lot of people below that and a lot of people above that, so there's iterations of the impact around that.

I think your points about the regional look is also critical -- and actually, statewide. We are finding in the discussions at the state around inclusionary zoning that workforce housing and lack of inventory is pervasive statewide, so this is really becoming a crisis on the state level.

Again, I would like to personally thank Traci Manning for her extraordinary work and the team for creating really important data that I think all of us are anxious to work with the City on figuring out solutions.

And a quick final thought -- partners for affordable home ownership is working really hard to partner with the City to come up with ways we can all work together more efficiently and effectively to create more opportunities on the home ownership end of the housing continuum. Thank you very much.

Hales: Thank you, Diane. Thank you both. Anyone else? Thank you all very much. So, it's time for a motion.

Fish: Mayor, I move to accept the report.

Saltzman: Second.

Hales: Further discussion? Then a roll call on that, please.

Item 429 Roll.

Fish: I want to begin by thanking Traci for her service to the City. When former Director Margaret Van Vliet was poached by the governor to take over the state agency, the City and my team thought about doing a national search. But when we talked to some of our key stakeholders, we quickly learned that the best candidate was actually in our own backyard, and Traci graciously accepted the offer to come work for the City and she has provided exemplary leadership. And I know we could spend a long time highlighting her accomplishments, but the one I'll just note for the record is that she has built and motivated a great team at the bureau, and it's reflected in the people that are here and the people that aren't here. And that may be her best legacy -- the team building she did at the bureau and the excellence that has become the norm. Traci, you will be greatly missed and thank you for your service.

Commissioner Saltzman, as the Housing Commissioner, you've made transparency and accountability a hallmark and you have been focused on making sure that we have good data and that helps us make wiser decisions. So, thank you for your passion for this exercise and this report, which I think is going to be very helpful to us as we make decisions going forward.

And then finally, what this report tells us is that if you are formerly homeless, working class, lower middle class, you can't afford to live in the city. And that's not the city that we want. And that has cascading effects, including eroding the base of our public schools, creating divisions, and ultimately -- as Dan often says -- leading us down the path to some cities that we don't want to emulate, cities of just rich and poor.

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We know the federal government is not going to be part of the solution any time soon, and your graph about the declining federal resources is sobering. In fact, I understand that most of the candidates running for president on the Republican Party have suggested just abolishing HUD. So, depending on the outcome of that election, it may not get better.

We know that through the chart that you showed us that there's not so much a TIF cliff but a steady decline of tax increment finance resources. They have been spent well, but they're not an infinite resource. So if the federal government doesn't step up and if the 30% set-aside continues to shrink, we have to do something, and that may be a dedicated revenue source going forward. In the short term, it seems to me we should invest our surplus in helping people survive, and I am proud to join what I hope is all of my colleagues in supporting Commissioner Saltzman's budget asks, which include \$5 million for the HIF, housing investment fund, which would hopefully be matched by the County and which would give us local dollars with fewer strings to use to innovate and particularly, to see if we can bring the cost of housing down and get more units.

Because this report tells one clear story, and that is we have to build more units. There is no other alternative. We must build more supply to house more people. Thank you to everyone who worked on this outstanding report. Again, Traci, you will be deeply missed; and Dan, thank you for your leadership. Aye.

Saltzman: Well, I'd like to acknowledge Director Manning once again for her foresight in creating this report and the hard work of all of the staff at the Portland Housing Bureau who contributed, especially Matthew Tschabold, Antoinette Pietka, and Martha Calhoun; Shannon Callahan from my office; Javier Mena, the assistant director. And I think as Commissioner Fish just said, one legacy Traci leaves is she has created a great, cohesive, very committed to the mission of the Housing Bureau, and it's not every day that you find a bureau where sort of everybody is pulling in the same direction. And it helps that it's a small bureau, but it's also highly motivated and highly qualified people working there.

This report provides a pretty clear picture of the need to increase the affordable housing stock throughout the city, and also recognizes that our main source of affordable housing funding right now, urban renewal or tax increment funding, is nearing the end of its useful life. And it's incumbent upon us to make the most of the remaining funds, but we also must prepare for new funding mechanisms to replace this resource. And to this end, we will make a multi-pronged approach.

I hope to have a robust incentive zoning proposal before the Council next month in May, which I believe can serve as one piece of the necessary funding pie and should provide us with the resource to tackle, in particular, meeting our central city no net loss policy goals.

But we also need to look for other stable long-term funding mechanisms. I know the Welcome Home coalition is looking at options for perhaps voter-approved funding mechanisms. Some of the things I'm also interested in looking at include a possible housing impact fee or housing linkage fee -- pretty much the same thing -- and those things we will be looking at as well.

As Portland continues to grow, I'm committed to making sure that everyone and every neighborhood shares in the prosperity Portland is enjoying at this moment. I think -- you know, you turn on the TV tonight, last night, and you see Baltimore. And I think one of the things I think about having lived on the east coast for quite a while and what really appeals to me about a city like Portland is even though we have our problems, I think people still have a feeling that they can make a difference and a feeling that there's opportunity and upward mobility. You look at a big city like Baltimore and some of the

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entrenched problems, and you realize many people feel that they have lost out on any chance of upward mobility and prosperity, and that fuels the fires literally.

So, I think that that's one great thing about Portland and I don't think we've lost it yet, but we need to keep ever-vigilant to make sure that we can provide opportunities for all Portlanders to own a home or live in a good neighborhood and or live in a good rental stock housing. And those are things I'm pledging to do to the best of my physical ability. Aye.

Hales: Well, thank you, Traci, for your service to this city and to this cause, and we wish you well on your next venture. We also want to thank your bureau for doing great work with you and on this report and much more to come, and all of the partners that are here in the room that care about this issue and worked so hard on it as volunteers, as managers of nonprofits, as people that work literally to build this necessity for our fellow citizens.

Couple of thoughts. One, either there's some real success in here in addition to the challenge -- and we've talked a lot about the challenge, and I will too -- but we have absorbed a lot of households in central city and Gateway in the time period this focuses on between 2000 and 2013, and that is what we wanted. In fact, I'm sort of having a déjà vu moment. I'm back at meetings with Metro, occasionally arguing that the rest of the region should accept the reality that actually most of the residential growth is happening in the city, and most of the employment growth is happening in the city. And I was there 15 years ago arguing that we actually could absorb a bunch of additional units in the Pearl District and downtown and they didn't need to move the urban growth boundary out in order to provide housing opportunity. And we proved -- again, you've got the numbers -- that we could accomplish that, and quite a few of the units were affordable -- not as many maybe as we would want, but quite a few. So, there's lot of success to celebrate in the work that we've all done together, and this report documents some of that.

When you look at the challenges, I think I would describe our situation here in Portland as -- you know how you go to a Broadway show and they'll turn one spotlight on an actor, but then they'll turn a second one on and they're in that convergence of those two powerful beams? Well, that's kind of where Portland is. We're in the convergence of a couple of different powerful forces here. One is income inequality, which is a national problem, the failure to rebuild a middle class after the recession. The fact that we've gone from having three high poverty census tracts in Portland in 1970 to having 11 today. That's terrible. It's also national. It's a national force that arrives here, too. That's one beam. So, there are these national trends. The middle class hasn't rebuilt, incomes haven't kept up, minimum wages are stuck, and poverty has metastasized in cities all over the country, and that's here too.

The second beam is local, and that is we are a great and livable city that has water that a lot of people want to live in, and that powerful force of growth and change is with us. Like it or not; hate it or love it; want to stop it, good luck; but it's real. And so those two forces are lighting us up with a real challenge here.

And I guess I want to second what my colleagues have said, but I want to amend them a little bit. Yes, we need to build more units. In order to do that, we will need new money, and I want to second that point. Whatever we do with TIF and general fund and whatever else we can scrape together around here, it's -- I won't say it's a rounding error compared to the problem, but it's not anywhere near enough, and we all know that. And we have actually gone out and gotten new money for important things in this community. We need to do that for transportation. We just celebrated how we've done that for the arts. We've done it for parks and green spaces and fire stations and other things. Children's Levy is a great example. So, I think we need to be clear about that. We need to find new public revenues for the public investment that has to be made.

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Again, as the member of this Council that spends the most time with PDC -- though they are a partner for us all -- I want to amend our conventional wisdom that TIF is a declining resource. It's a declining resource in the current urban renewal areas. We now have head room because this City Council has amended the plans and sunsetted two urban renewal areas and put thousands of acres and \$800 million of assessed value back on the tax rolls. We have the opportunity to responsibly use urban renewal where there's the next opportunity area to create a big increment of positive development, hopefully doing a better job of preserving affordability and residency for those who live there now than we have done perhaps in the past. But to quote Monty Python, urban renewal "is not dead yet," and we shouldn't assume that it is, neither should we assume that it is an ATM that we can go to any time we want. So, I just want to place that thought in the air and we can talk about that more in the future.

Again, I want to stress as I did in my request to the bureau in their follow-up that we really look at what other bureaus can do and what other entities and enterprises in the City can do to synergize the strategy given the size of that challenge, the two converging beams of change, and the relative scarcity of resources. One thing we can do is avoid doing much more harm. And that's why earlier today, the Council considered and approved moving forward with ways to look at our zoning code and avoid the pernicious effect of tearing down a great \$300,000 house on a perfectly good street and replacing it with a million dollar house over and over block after block across the city and thereby gentrifying the single-family base that we have really without planning to do that. That is a change we could make to more heavily regulate and mitigate that tendency in the market.

We've talked a lot about demolitions. You'll be hearing more from me on that subject, because I believe we should tax demolitions and that should be proportionate to the lost value of the structure that's being demolished. If it's a house that's ruined and never will be restored, obviously there's not much point in taxing its demolition. But if it's neither of those things, I think there is a good public policy argument for doing that.

So, there other things we can do in policy and tax and action plans that make this set of goals and numbers more achievable, and I'm very interested in us thinking as a board of directors, as stewards of the whole city and the whole enterprise of all of our bureaus about how we can make those connections as well as how we try to do more each year. But this is a really important resource. We look forward to more discussions with the staff of the bureau and with our advisors and community partners about how to interpret this base of knowledge and get to where we want to go. Very pleased with the work. Thank you all very much. Aye. And we are adjourned.

At 4:28 p.m., Council adjourned.