



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **5TH DAY OF AUGUST, 2015** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Novick and Saltzman, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Jason King, Sergeant at Arms.

Item 824 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

		Disposition:
COMMUNICATIONS		
815	Request of Marvin Sannes to address Council regarding destruction of World Trade Center 7 (Communication)	PLACED ON FILE
816	Request of Shedrick Jay Wilkins to address Council regarding Hanford Columbia well (Communication)	PLACED ON FILE
817	Request of Charles Johnson to address Council regarding #WarOnWomen via #rapeKit plus simultaneous failures of others (Communication)	PLACED ON FILE
818	Request of David Davis to address Council regarding police civil rights violations during homeless sweeps (Communication)	PLACED ON FILE
819	Request of Greg Schifsky to address Council regarding Portland's trees and the new Title 11 (Communication)	PLACED ON FILE
TIMES CERTAIN		
820	TIME CERTAIN: 9:30 AM – Proclaim August 6, 2015 to be Voting Rights Day in Portland (Proclamation introduced by Mayor Hales and Commissioner Saltzman) 15 minutes requested	PLACED ON FILE
CONSENT AGENDA – NO DISCUSSION		
Mayor Charlie Hales		

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821	Appoint Don Vallaster to the Design Commission for a term to expire August 14, 2019 (Report) (Y-4)	CONFIRM
Bureau of Police		
*822	Extend Intergovernmental Agreement with Home Forward through September 30, 2017 to continue to provide patrol services at the New Columbia housing sites (Ordinance; amend Contract No. 30002975) (Y-4)	187278
Office of Management and Finance		
*823	Pay claim of Glitz, LLC dba Dante's in the sum of \$12,398 involving Water Bureau (Ordinance) (Y-4)	187279
*824	Pay claim of Portland Leeds Living, LLC-Tess O'Brien Apartments in the sum of \$125,000 involving the Bureau of Development Services (Ordinance) (Y-4)	187281
Commissioner Nick Fish Position No. 2 Bureau of Environmental Services		
825	Amend contract with Burlington Northern Santa Fe Railway in the amount of \$5,485 for cost increases for track removal and reconstruction, and provide for further amended amounts for Project No. E09017 (Second Reading Agenda 809; amend Contract) (Y-4)	187280
REGULAR AGENDA Mayor Charlie Hales Office of Management and Finance		
*826	Authorize a Partial Compliance Agreement between the City on behalf of Portland Parks & Recreation and Laborers' Local 483, Laborers' International Union of North America that partially implements Arbitrator David Stiteler's Opinion and Award concerning the Bargaining Unit Work Grievance filed under the Recreation collective bargaining agreement (Second Reading Agenda 806) Motion to suspend the rules: Moved by Fish and seconded by Novick, without objection. Motion to add emergency clause: Moved by Fish and seconded by Novick. (Y-4) (Y-4)	187282 AS AMENDED

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<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau</p> <p>*827 Replace the Multiple-Unit Limited Tax Exemption Program and establish annual program cap (Ordinance; replace Code Chapter 3.103) 20 minutes requested (Y-4)</p>	<p>187283</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p> <p>828 Authorize a contract with the lowest responsive bidder for construction of the Inverness 30-inch Force Main Repair Project No. E10629 for an estimated \$582,000 (Ordinance)</p>	<p>PASSED TO SECOND READING AUGUST 19, 2015 AT 9:30 AM</p>

At 11:10 a.m., Council adjourned.

MARY HULL CABALLERO
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

<p><u>WEDNESDAY, 2:00 PM, AUGUST 5, 2015</u></p> <p>DUE TO LACK OF AN AGENDA THERE WAS NO 2:00 PM MEETING</p>	
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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.

AUGUST 5, 2015 9:30 AM

Hales: Good morning, welcome to the August 5th meeting of the Portland City Council. Would you please call the roll?

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

Hales: Good morning, everyone. Welcome. We have some communications items up front where citizens get to sign up and speak on any subject of their choosing for three minutes, followed by our regular calendar. I want to welcome everyone to the Council chambers today. The purpose is the orderly consideration of the public's business. We welcome you here.

Just some basic ground rules, we typically allow three minutes to speak on items. Looking at the number of people here today, it shouldn't be difficult to manage since we have a light attendance and a relatively light agenda. If you're here to speak on a Council calendar item, you just simply need to give us your name for the record, you don't need to give your address. If you're a lobbyist representing an organization, you need to disclose that please. That's required under our City Code. We ask that people maintain courtesy in the room. We give everyone a chance to be heard. If you agree with someone and want to indicate that, feel free to give them a thumbs-up or a wave of the hand. If you disagree and want to make a polite hand gesture, that's fine as well, but we ask that you don't make vocal demonstrations in favor or against our fellow citizens' opinions in this room. If you're disruptive, you'll be asked to leave, and if you're not following those instructions you'll be excluded from Council chambers from future deliberations. So, welcome, everyone. Let's take up the first communications item.

Item 815.

Hales: Good morning, welcome.

Marvin Sannes: I'm Marvin Sannes, I'm at --

Hales: Mr. Davis -- excuse me -- you're not called yet, please go sit down. Have a seat, please. Sorry, go ahead, sir.

Sannes: I'm Marvin Sannes, I'm at NE Tomahawk Island Drive in Portland. I'm starting with a one-minute video that I'm going to ask you to watch carefully, please. [video]

*****: It's reminiscent of these pictures we've all seen too much on television where a building is deliberately destroyed by well-placed dynamite to knock it down.

*****: Did they actually use the word brought down, and who was it who was telling you this?

*****: The fire department -- the fire department. And they did use the word, "we're going have to bring it down."

*****: It sounded like a clap of thunder, looks like a shockwave to the building, and windows all busted out. About a second later, the bottom floor caved out. The building followed after that. We saw the building crash down all the way to the ground.

*****: And I turned in time to see what looked like a skyscraper implosion, looked like it had been done by a demolition crew -- the whole thing just collapsing down on itself.

*****: It was almost as if it were a planned implosion. It just pancaked. [end of video audio]

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Sannes: Thank you. I'm going let it run on mute. This was a painful moment for all of us almost 14 years ago. This building's roofline makes a symmetrical transition from complete support to the complete absence of support instantly. This is measured by physics professionals. The building's fall accelerates at the speed of freefall through the path of greatest resistance, 40,000 tons of structural steel. The 47th floor reached the street in 6.8 seconds. The steel frame structure was completely dismembered. 5.8% of this unique dust from the event is composed of microscopic iron spheres, droplets of molten iron that had to have been sprayed into the air to form. This required temperatures, far, far higher than had to be achieved by office fires. Office fires and thermal expansion of spans of beams were what the commerce department tell us were the cause of this building's destruction. Office fires and thermal expansion are asymmetrical phenomenon. This is obviously a symmetrical event. There are witnesses and measurements of molten steel in the rubble pile that continued to burn into December. This building was reported collapsed or collapsing, quotes, by CNN an hour before it collapses and reported collapsed -- quoting -- by BBC --

Hales: Mr. Sannes, you've used your time. We appreciate you bringing this to our attention and for coming today.

Sannes: Let me finish one sentence.

Hales: One sentence, please, because you've used your time.

Sannes: Less than one in seven Americans have seen this building collapse. We are beginning our fifteenth year of war. We lose 8000 soldiers to suicide every year. Every year, we lose 8000 soldiers to suicide. We need to have a dialogue about our behavior. Thank you.

Hales: Thanks very much.

Item 816.

Hales: Mr. Wilkins? OK, he doesn't seem to be here today. Let's move on to 817.

Item 817.

Hales: Mr. Davis -- you haven't been called yet. Mr. Davis, you need to sit down in the audience.

David Davis: I'll sit here and film Charles. He asked me to do this.

Hales: No, sir, we're calling people one at a time. You're being disruptive, I'm asking you to leave.

Davis: I've seen lots of people sit here and film. I'm a friend of Charles.

Hales: I'm asking you to leave.

Davis: Cool, I'll just file more civil rights violations against you guys. You want to violate left and right --

Hales: Mr. Johnson, go ahead.

Charles Johnson: Thank you, Mayor Hales. But unfortunately, I need to say that did this City commission do the best it could to protect the Arctic? Well no, you didn't. That doesn't mean people don't appreciate you going to Washington and raising the voice of Portland that Arctic drilling is an insane policy, especially an odd blend with President Obama's strong move to cut power plant emissions. But in reality, this City could have done better. The fact that a judge in Alaska is totally OK with a mere fine of \$2500 an hour means that none of our police resources should have been used, none of our across the river money from the sheriff's department should have been used to push people expressing their first amendment right off the water just for one boat that's mission is to drown people in Miami and the Philippines.

To get back to my original topic -- and that of course got us some interesting media. Some of us were thrilled to see the briefly pictures of the protesters with their orange and yellow banners on the St. Johns Bridge or people yelling at them through traffic cones.

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Our City has also been lumped in with some other cities recently. CBS News puts us together with Charlotte; Kansas City, Missouri; Jacksonville, Florida; San Diego; and then Portland -- cities that have over 100 untested kits for sexual assaults. A few months ago, we decided, oh, if we can get money from the federal government then we'll work on this problem. Somewhat surprisingly, not that many of my fellow citizens are vocally saying this is disgusting but particularly, the Police Commissioner should be making a public statement about how this is never going to happen again and how it's going to be addressed without -- if federal money doesn't come, how the problem will still be addressed. Portland being in the media for the Shell protest is fine, but we're also on the national news for problems going back to 1998, the rape of Brenda Tracy at one of our fine institutions of higher learning. So, the fact that this City since 1998 could not properly and diligently help and assist victims of sexual assault and make sure kits were tested is tragic and I look forward to increased public pressure and a better response from this Council.

Thank you.

Item 818.

David Davis: We had this talk a while ago, Mr. Mayor.

Hales: Good morning, welcome.

Davis: How you like to violate --

Hales: Have a seat, sir. Go ahead and make your statement.

Davis: I'll get out my little info. You give others a second to get straight.

Hales: You bet, go ahead.

Davis: OK. Can you start me over?

Hales: Sure, go ahead. Three minutes.

Davis: OK. So, I had a discussion with you personally back in December about you violating civil rights, a conspiracy to deny rights. It's a federal statute. You wrote it down, we have you on video taking notes even -- U.S. Code Title 42, Chapter 21, sub chapter I, 1985 ruling about cops and people that are members of, you know, like, the City Council or the police or whoever, denying people's civil rights. Well, you guys locked down the park -- Cathedral Park in Saint Johns. You were denying people entrance in their boats in their cars. People could walk into the park. So, what you were doing right there was a felony. It's a federal felony and you know it. And we have you on video writing down the statutes. Remember when I had a face-to-face with you with Teresa from Don't Shoot Portland? Mike from film the police Portland? And we told you about this statute. Are you going to respond?

Hales: Go ahead, this is your time.

Davis: No, this is my time, I'm asking you a question.

Hales: It's your time to make a statement.

Davis: Whatever, we've got you on video. You can sit up there with your mum's the word or whatever, and then you try and act like you're taking -- you're trying to take responsibility for this protest like you were behind it. Well, if you were behind it, you could have had your police officers sit up on the railroad bridge or some of these other bridges and block Shell. Instead, you chose to use police resources and City resources to let the corporate scumbag Shell go by so they can plunder the Arctic, kill off all the Native people and their lands. You know 50% of tribal members live in Alaska in that region? Do you know any of those people? Do you know any of those people personally? No, you don't. I can tell. You're too white to know any people like that, you don't give a crap about people like that. You don't care about people of color. You like you're all diverse. You go see the Pope, you go see Obama, all these people, you offer lip service. All it is is lip service. When are you going to be a man of your word? When are you going to stop violating basic civil rights? You act like Portland's a liberal place when you're committing felonies and

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keeping people from expressing their first amendment rights in the park? What is that all about? You know what you did, and you were informed by your own police officers when I informed them they were following felonious orders and they don't have to take your felonious orders.

Hales: Thanks very much. You've used your time, Mr. Davis.

Davis: You serve as Police Commissioner --

Hales: Mr. Davis, you've used your time, you need to leave now. Thank you.

Davis: [inaudible] -- but you order your own police officers --

Hales: Mr. Davis, you've used your time. You need to leave now. It's time --

Davis: [inaudible] -- that's real slime bag --

Hales: Have a good day. Next, please.

Item 819.

Hales: Mr. Schifsky, come on up. OK, I don't think he's here. Alright, let's move on to the consent agenda. We have I think one request to pull an item, which is 824, is that right? Anything else?

Moore-Love: Correct.

Hales: Any other requests to remove items from the consent calendar? Then let's have a vote, please, on the balance of the consent calendar.

Roll on consent agenda.

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

Hales: Let's move on to time certain 820.

Item 820.

Hales: Commissioner Saltzman.

Saltzman: Thank you Mr. Mayor, members of the Council. It's my pleasure to introduce members of the League of Minority Voters here to help us commemorate the 50th anniversary of the Voting Rights Act and discuss its significance today. I invite up Promise King, Sho Dozono, and Reverend Dr. LeRoy Haynes.

After a long fight led by civil rights activists, the Voting Rights Act was signed into law by Lyndon B. Johnson on August 6th, 1965. He called it one of the most monumental laws in the entire history of American freedom. The Voting Rights Act prohibits racial discrimination in voting, specifically forbidding the use of literacy tests and other tactics used by the states to prevent citizens of color from accessing their constitutional right to vote. The Voting Rights Act also helps the federal government ensure the Fifteenth Amendment is enforced properly. The Voting Rights Act was and continues to be a groundbreaking piece of legislation, even more essential today as voter suppression and disenfranchisement continues and as key provisions of the law have been chipped away.

I'm grateful to have the League of Minority Voters here, an organization committed to increasing voter access and encouraging civic engagement in communities of color. So, I'd like to welcome and turn it over first to Sho Dozono.

Sho Dozono: Good morning, Mayor and City Council members. My name is Sho Dozono. I'm the board chair for the League of Minority Voters. As Portland is oftentimes leading our country, I want you to know that we're the only organizations of the kind in this country promoting the voting rights of minorities. We began as Oregon League of Minority Voters, but we just changed our name to League of Minority Voters because we have the moniker for the League of Minority Voters throughout the country. So it's amazing that when you Google, we're the only such organization in the entire country. Again, Portland is leading the nation in this kind of effort to make sure all of the citizens of our country have the right to vote and exercise the right to vote.

Many years ago when I ran for Mayor, I thought the minority voters would count in my race, being a person of color. Politicians told me they don't count because they don't

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vote often enough, that people of color only vote half as much as people in the majority community. So, I used to tell my African American friends that when the constitution was written, they were three-quarters of a person. But now, politicians only count us half a person because we only vote half as often as the majority community. That is disgraceful when so many people fought for the right to vote and as witnessed by the reincarnation of the Selma march on the bridge that prompted me to talk to say we need to do something in the city of Portland to recognize that the Voting Rights Act of 1965. We're one day ahead of schedule, because tomorrow is the day that it was signed, but I'm glad we're still ahead of our times in the City of Portland. Thank you very much.

Hales: Thank you. Good morning.

Dr. LeRoy Haynes: To our illustrious Mayor Charlie Hales, welcome back. To the distinguished members of the Portland City Council, to the sponsor of this resolution, Commissioner Saltzman. Indeed, I am very thankful for this official body in acknowledging the 50th anniversary of the Voting Rights Act and the resolution today.

As a youth civil rights organizer in the civil rights movement during the days of Jim Crow, American apartheid, this bill was personal to me as well as to many Blacks, whites, Latinos, Jews, Protestants, and Catholics. They were part of this great movement and social revolution in America to make the dream of Dr. Martin Luther King a reality for all Americans. The 1965 Voting Rights Act and its subsequent bills, as well as the 1964 Voting Rights Act, was paid for with blood and sacrifice. Freedom, justice, and equality are never free. It's calls something great. I've experienced and seen with my own eyes the cause for the freedom for a freedom-loving people. Although the right to vote for Black people in our citizens was given in the Fifteenth Amendment to the constitution following the civil rights, it was quickly taken away following the few decades of Reconstruction through the use of Black codes, literacy tests, poll taxes, lynching, violence, intimidation, registration law, and other legal strategies. As white supremacy and separate-but-equal doctrines swept over our nation, the former slaves and descendants of slaves were disenfranchised as full citizens of America and placed in another quasi-form of slavery.

Even though the Thirteenth, Fourteenth, and Fifteenth Amendments to the constitution existed, it was not until the modern civil rights movement under the leadership of Dr. Martin Luther King and other leaders and civil rights organizations, especially the NAACP corps and the Student Nonviolent Coordinating Committee, led by a student named John Lewis, now Congressman Lewis, that transformation started happening following the passage of the 1964 Civil Rights Act.

Civil rights leaders understood a lot more had to be done in changing the political, social and economic equality in our country. In 1965, Selma, Alabama was chosen as the target city and state to initiate the non-violent campaign and to push forward President Lyndon B. Johnson and Congress to pass the Voting Rights Act. On Sunday 1963, the march cross Edmund Pettus Bridge will become infamous in the history across America as Bloody Sunday. Non-violent marches were viciously attacked by County Sheriff James Clark, officers, and Alabama state troopers, and blood streamed from the bridge like a river. Yet, the civil rights workers gathered together and finished the march on to Montgomery. It was this campaign in Selma, Alabama that pricked the conscience of our nation and prodded the Congress to override a southern block and pass the 1965 Voting Rights Act, enfranchising millions of Black citizens and others in this county.

But as we celebrate this monumental Voting Rights Act, we must be mindful today that there are forces working to dilute it and weaken it and make it ineffective in enforcement following the Supreme Court decision. We must not allow this to happen. Every generation must fight to preserve the freedom and rights that have been won by blood and sacrifice in our nation. Thank you very much.

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Hales: Thank you. Good morning.

Promise King: Good morning, Mayor Hales, Commissioner Saltzman, Commissioner Fish, Commissioner Novick. We are founded under the belief that each generation comes with the task of perfecting our Eden. The League of Minority Voters for several years has been following this ideal of civic engagement. We focus and build a database of minority voters across this state. So, we come here to these hallowed grounds to thank you.

We are excited and exuberant about the proclamation. We're excited and exuberant about the progress so far. As you heard from the Reverend, it wasn't that cute, it wasn't sexy at all. All that was paid with blood. Some paid with their lives. Some paid with their comfort. Today, we're excited because the uniqueness of this proclamation and the special way that we face this proclamation. Why is it unique? Why is it special? It's unique because the son of a Jewish immigrant is asking us today to look back with pride. It is special because the son of a Congressman Fish serves on the City Council. I am sure he's going to support this proclamation. Help me out.

You know, we as an organization always believe that if we galvanize the instrument of government, if we can bring our coalitions together, we can fight for the ideals that promote one destiny and our common unity. The League has been able to create programs that are important and empower our democracy. We focus on the youth, we focus on debate team and our youth. So, we are very excited to say that this proclamation will further embolden and will give us clear path and history behind us will take us to the future.

Our mission is to highlight the special issues that impact minority communities and those who have no voice. Today, 50 years after, we are seeing progress, but we still have challenges. Mayor Hales, I know you don't have a literacy test or poll tax, but what you have are disparities in education, in opportunity, and incarceration. Those already keep minority voters from participation from full civic engagement.

I am excited and emboldened and encouraged because those of you we've elected to preside over our institution. I was worked with Saltzman and I found him to be very straightforward and hones. Charlie, you've been one of our big supporters. You have been there for the League since its inception. Your wife has been a monument to motherhood and what is merciful in this city. And to Fish, you have been a friend. To Novick, you have inspired us beyond our dreams.

Why am I saying this? 50 years Oregon, Sho and I and Reverend Haynes can't sit here. We'd be banned from these halls. Today, we are here emboldening, enlightening, empowering, igniting your passion. We can look back with pride to say that all the work, all the efforts you've done behind the scenes or up in the scenes -- we want to thank you for that. We appreciate that. The instrument of government needs leaders who care and who are passionate about civic duty. I know you guys do. I've worked behind with you.

Today at this hour, as we celebrate the 50th anniversary of the civil rights act, we want to recruit your spirit to the vanguard of victory. I want to appeal for your support of the League's activities. We want to recruit your spirit, to wrap your hand to this voice that's still unheard. On October 29th, we the League of Minority Voters -- as we've always done for the past five years -- will be recognizing those in their communities among our business and elected leaders and recognizing them for the work they have done to promote minorities involvement in civic engagement. We will be contacting your office. We invite you all.

At this hour, I want to thank Commissioner Saltzman for all your work you've done and those on my staff who worked on this proclamation. And I also want to thank the Mayor. Mayor, thank you. We believe the work you're doing is good. Thank you. Because a leader like you who believes that the resources of this City ought to be for everyone

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require a second chance. Enough campaigning, but I believe that the work you've done has empowered all of our community. To Dan, thank you for giving me the impetus and the opportunity to even walk in this glorious place. You have been there for me when I need help. We would not be here without your real guidance and support. And to Nick Fish, your friendship has really emboldened me. I hope you wear the garment of your dad, who was very courageous in Congress. On that note, I want to thank you and urge you to support this proclamation. Thank you kindly.

Saltzman: Thank you.

Hales: Thank you all. Thank you very much.

Saltzman: I thought I'd read the proclamation.

Hales: Please do.

Saltzman: And maybe we'll get a picture.

Fish: Do we get a rebuttal? [laughter]

Saltzman: Let's read the proclamation first.

Fish: I had one comment I wanted to offer after the proclamation.

Saltzman: OK. Whereas, the state of Oregon through vote by mail and the recently-adopted motor voter bill has led the nation in voter access and the Portland community commemorates and celebrates the 50th anniversary of the signing of the Voting Rights Act of 1965; and whereas, the Voting Rights Act was signed on August 6th, 1965 by President Lyndon B. Johnson after a long protracted effort with civil rights activists and organizations and the Fifteenth Amendment to the Constitution made voting legal for all citizens of color, but many Black Americans were still forced to encounter literacy tests, poll taxes, tests of moral character, and property ownership; and whereas, the Voting Rights Act helps to provide the federal government with a more hands-on role in ensuring that the Fifteenth Amendment could be enforced properly; and whereas, the law has been amended frequently since, often to the detriment of minority voters who still face obstacles to voting today; and whereas, the City of Portland would like to recognize the League of Minority Voters and their dedication to promoting the value of civic engagement within our communities of color and focusing on policy issues that continue to marginalize these communities; and whereas, the Voting Rights Act still remains one of the foundational pieces of legislation that confronts issues of inequality and civic engagement; therefore I, Charlie Hales, Mayor of Portland, the city of roses, do hereby proclaim August 6th, 2015 to be Voting Rights Day. Thank you.[applause]

Fish: Thank you, Mayor. Honored guests, Reverend Dr. Haynes, Sho Dozono, Promise king -- for the record, that was Promise King who was speaking, he did not have a chance to introduce himself. Thank you for joining us and thank you for your eloquent words.

In 1863, when President Lincoln issued the Emancipation Proclamation, he said famously it would cost the Republicans the south. And it did for almost 100 years. In 1864 and 1865, Lyndon Johnson said the Voting Rights Act and the Civil Rights Act would cost the Democrats the south. And it did for a generation. Today, Dan, thank you for bringing this important resolution forward. And let us commit -- as Republicans and Democrats and Independents -- let us commit that voting rights is not a partisan issue, it is an American issue and have you reminded us of that so eloquently. And since Promise invoked my beloved father, may he rest in peace, I will say that as proud as I am of my father for his service, I just Googled something, and I'm even prouder of my great-great grandfather because in 1870, he certified that the Fifteenth Amendment had been ratified by the states and he did so in his capacity as Grant's Secretary of State. Gentlemen, thank you for your presence and honoring us here today.

Hales: Hear, hear. [applause] Commissioner Novikc?

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Novick: Thank you, Reverend Haynes, thank you, Mr. King, Mr. Dozono. I have to mention, whenever Nick refers to his great-great grandfather, I also have to refer to the fact that he was the only member of Grant's cabinet who wasn't corrupt -- [laughter] -- and was referred to in Richard Hofstadter's great book about American history as a guy who adorned the cabinet like, quote, "a jewel on the head of a toad." [laughter] But in keeping with what Commissioner Fish just said, I just wanted to note that although Lyndon Johnson correctly predicted that the south would hold the Voting Rights Act against the party who had the President at the time, at the time, it was not a partisan issue when Everett Dirksen as leader of the Republican party helped break the filibuster and pass the Voting Rights Act.

I just wanted to take this opportunity to read a bit of President Johnson's speech in which he introduced the Voting Rights Act to Congress, with apologizing for the fact that he used a now very outdated term for African Americans. He said, "But even if we pass this bill, the battle will not be over. What happened in Selma is part of a far larger movement which reaches into every section and state of America. It is the effort of the American Negroes to secure for themselves the full blessings of American life. Their cause must be our cause, too, because it is not just Negroes but it is all of us who must overcome the crippling legacy of bigotry and injustice, and we shall overcome."

It is so distressing to see that now, 50 years later, as documented in New York Times this last Sunday, a group of determined opponents to democracy have launched a lengthy and unfortunately successful campaign to undermine the Voting Rights Act. And I'm glad that we have warriors like Mr. Dozono, Reverend Haynes, Mr. King, and members of this Council to continue the never-ending fight. Thank you very much.

King: Thank you.

Hales: Thank you. You know, I want to reflect a little bit. I appreciate my colleagues' comments very much, and Dan, thank you for bringing this forward. I want to reflect a little bit on your presentations because I thought they were eloquent. Thank you for being here today.

It seems to me if we look at our situation now -- and some of this was captured in the resolution -- there are three tests we ought to hold ourselves to. One is access, and that's what the Voting Rights Act -- and in fact, the motor voter act that we should celebrate as a state -- that's what that's about. That's to me step one. Does everyone have equal, unfettered access to civic participation? The next one is inclusion, and that requires effort. I'm proud of the efforts we've made as a City. We have more to do. I've often told a story about one of the most moving moments for me being on the Council the last seven years. It was something that Commissioner Fritz provoked, which was deliberate outreach to communities of color who then came to our budget hearings and made presentations about what they wanted for their community, whether it was Hmong Chinese elders or Somalis moms talking about parks. And she asked in the course of that budget hearing, "for how many of us is this the first public meeting you've attended?" And about a third of the hands in the room went up. And to me, that was a wonderful, moving Portland moment that shows we're really trying to be inclusive. And then the third test -- which is even harder than access and inclusion -- is power and influence. Do the communities of color in our city have power and influence? Not just access, not just inclusion, but power and access. I think we should hold ourselves to all three of those goals.

I think there's a lot to celebrate, particularly again with this passage of the motor voter act that's running counter to the pernicious trends that Commissioner Novick mentioned and Commissioner Fish mentioned that are happening in the Congress. But we're going the right way in Oregon towards access, towards inclusion, but we need to keep working on all three of those fronts. And I know the three of you and our activists in

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our city will keep pushing on all three fronts and making sure we get to that promised land of not only equal access and equal inclusion, but also equal power and influence for all the communities of our city. Thank you for everything that we do. Dan, thank you for bringing this forward. We'd love to take the picture with the three of you to commemorate this if we could.

King: Thank you, Mayor.

Dozono: After you pass this, right?

Hales: We don't have to actually vote -- it's good, it's done. That's the nice thing about a proclamation.

*****: Oh -- [laughter] [photo taken]

Hales: Thank you all very much. Sho, Promise, Dr. Haynes, great to have you here. Thank you. Alright, let's move forward into our remaining agenda which we should maybe take up the consent calendar item that was pulled and deal with that briefly. Item 824, please.

Item 824.

Fish: Who pulled that, Karla?

Moore-Love: Mr. Lightning.

Hales: I don't think there's a presentation. I think the summary information is pretty clear, which is this is a case in which improper information was provided to an applicant and there was a claim and the claim was agreed to. So, I think I've got that right, Commissioner Saltzman?

Saltzman: Yes.

Hales: I think that's a summary of what happened. So, it's fairly unusual for us to pay a claim like this, but when we make a mistake, we own it. I think that's a fair statement of what happened.

Lightning: My name is Lightning, I represent Lightning Watchdog X. One of the concerns I had on this is that the -- my understanding -- the permit was rescinded. I don't really have an understanding on why that would have been. It had a delay on the project. I wanted to have a more clear understanding, I guess, that's why I pulled it -- to understand why Marty Kehoe had a delay on his project and why this was paid out from the City. I just wanted to have a more clear understanding and I don't believe that we've been able to do that as of this time.

Hales: I think the explanation that I got was that the staff erroneously sent the applicant, Mr. Kehoe, down one path in the regulations and should have been sent down another that. That added a great deal of time and process costs to the application and it was our fault corporately because we'd given him inaccurate information about the type of review that that project was subject to. I believe that was the basis for the claim and why it was approved.

Lightning: OK, just so I have an understanding -- it was more of a time delay and the amount was determined upon the damages on his overall project?

Hales: Correct.

Lightning: Fair enough. Thank you, sir.

Hales: You bet. Mr. Johnson?

Charles Johnson: Good morning. For the record, my name's Charles Johnson. I think -- if it's possible based on the terms of the settlement or agreement -- if you could just briefly summarize which bureau the misunderstanding happened in and let the public know. We're confident that the Council would take protective action obviously to make sure that people don't encounter this problem again, but I think transparency to your constituents -- it's appropriate to say a little bit about how the mistake happened and which bureau. We don't need to name-call, but just to identify --

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Hales: It was the Bureau of Development Services because that's where these are processed. Any other questions or concerns? Let's take a vote on approval of that claim.

Item 824 Roll.

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

Hales: OK. Regular agenda, item 826.

Item 826.

Fish: Mayor, I'll move to suspend the rules.

Hales: Is there a second?

Novick: Second.

Hales: Any opposed? The rules are suspended. Is there another motion?

Fish: Mayor, this is a second reading. I was not here last week but I have been briefed on the issue. It is a second reading but I would move prior to the vote that we -- I move that we put an emergency clause on the ordinance.

Hales: Is there a second to that?

Saltzman: Second.

Hales: Do we need Council from staff before we act on a motion to add an emergency clause to this?

Anna Kanwit, Director, Bureau of Human Resources: No, Mayor.

Hales: OK. Roll call to add the emergency clause, please.

Roll on emergency clause.

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

Hales: Any further recommendations before we act on this now?

Kanwit: No, we are just here to answer any questions.

Hales: Questions for staff? If not, second reading roll call as amended.

Item 826 as Amended.

Saltzman: Last week, I expressed my expectations of ethical behavior that should be conducted with bargaining units and City representatives during negotiations. And what was clearing gnawing at me was the fact that Local 483 owes the City \$80,000 for past behavior, and other bargaining units in the City have paid what they owed us but 483 have not. And that gnawed at me, as probably was evident last week from my behavior.

I sat down with representatives of Local 483 this week and heard in greater detail their side of why the balance had not been paid. As we know in this business, there's always at least two sides to every story. I appreciated them taking the time to come by and have a talk. And while I still fully don't understand the arguments of the disputed outstanding balance, I probably never will. Labor relations can be pretty arcane and somewhat of a black box to me on some nuances. But I do have the utmost gratitude and respect for the jobs our men and women in the Parks Bureau do, and my further protest by delaying the implementation of this ordinance, it would serve no purpose but delay hardworking employees from becoming full-time employees and also some of them getting health insurance coverage. I definitely do not want to do that, I see no further point. I think I've made my point about my concerns and I'm prepared now to support this agreement and mainly to see the hardworking employees in the Parks Bureau get their proper due as determined by the arbitrator. I vote aye.

Novick: I really appreciate the fact that Local 483 and the Commissioner sat down and had a conversation which has led us to this result. Thank you very much, both of you. Aye.

Fish: There are two issues really before us today. One is compliance with an arbitrator's award, and two is our continuing efforts to provide full-time employment with benefits for our hardworking frontline employees. And there's a convergence. Council has been grappling with how to implement this award, and it is a challenge in part because of the dollars we have to identify to pay. But let there not be any doubt that the Council has

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collectively a commitment to raising the working conditions of people who work for the City. And so I thank our HR team, the Mayor and Commissioner Fritz and my colleagues who have been grappling with this. I fully support this phase one of the resolution of this grievance. Aye.

Hales: Well, our Parks Commissioner is not here today because she's visiting her family in England. Maybe she's watching us online and drinking a glass of good British port to celebrate, I hope so. I want to mention her not only because we know how committed she is to this relationship, but because she has three priorities for the Parks Bureau that this Council shares and that I know Local 483 shares, and that is to put the system into good repair. She is constant in her attentions to that issue here in our discussions -- whether it's about budgets or anything else -- to put the great park system that we have into good repair, to expand its reach to people that don't have access to parks yet, to make us a city of opportunity where everybody has access to parks and recreation, and then third, to be a city of opportunity where kids that need to have access to recreation get it and aren't kept out by the imposition of a fee that ends up being a barrier. Some of our Parks team has done such a great job of implementing that direction are here.

All three of those priorities are shared between us as a Council and with a great bureau and Local 483, but they won't be accomplished without work of our employees and without an effective partnership. That's why getting to yes on this particular labor issue is really important. We all have a lot of work to do to make those goals real -- of a system in good repair, of a park within walking distance, and kids that need recreation choices getting them. There's a lot of work for this to take place, a lot of extra hours worked. I was out at Dishman last week and saw the heroic work that our recreation staff is doing to deal with 2000 kids who've taken us up on the opportunity for a free summer pass. What a great problem to have -- the center is full of kids. So, there's a lot of work to do.

I want to commend you, Anna, and our team at the City, the City Attorney's Office, and the labor relations of getting to yes with Local 483, and to the union, as well. We have these shared values, we have these shared goals, and it takes an effective partnership with our labor union and our workforces get there. I'm very happy that we're at this point. Look forward to more work together under this agreement and others. Aye. Thank you all.

Item 827.

Hales: Commissioner Saltzman.

Saltzman: Thank you, Mayor. This item would make a change to our Multi-Unit Limited Tax Exemption program for affordable housing. The goal of these changes is to increase the creation of affordable housing in market rate developments.

We have very few tools to incent the private market to create affordable housing. In fact, we have only two -- this is one of them and the other is our waiver of system development charges. The proposed changes to the program are to adapt current market conditions and encourage the production of more affordable units.

Currently, the program only allows applicant to apply once or twice a year. This does not really accord to the realities of development which is happening all the time. So, we're making -- the window will be open for applications year-round. The changes also focuses our public benefits we require beyond affordability on two key issues: requiring that the development have at least 5% of all the units be adaptable to individuals with physical disabilities, and additional requirements to achieve higher minority, women, and emerging small business participation rates.

One of the biggest barriers to achieving more affordable housing is the current \$1 million cap on foregone property tax revenue available for this program. We are seeking a modest increase to \$3 million per year conclusion we estimate can produce 200 affordable units per year. If Council approves these changes, the County Commission must also

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approve this package where these changes will become effective. To go over details and answer any questions, I would ask for our Javier Mena, our Assistant Director of the Housing Bureau; and Andrea Matthiessen, the program manager, to come up and answer questions or amplify. They'll be followed by John Miller, the Executive Director of Oregon ON and Tony Jones, the Executive Director of Metropolitan Contractor Improvement Partnership.

Hales: Good morning.

Javier Mena, Portland Housing Bureau: Good morning, Mayor Hales, Commissioners. It is very exciting for us after working with this program for three years and seeing the challenges that we have and the opportunities that could come about to bring this to you today for approval so that we can increase the number of affordable housing units within that central city in areas that are very important to us. I will turn it over to Andrea, who has more details in terms of program changes and answer any questions you might have.

Thank you.

Andrea Matthiessen, Portland Housing Bureau: Good morning, Mayor, Commissioners. Andrea Matthiessen, Housing Bureau staff. We last brought you this program back in 2012, at which point we committed to a three-year implementation window and then a review and kind of a report back with some updates. So, we sit here today to bring you our proposed revisions. As Commissioner Saltzman stated, they are primarily to respond to current market conditions and also to better align program implementation with development timelines.

The majority of the revisions are actually to clarify the City's priorities for what we're looking to get out of this program and the public benefits the City needs to realize from this program. I'd say there's half a dozen or so of those at a very high level. They are increasing the strategies for minority participation in the program; clarifying our practices for getting communities who live around these developments into these affordable units, helping them become aware, helping them access them. The third thing we have done in these proposed revisions otherwise to beef up the tenant protection strategies. So, those in slightly more detail are to allow income was our low income tenants to rise in place from 60% MFI to 80% MFI or in higher opportunity more expensive areas from 80% MFI to 100% MFI. We're also requiring developers to provide the City a 240-day notice and tenants a 180-day notice anytime that either a project or an individual unit may cease to receive an affordable rent. We've also structured some very predictable -- which our development partners appreciate -- noncompliance penalties when projects are no longer providing the affordability required, the full 10-year affordability required by this program. Lastly, we're just clarifying the public benefit around accessible units, 5% of those units in a project needing to provide adaptable units to disabled populations. So, that kind of in a nutshell at a high level are some of the strategies we are recommending to clarify the City's priorities.

The primary way that we are revising the program to better align with development timelines is to allow applications on a rolling basis. We've been accepting those for the past three years in a closed window and a competitive process, and that really has not worked well in terms of seizing the opportunity for private development and incorporating affordable units into those projects.

Saltzman: Thank you.

Matthiessen: Any questions?

Fish: I have a bunch, thanks. Andrea, I'm going ask questions about process and then substance. But first, I just want to acknowledge a couple things. I'm completely supportive of the opportunity component of this program, and you do that by expanding the geographic scope of its application. Dan has been very clear about supporting an

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opportunity agenda, meaning that we'll be able to use this tool in high opportunity areas as well as emerging areas. I support that component. I think the strengthening equity goals is very important and that is based on our experience. I support you fully. I applaud you putting at least 5% for accessible units, because I think access particularly for our aging population is important. I appreciate that there's some tightening of the bolts on MWESB.

There's a few areas I don't understand as well, and then I have a process question. The competitive process we put in place three years ago was designed to take advantage of the best thinking in the private sector but through a competitive process, raise the bar. In other words, have people competing against each other hoping the bar would be raised. I think what I hear you saying the competitive process has not been as successful as we hoped because it's taken out predictability. Is that the problem?

Matthiessen: I think that's correct.

Fish: And we want to be as opportunistic as possible. So, if you eliminate the competitive process and you want to be able to communicate to the development community that we have money available, you have to raise the cap. So effectively, if you take out the competitive process, we're gonna need more money in the program otherwise you're back to the same problem. Right? So having worked on this for a couple of years with a prior chair through the Big Look process that you are both veterans of, has the County endorsed this proposal? And most specifically, has the County agreed to the lifting of the cap to three million?

Matthiessen: So these proposed revisions were developed in conjunction with program user and Multnomah County input and involvement. So at a staff and County tax assessor management level, there is support for these programmatic changes. In terms of the cap and whether there is Multnomah County support for that, I think that that's there conceptually because they understand the need for predictability as well as clearly the desperation for affordable housing. I haven't had those conversations personally to be able to confirm with any certainty.

Fish: I just want to -- this is a process question. When we did the Big Look, it was the County Chair and the Housing Commissioner jointly coming up with a realignment of this program and that's because it's uniquely a City-County program. And the impact falls on the County, because the assessor has to agree to take the property off the tax rolls. And as we learn the hard way, the assessor is a free agent in this dance, so there's three sovereigns.

When we did the comprehensive change before, the County Chair came before us and said, I bless this package, because it had an impact on the County. I wanted to put down a marker that I'm reluctant to adopt something until there is support from the County that they agree to raise the cap because the foregone revenue piece is exclusively within their control. If they don't agree to take these properties off the tax roll, it doesn't matter what the City of Portland does. And the only reason we have a cap in terms of foregone revenue -- because you'll recall that was not the City's interest to have a cap -- is that the County insisted on a \$1 million cap.

Saltzman: I've spoken with County Chair Kafoury and she does support increasing the cap.

Fish: To \$3 million?

Saltzman: Yes.

Hales: Good.

Saltzman: We'll find out soon whether her entire board also supports that.

Fish: Chair Kafoury has told you she supports the \$3 million cap?

Saltzman: Yes.

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Fish: OK. Can you explain in plain English why you're proposing to eliminate the regulation that capped the developers' rate of return at 10%? It's a little complicated but I think it's useful for us to understand the thinking.

Matthiessen: In plain English, OK --

Fish: In other words, so that I can understand it.

Matthiessen: Right. So, I think the way that I would describe the 10% rate of return -- if I can refer back to state statute -- is that it's a historical kind of holdout from a legal test. So, the state statute uses language around "but for" so projects would not happen but for the tax exemption. And so, years ago, the thinking around that was the actual building of that project would not happen but for the tax exemption. Today, we have now interpreted that "but for" language with lots of County support and legal opinions that read the authority that's integrated in those projects would not happen but for the tax exemption. So, the previous "but for" test was captured in that 10% rate of return test, and since we've moved away from that statutory interpretation, we now have a different test.

Fish: And just to be clear, when you say we've moved away from that statutory interpretation, our lawyers have told us we're on solid ground in doing so?

Matthiessen: Correct. And almost more importantly, the Oregon Department of Revenue, which kind of has oversight over this part of the statute, and the Multnomah County Tax Assessor's Office and their attorneys support that interpretation.

Fish: Colleagues, I know this is a dry issue, but as Dan remembers, there used to be a huge amount of drama about this question because the "but for" was literally without this program this would remain a piece of dirt, undeveloped. And what we're now saying is without this program we wouldn't have the affordable component of a new development, which is quite different. I mean, it's a different way of looking at the public benefit. But I agree with you, Andrea, it aligns with I think our more current thinking about what the benefit of the program is, and that is to trade the property taxes for a certain number of affordable units in the building.

And then finally, what is the carrot and stick part of this? If someone's out of compliance within the 10 years or backs out of the affordability provision or whatever, what stick do you have to penalize someone who breaks faith with the agreement?

Matthiessen: Two things happen. The property is immediately added back to the tax roll, so they start to pay the property taxes which in some cases are pretty significant. And then additionally, we've calculated those noncompliance penalties that I referred to previously, and one of the complaints we heard from program users was those weren't predictable so they couldn't make any calculations. So, we've made those very predictable.

Fish: I don't want to be unduly provocative here, but have you considered the following. If during the 10-year period -- and I think personally, I'd like to see the 10-year period extended, but I understand why we've chosen 10 years. If someone during the 10 years breaks the covenant, why don't we just move to collect property taxes if the abatement was never granted?

Mena: Because there was a period of time where it was granted and we did not -- when we were looking at the changes that we would propose -- either that we wanted to clarify was the certainty of financing all of those things. If for whatever reason it would create an uncertainty as to how much the penalty would be, then there would be a reluctance from developers to use the program altogether. And so it's trying to provide certainty as to when it's terminated and what would happen once it's terminated.

Fish: OK, but we typically say that a 60-year covenant is the gold standard, and so you and Commissioner Saltzman have put 60-year covenants on preservation deals and 30% projects. Here, we're talking about 10 years. And there is a lively debate about whether 10 years is enough. Let's assume 10 years is the right number. If you don't fulfill the 10 years,

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why should you get a pro rata benefit of the program? Why shouldn't you forfeit the whole program since the minimum expectation that is for 10 years that unit will be affordable?

Matthiessen: This set of proposed revisions was -- I think as I mentioned -- kind of developed with program user input. So, we surveyed and involved a handful of past development partners and prospective development partners in some of our proposed revisions and our thinking. And what a lot of them said was there is a balance of what can be required of developers for them to engage and utilize the program at all.

Fish: I don't want to hold this up, Mayor, but we're limiting the competitive process, we're raising the cap so there's more money in the system, we're making it more user-friendly, we're clarifying some of the policy goals which I think is the guts of this -- that's the part I really applaud. And sounds like you're making other comments and changes. What I would ask, Dan -- not for purposes of today -- is at some future time could you come back and let us know whether the current mechanism for penalty is sufficient and whether -- again, we're trying to make this as user-friendly as possible, but I don't think it's a huge burden to expect someone to comply with a 10-year period. In most instances, if someone takes the benefit of the bargain but then doesn't deliver, normally you go back to the beginning and say that, you know -- and here someone could game the system by sort of figuring out "I'll comply for six or seven years, pay a fine" and we end up short. I get that we would cease giving them the property tax abatement prospectively, but I don't want to have any conversation that there will be 10 years. In fact, I hope we have a system that encourages people to re-up another 10 years under a user-friendly system, because the goal Dan has set is to get closer to 60, not 10.

Saltzman: I will commit to explore this issue further and bring something back or share something with all of you on that.

Fish: Thank you.

Hales: Good. Other questions for staff before we bring out Mr. Miller and others that want to speak? Thank you both. Stand by. Good morning.

Tony Jones: Good morning, Mayor Hales, Commissioners. My name is Tony Jones, I'm the Executive Director of Metropolitan Contractor Improvement Partnership. We are a nonprofit business center for contractors, primarily serving minority and disadvantaged contractors. We provide a plan center, do one-on-one coaching and counseling, and we do an annual trade show. We do a number of service to help build capacity for minority and disadvantaged contractors. We're here today support the MULTE program as an avenue to bring additional affordable housing unit into the market. We must use a continuum of strategies to provide affordable housing and livable communities.

The cities that have a track record of actually building minority businesses and minority communities -- one of the first things on the list is having strong affordable housing, a strong pool of affordable housing unit. That's critical to growing minority communities. I think it's interesting to note and I think it's something that -- it's good that we have this avenue to have this continuum of strategies to bring affordable units.

We believe that the recent revised administrative rules is a step in the right direction to engage private developers with the minority and women contracting community. Having access to more market opportunities to secure consistent pipeline of work is a critical component to grow minority businesses. That's one of the challenges I see in the work that we do every day. Most contractors -- a number of them -- they are connected pretty well to the public sector because the public sector has goals requirements, targets, things they're doing to get minority contractors, women contractors engaged with these agencies. But in the private sector, it's much more difficult. This provides an avenue because of the proposed rule changes that we can interface and also have minority, women contractors

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interface with private developers to open up those doors and provide the opportunity for minority, women contractors to have a new market and new access for work.

I thought, Mayor Hales, your comments about power and influence with League of Minority Voters was really powerful and important. One of the things I wanted to encourage is through these administrative rules that the Housing Bureau set aspirational targets for MWESB participation. I do recognize these are private projects, but I think -- just as your Commissioner Fish asking for clarity in some of these requirements -- I think that if the developers have an aspirational target, it's clarity. Right now with just a good faith effort it's not clear what the developer's going to try to accomplish, but with a target that's reasonable, I think it sets some priorities for the developers to say, "OK, this is what we are trying to accomplish." That's a change I'd like to see that added. But overall, our organization is very supportive of the MULTE program. Thank you very much.

Hales: Thank you. Good morning.

John Miller: Good morning. I'm John Miller, I'm Executive Director of Oregon Opportunity Network. I'm here this morning to speak in support of the change to this ordinance.

I sat on the Big Look committee back in 2011, 2012. That was a long and tough process. Commissioner Fish is correct, the County was pretty strict on the \$1 million cap. But I think times are very different in these days. I know that the County has been making - it's the first time -- direct investments in affordable housing production. So, certainly they are as interested as we are and as the City Council is in trying to solve the affordable housing crisis. I know Chair Kafoury is out of the country right now, but I understand that when she gets back she will voice her support for this.

Right now, the market is just quite different than it was back in 2011, 2012. Back then -- I agree with Commissioner Fish -- the intent was to get empty fields to have housing on them. Well now, as we all know, housing development is at a frantic pace and there are very few affordable units being built within that production cycle. So, this creates an opportunity for the private sector to get engaged. And I've sat here before several times and I know that City Hall, the nonprofit community -- we're not going to be able to solve this affordable housing crisis without getting the private sector engaged.

As Commissioner Saltzman pointed out, there's only two tools right now. One is the SDC waivers and the other is this program. And this program -- I think the competitive nature of it currently has made it a tough option for developers, especially in this hot market. Developers don't have time to wait to see if they might get this exemption for a building that they could build right now at market rate and charge really high rates for. So, it makes a ton of sense to get rid of the competitive cycle. Raising the cap also makes a lot of sense -- going up to three million -- we could argue it should be higher than that but it might be hard for the County to accept more than three at this point.

Also, I think getting more MWESB firms engaged is really critical. When we look at the State of Housing Report, it's very clear in that report that most minority families are priced out of the city. There's two ways to solve that problem. One is to get more affordable units, the other way is to raise wages of minority workers. Getting more minority contractors engaged in this type of work will raise their wages and allow them to occupy more of these units.

Another thing that I like about this proposal is the affirmative marketing plans that the City will ask developers to have. I think one of the things we're seeing is even when affordable units are built, if there's not a direct outreach to underserved communities, those will be snatched up right away. I think that's another very good feature here.

The fact that tenants will be allowed to have their incomes increase in place is also a really nice element to this. Oregon ON worked hard in the legislature this last session to get HB 3082 passed which allows jurisdictions to implement that. That's really critical for

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folks as they're trying to increase their wealth and move into home ownership. And so, having in place is really important.

One thing I would add -- actually, I would just say, we're very supportive of everything within this package. I would add that adding an option to sign up for another 10 years or even a 10 years after that so developers can continue enjoy the abatement but also we continue to have the affordable units on the ground. It's really critical, so I would encourage to you see if there's a way to extend this beyond the first 10-year period.

I'd also give a little bit of a nod to Commissioner Fish's suggestion that if they fall out of compliance, then the full tax amount is due from the beginning of the project. That's a nice stick. I think it's a very good carrot and it ought to have a good stick too if they don't comply.

So, this is a great solution. It's not obviously going to solve our affordable housing problem in the city, but it's a great step in the right direction. And we've had a few lately, the FAR bonus is another one. You know, these will add up to a comprehensive solution but we have to make sure we take advantage of every one as they come along. Thank you.

Fish: John, can I just ask you a quick question since you're here?

Miller: You bet.

Fish: If there was an opportunity to extend beyond 10 years but it was limited to a proportionate abatement -- proportionate to the percentage of units that are affordable -- would that have some attractiveness in the marketplace?

Miller: I guess I would say it depends. It depends upon what the rates are, what the market rents they can get at that time, but --

Fish: My only point is it doesn't have to be all or nothing.

Miller: That's right.

Fish: There might be a way to say that the abatement to the extent of the units that are affordable might continue. It's a way of extending the 10 years without the whole building getting an abatement.

Miller: Yes, I think that would certainly have -- again, the private sector are profit-oriented and so as long it makes economic sense for them to do that, then certainly. In fact, I would encourage us to figure out ways that it does make economic sense and we keep the affordable units. You bet.

Hales: Other questions? Thank you both very much. Others that want to speak on this item?

Moore-Love: Mr. Johnson wishes to speak.

Hales: Come on up.

Charles Johnson: Good morning, Commissioners. For the record, my name is Charles Johnson. I want to briefly echo the sentiments that Mr. Fish brought forth. We should definitely specifically ask that the large staff in the City Attorney's Office where 40 people collect taxpayer-funded salaries develop a working group and issue a report on how lost property tax revenue in the case of a situation where the developer does not maintain these units can be recouped. So when ordinances are crafted or when we work with this, I hope we'll follow Commissioner Fish's idea that we could have the City Attorney's Office bring forth a report to share when this Council and with the County Commissioners showing that legally, there is a basis to reclaim any property tax waivers or abatements that are granted to people starting off affordable housing, and then feel like, "oh, I really absolutely positively need to have a 100% market rate property." As the gentleman from Oregon Opportunity Network mentioned, there should be some stick to go with hopefully a delicious carrot. Thank you.

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Lightning: Good morning, my name is Lightning, I represent Lightning Watchdog X. I do improve of the MULTE program. The cap I do have a concern with. And I understand Multnomah County also went up to \$3 million. Where my concern is, -- Multnomah County and City of Portland, you both had surplus budgets and I don't think it would be unreasonable to even push that cap higher. And the reason why I say that is we're doing an estimation of 200 more affordable units at the three million cap. It doesn't take very long to calculate how many additional units we need out there, and the more the better. So, I'm hoping that maybe there can be a discussion to actually push the cap even higher, possibly to \$5 million, due to the fact we did show that we had surplus budgets.

Another issue I have on this is that on the developers maybe utilizing this program and then not being in compliance. I think if they go back to the tax rolls and begin paying tax, number one, that is a benefit to the City and Multnomah County. We need to understand that if we want to have -- my understanding on this program -- we're at 20% of the affordable units on this program of the project. Maybe if we go up to the 10 years and if they want to extend even farther and more benefits, they'll agree to maybe do more percentage of affordable units in their project. Maybe that can be negotiated at the front of the deals where we can get that extension but they agree to actually to more affordable units in the project. Again, like I say, I want to have the incentives for the developers. This offers the incentives.

I have the concern again as you know on the SDCs, any movement on that. If anything, I think they should be dropped. Everything I see here does look good to continue the developers building more affordable units, and keeping an eye in that direction, and understand the 200 estimated additional units is not going to be enough, and continue to move forward and get more units. Thank you.

Hales: Thank you, thank you very much. Anyone else? OK. Then let's take a roll call unless there are questions for staff.

Fish: If we could have staff come back up?

Hales: Sure. Come on up.

Fish: So Andrea, this is really a first-rate piece of work. And since there's going to be some follow-up, I just want to make sure the record is clear.

Opportunities for renewing beyond the 10 years -- we would look forward to hearing back from you if there is a way to give somebody the option of extending the program that's administratively workable.

Second, the penalty provision and whether we have the right mix or whether we need a bigger stick. And frankly, experience will tell us that. If people start opting out early and you sense that there's a gap in what we're trying to do, then I hope you'll come back and urge us to find a way to recapture some of the property tax abatement.

Number three is a procedural question, Commissioner Saltzman. This goes to the County. The County will deliberate. The County may decide to amend. I would hope if there are any substantive changes that they propose that you come back to us for approval. Because I think you've made it clear to me that there's a linkage between developing the competitive process, for example, and lifting the cap and some other things. If the County has a different view, I hope it comes back to us for ratification.

Mena: Most definitely.

Fish: And the third thing is just a request. Commissioner Saltzman has added some new voices to the PHAC. And I think we have probably the strongest lineup we've ever had. He's got private developers, people like Dike Dame. We've got new voices. I would just ask when we have proposed policy changes in the future, would you please note on the Council document whether it has been review with PHAC and has their approval? Because I have found and I think Commissioner Saltzman has found that we often get great

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feedback from the PHAC. I want to make sure they're getting a cut at this before it comes to us so we have the benefit of their input.

Matthiessen: In this specific instance -- of course we will do that moving forward -- but with these changes, we had actually had two PHAC meetings that they were reviewed with PHAC.

Fish: OK. Since it doesn't say that on the sheet, just let us know. They're a very independent-minded group and we all benefit from getting their feedback. Thank you for your outstanding work.

Hales: OK. Any other questions? Thank you both very much. Let's take a roll call, please.

Item 827 Roll.

Saltzman: I'd like to thank the Portland Housing Bureau -- Andrea, Dory Von Bockel, and Javier Mena -- for their hard work in doing the process to come up with these changes and to listen to the various points of view. I appreciate the points raised in testimony and by Commissioner Fish. We will certainly take a close look at those -- and Mr. Barnes, also, about aspirational goals for minority participation. I think this is a good program. You know, 200 units of affordable housing a year is not going to solve the problem but as John Miller said, things are starting to come together in pieces that are slowly here and there and I think are going to start producing more affordable housing in a time when we have a red-hot market. It needs proper incentives if we're going to get the amount of affordable housing we truly need to serve our residents in the city of Portland. This is a great step forward. I look forward to the County's consideration and hopefully approval of this as well. Aye.

Novick: Really appreciate the work the bureau has done on this, and Commissioner Saltzman, really appreciate the testimony of Mr. Miller and Mr. Jones and the support of their organizations means a great deal to me. Also appreciate the fact when I met with Commissioner Saltzman on this, he said that he would be willing to look at possibly changing the map where this tool could be used to include potentially some new and improved transit routes.

I do think we need to note that this is \$600,000 out of City's general fund ongoing and I think money is going to start being a lot tighter in the next couple of years. We're going to have to deal with the implications of some PERS decisions of the Parks employee arbitration, we still have the issue of 13 firefighters who right now are funded from one-time funds. So, I anticipate actually within a couple years, we're going to be cutting budgets again rather than adding anything. And one of the reasons I'm going to support this -- a major one is that I think a really strong case has been made. Another is that Commissioner Saltzman in the past has not been shy about being willing to consider potentially unpopular budget cuts in order to fund higher priorities. So, again, we need to note that spending through tax breaks is just the same and spending through the rest of the budget and there are opportunity costs, but in this case, I think a strong case has been made. I also want to thank Commissioner Fish for his suggestions. I think that tightening up enforcement does sound like a promising avenue to pursue. Aye.

Fish: I want to thank Dory, Andrea, and Javier -- the A team over at the Housing Bureau. I remember the Big Look, I actually called it the big headache. We had to start every meeting with Kate Allen giving us a sort of primer for dummies to make sure we understand all the moving pieces because it's so complicated. But as Commissioner Saltzman said, the goal was to reform it and align it with our policies and then three years later to come back and continue to strengthen it. And that's what you've done. We could spend an entire day talking about some of the changes you've made. I hope people understand how important they are, because they bring our values and embed them in this program. If it's successful, it'll be a big win for our community. So thank you, Dan, for taking this on. I

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know from personal experience how hard this issue is and appreciate your good work. Aye.

Hales: Thank you, Commissioner and bureau and community for bringing this forward. It just occurred to me listening to this discussion that we really have an obligation to get it right on three levels on issues like this. We have to get the vision right on what we're trying to accomplish, let's get the policy right, and then we have to get the right results. Whether you look at this particular tax exemption or the density bonus issue you brought forward earlier, Commissioner Saltzman, or our goals -- again, vision, policy, specifics on minority, women, and emerging small business utilization -- in each case, we've got a sort of tripartite vision on the part of the Council which is get the vision right, get the policy right, and then make sure to tune it so we get the results that we want. That's obviously what we're about here in this adjustment. I appreciate both the work and discussion and then the willingness to keep circling back and making sure we're getting the results that we need and responding, as you said, to a very different housing market than we might have had when the Big Look was looking. Good work, look forward to more, thank you. Aye.

Item 828.

Hales: Commissioner Fish.

Fish: Mayor, I think we can do this pretty quickly. Our good friend Scott Gibson is with us this morning. This ordinance would authorize the Bureau of Environmental Services to hire a contractor to repair the invernness force main. Invernness is a 10-mile-long pressure line that carries sewage from the invernness pump station to the Columbia Boulevard Wastewater Treatment Facility. This project will repair a leak in the force main under the Columbia Slough bike and pedestrian bridge just east of the treatment plant. And Scott will walk us through a brief PowerPoint. Welcome.

Scott Gibson, Bureau of Environmental Services: Thank you. Good morning. As Commissioner Fish said, we're going to be working on the Columbia Slough pedestrian bridge. You can see in these three pictures it shows you the location off to the right here of the bridge. The interesting thing about this bridge is it also is a utility bridge. Underneath the bridge are the city's force main. On the left is the larger of the force mains, which is the one that is leaking and will be repaired. On the right-hand side over here, you can see the smaller force main, which is in service and currently taking the flows that would go through the larger force main.

Fish: And the middle pipes are for methane?

Gibson: No, I don't think so. Those are the utility conduits going out to our facility. The lagoon facility is across the north, and the plant staff uses this quite frequently to get back and forth across between the two facilities. But it also serves as a bike and ped bridge and is connected to the 40-mile loop.

The project involves using two repair methodologies. The first thing we'll do is to reinforce the existing pipeline by wrapping it externally with carbon fiber. That will allow that external pipeline to be used as a host for the next step, which is slip lining. In this graphic, you can see we'll create two pits, a larger one to pull the pipe into and a smaller pipe just for the pulling mechanism. What we'll essentially do is pull in a slightly smaller diameter high density polyethylene pipeline into the existing host pipe then we'll make the connections. Required to do that are two pits, one on the plant side, one adjacent to the bike-ped trail. You'll note the Malarkey gas pipeline is shown in this exhibit, and our exit pit or our pole receiving pit is very close to that pipeline, so we do have some impacts to that facility.

Fish: That's what I meant -- that's the pipe that carries the methane gas to the company that does the roofing materials.

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Gibson: Exactly. So, construction impacts. As Commissioner Fish mentioned, we have an agreement to sell digester biogas to Malarkey roofing and we'll need to temporarily shut down that pipeline and not send them gas. They have a separate feed that comes from Northwest Natural and the agreement allows for these types of shutdown and we'll continue to work with them through construction.

The second impact is that for two to three months, the pedestrian bridge will need to be closed so we can have our construction on the bridge safely and to pull the pipeline in. We've worked extensively with Portland Parks and PBOT to coordinate the two to three-month closure as well as we'll be providing signage and mailing and other notices to users. We'll continue to manage that during construction. The east-west trail adjacent to the bridge will not be closed but traffic over the bridge will need to be closed during construction.

Fish: You'll be posting well in advance so that people know that's going to happen?

Gibson: Yeah, absolutely.

Hales: I'm a little surprised -- obviously, it's an estimate, so you haven't gotten bids yet, but that's a lot of work for \$500,000.

Gibson: Well, the slip line methodology is intended to save us a lot of money. The alternative is working from a barge up underneath the bridge from barge-base construction or cutting holes in the deck so we could lower things in with cranes and moving along was much more expensive.

These are unique construction methodologies. We've lowered our confidence in this estimate to high because we're dealing with two very unique construction methodologies. We have done outreach to the contractors and the industry to make sure we feel we have a good idea on the cost, but that was an issue for us working in a small contractor pool.

The next step if you authorize the contract is will have a report from the purchasing agent on the results of the procurement and then we start construction in November and construction will run through March. If you have any questions, I'm here to answer.

Hales: Thank you. Any more questions? Thanks very much. Anyone want to speak on this item? Come on up.

Lightning: My name is Lightning, I represent Lightning Watchdog X. The only concern I have on this -- and I can be corrected on this -- is I understand you have a problem with one of the lines there, and to correct that problem you want to wrap that with carbon fiber then slip another pipe through the center of the pipe that was possibly not working properly at this time. Now, my only concern is that were there estimates done to actually remove that pipe completely out and replace it with a brand new pipe? And are you saying that the cost will be so much less by doing this method and it's actually going to save a tremendous amount of money? Because I would think that you'd possibly want to remove the whole pipe out and replace it with something new. When you're talking wrapping it with carbon fiber, is that just to reinforce the pipe that is currently not functioning properly? So, I have some concerns on this whole bidding process that maybe can be answered.

Fish: First of all, thank you for keeping us on our toes. Second, if you'll cede the chair, I'll have Scott come back and answer both.

Lightning: OK, thank you very much.

Fish: They're good questions, and you'll be asking the same questions in the fall when we come back with another project that has a similar technology, so we'll give you an answer today.

Lightning: I want to make myself real clear and I'll be done. Sometimes, I think it's better just to replace something all new instead of using some methods maybe to save money and in the long term having a pipe encapsulated within a pipe in the industry standards could that not possibly jeopardize the new work that is being done when you slide a pipe

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within a pipe over a long-term basis. I'm looking at it from a long-term standpoint of doing do we need to save money or are we looking at longevity of the new pipe we might have in there. Thank you.

Fish: Scott is going to give us an answer to your two great questions. A brief answer.

Gibson: It's a good opportunity for me to introduce you once again to Daniel Hebert. He's a senior engineer in our pump station engineering team and he's responsible for engineering and planning for our pump stations. He will answer the question to make sure we get it right. Dan?

Daniel Hebert, Bureau of Environmental Services: Dan Hebert. Let me first address the question about the carbon wrap. The reason the pipeline failed was due to some pretty severe corrosion in that particular section of line because of the way air and water flow through that line. It transitions almost through a gravity line after it peaks on a bridge north of that. So, the carbon wrap is to restore the structural integrity of that 30-inch line that leaked so it can support the internal slip-lining HDPE pipe we're talking about.

The question why -- we did consider replacing the entire type, and Scott touched on that in his presentation. Because of the access issues and because this pipe is above the Columbia Slough, access and environmental concerns just to get to the pipe to replace it increased the cost significantly -- something in the range of \$1.5 to \$2 million for project costs as opposed to about \$600,000 that we're talking about right now.

Fish: In addition to the cost differential, I think Lightning's point was is there a long-term benefit in having a new pipe that you don't get from rehabilitating an old pipe?

Hebert: There's actually a long-term benefit in this case for replacing it with HDPE, in this case, because of the long-term corrosion problems and flow characteristics in this part of the force main. It's very close to a high point where air is either drawn in or expelled from the pipeline as the pump cycle on and off, and the existing pipe was lined with -- actually near the air valve -- was lined with a special coating near that didn't corrode but just downstream about 100 feet from that, it had the normal steel pipe mortar lining. It's actually a concrete cylinder pipe, not welded steel. That was what corroded significantly. In fact, the top half of the intern portion corroded away completely and that's why it cracked and failed. The HDPE pipe is not subject to that type of corrosion from hydrogen sulfide disintegration. So, long-term the HDPE is much better pipe choice for that particular area of the pipe, and probably in the long-term we're going recommend looking at all the other air valve installations along that same pipeline just as a preventive measure to see if we have similar problems.

Gibson: We're confident with the long time viability of the internally lined pipe.

Fish: We get the benefit of long time service plus we get the benefit of a substantially less expensive because of the location. It sounds to me also that there may be cases where based on the location of the pipe, you may have a different view, but because this is under a bridge in an environmentally sensitive area because you think this will do the trick, you're recommending this approach because you think it will do the trick.

Hebert: Exactly. And just another item to consider -- we did look at the hydraulic capacity of a smaller pipeline and because this is a 10-mile long pipeline, that smaller constricted for about 500 feet has negligible impact on the energy requirements to pump.

Fish: Thanks very much.

Hales: Thanks very much. Good explanation, good discussion. Thank you. Unless there are any other questions, this item passes to second reading next week, and we're adjourned until next week.

At 11:10 a.m., Council adjourned.