



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28TH DAY OF OCTOBER, 2015** AT 9:30 A.M.

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

Commissioner Fish arrived at 9:31 a.m.

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

Item No. 1095 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
1086 Request of Stuart Emmons to address Council regarding Veterans Memorial Coliseum (Communication)	PLACED ON FILE
1087 Request of Brian Libby to address Council regarding Veterans memorial Coliseum (Communication)	PLACED ON FILE
1088 Request of Fritz Junker to address Council regarding downtown safety and urban vagrancy (Communication)	PLACED ON FILE
1089 Request of Alan Linhares to address Council regarding illegal camping within Lents and on the Springwater Corridor (Communication)	PLACED ON FILE
1090 Request of Wayne Wignes to address Council regarding homeless people's rights and de-partitioned housing (Communication)	PLACED ON FILE
TIMES CERTAIN	
1091 TIME CERTAIN: 9:45 AM – Accept report on the Planning and Leadership Across City Environments PLACE Program (Report introduced by Mayor Hales) 30 minutes requested	PLACED ON FILE

<p>1092 TIME CERTAIN: 10:15 AM – Accept the Quarterly Technology Oversight Committee Report from the Chief Administrative Officer (Report introduced by Mayor Hales) 30 minutes requested Motion to accept report: Moved by Fish and seconded by Fritz. (Y-5)</p>	<p>ACCEPTED</p>
<p>*1093 TIME CERTAIN: 10:45 AM – Ratify a successor collective bargaining agreement between the City and the Portland Police Commanding Officers Association relating to the terms and conditions of employment of Police Lieutenants for 2015-2018 (Ordinance introduced by Mayor Hales) 15 minutes requested (Y-5)</p>	<p>187406</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Charlie Hales</p> <p>1094 Appoint Andrea Olson and Dana Coffee to the Portland Commission on Disability for terms to expire October 27, 2018 (Report) (Y-5)</p>	
<p>*1095 Authorize a grant agreement with CASH Oregon for \$75,000 to provide financial education, counseling and free tax preparation services to low income families and individuals in Portland (Ordinance) (Y-5)</p>	<p>187407</p>
<p style="text-align: center;">Bureau of Police</p> <p>*1096 Apply for and accept a grant in the amount of \$56,000 from the Oregon Department of Transportation and appropriate \$48,000 for overtime reimbursement for the FY2016 Safety Belt Grant Program (Ordinance) (Y-5)</p>	
<p>*1097 Apply for and accept a grant in the amount of \$37,500 from the Oregon Department of Transportation and appropriate \$30,000 for overtime reimbursement for the FY2016 Multnomah County DUII Intensive Supervision Program (Ordinance) (Y-5)</p>	<p>187397</p>
<p>*1098 Authorize application to Oregon Impact for a grant in the amount of \$80,000 for overtime reimbursement for participation in DUII High Visibility Enforcement events during Federal FY 2015-2016 (Ordinance) (Y-5)</p>	<p>187398</p>
<p style="text-align: center;">Office of Management and Finance</p>	

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<p>*1099 Pay claim of Leah Razo in the sum of \$34,456 involving Bureau of Transportation (Ordinance) (Y-5)</p>	<p>187399</p>
<p>*1100 Authorize acquisition of one full-sized sedan for use by Portland Police Bureau (Ordinance) (Y-5)</p>	<p>187400</p>
<p>*1101 Authorize the purchase of approximately 250,000 external gallons of motor fuel for City of Portland vehicles for a total not-to-exceed amount of \$850,000 per year (Ordinance) (Y-5)</p>	<p>187401</p>
<p style="text-align: center;">Commissioner Steve Novick Position No. 4 Bureau of Emergency Management</p>	
<p>*1102 Accept and appropriate a grant from the Oregon Office of Emergency Management in the amount of \$14,055 for the Portland Region Community Emergency Response Team/Neighborhood Emergency Team Training and Equipment Program (Ordinance) (Y-5)</p>	<p>187402</p>
<p style="text-align: center;">Bureau of Transportation</p>	
<p>*1103 Amend Permits Code, Permits to Construct and Maintain Structures in the Street Area, to correct Code Section reference (Ordinance; amend Code Section 17.24.014) (Y-5)</p>	<p>187403</p>
<p>*1104 Amend contract with Axiom Event Productions, LLC for volunteer and course management services through the City of Portland Sunday Parkways program for an amount not to exceed \$119,000 (Ordinance; amend Contract No. 30003708) (Y-5)</p>	<p>187404</p>
<p>1105 Amend 2013-2018 Contract for Vehicle Towing and Storage services to correct the procedure for Portland Streetcar, Inc. tows (Second Reading Agenda 1069; amend Contract Nos. 30003497, 30003504-30003508 and 30003511-30003521) (Y-5)</p>	<p>187405</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Water Bureau</p>	
<p>1106 Accept contract with PCR, Inc. for the construction of the Road 10 MP 0.6-1.8 Project as complete, release retainage and authorize final payment (Report; Contract No. 30004170) (Y-5)</p>	<p>ACCEPTED</p>

<p style="text-align: center;">REGULAR AGENDA</p> <p style="text-align: center;">Mayor Charlie Hales</p> <p style="text-align: center;">Bureau of Planning & Sustainability</p> <p>1107 Adopt a Waste Reduction Plan and accept and authorize an Intergovernmental Agreement with Metro to receive Metro Waste Reduction Challenge Funds of \$283,408 and \$336,189 for the Recycle at Work Program in FY 15-16 (Ordinance)</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 4, 2015 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Steve Novick</p> <p style="text-align: center;">Position No. 4</p> <p style="text-align: center;">Bureau of Transportation</p> <p>1108 Declare intent to pilot the Community-Initiated Neighborhood Trails Process to allow community organizations to identify and improve undeveloped right-of-ways to trail standards (Previous Agenda 1036)</p>	<p style="text-align: center;">RESCHEDULED TO NOVEMBER 4, 2015 AT 9:30 AM</p>
<p>*1109 Amend contract with TriMet related to the operations and maintenance of the Portland Streetcar system to add payment to TriMet for Operations, Maintenance and Other Services for FY 15/16 through FY 19/20 for \$40,490,618 (Previous Agenda 1074; amend Contract No. 30002872) (Y-5)</p>	<p style="text-align: center;">187408</p>
<p>1110 Authorize Central Eastside Interim Commercial Off-Street Parking Pilot Program (Second Reading Agenda 1075; waive Title 33) (Y-5)</p>	<p style="text-align: center;">187409</p>
<p>1111 Authorize temporary commercial parking on Oregon Department of Transportation blocks as part of the Central Eastside Interim Commercial Off-Street Parking Pilot Program (Second Reading Agenda 1076; waive Title 33 and Stormwater Management Manual) (Y-5)</p>	<p style="text-align: center;">187410</p>
<p>1112 Accept Engineer's Report on Oregon Health & Science University Sky-bridge and Tunnel Encroachment (Second Reading Agenda 1084) (Y-5)</p>	<p style="text-align: center;">187411</p>
<p>1113 Accept Engineer's Report on Portland State University Sky-bridge Extension Encroachment (Second Reading Agenda 1085) (Y-5)</p>	<p style="text-align: center;">187412</p>

<p style="text-align: center;">Commissioner Amanda Fritz Position No. 1 Portland Parks & Recreation</p> <p>*1114 Authorize Procurement Services to enter into a contract for construction and payment of Grant Pool Mechanical Renovations (Ordinance) 10 minutes requested (Y-5)</p>	<p>187413</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p> <p>1115 Authorize contract with the lowest responsive bidder for the construction remodel of the Schmeer Pump Station Upgrade Project No. E07448 for \$1,800,000 (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 4, 2015 AT 9:30 AM</p>
<p>1116 Authorize a contract with the lowest responsive bidder for construction of the Powell Sewer Rehabilitation Project Phase 1 Project No. E10476 for \$10,800,000 (Ordinance) 15 minutes requested</p>	<p>PASSED TO SECOND READING NOVEMBER 4, 2015 AT 9:30 AM</p>
<p>1117 Authorize a contract with Century West Engineering Corporation for professional services for the design of the Wheeler Basin Reconstruction and Green Streets Project No. E10219 for \$590,872 (Ordinance) 8 minutes requested</p>	<p>PASSED TO SECOND READING NOVEMBER 4, 2015 AT 9:30 AM</p>
<p style="text-align: center;">Water Bureau</p> <p>1118 Extend contract with Murray, Smith & Associates, Inc. for the Fulton Pump Station Replacement Project in the amount of \$885,701 (Ordinance; amend Contract No. 30001492) 10 minutes requested</p>	<p>PASSED TO SECOND READING NOVEMBER 4, 2015 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3 Bureau of Development Services</p> <p>1119 Amend Chapter 3.30 to add administrative review of stop work orders; amend Titles 24-27 to add administrative appeal provisions, revise external Appeal Board provisions to conform to the State Building Codes, add term limits to all external Boards, delete obsolete provisions, and make other technical changes (Ordinance; amend Code Chapter 3.30 and Titles 24-27) 15 minutes requested</p>	<p>PASSED TO SECOND READING NOVEMBER 4, 2015 AT 9:30 AM</p>

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Portland Housing Bureau

1120 Amend contract with Catholic Charities to add \$50,000 to house chronically homeless women for a total not to exceed \$160,000 (Second Reading Agenda 1083; amend Contract No. 32001140)
(Y-4; Hales absent)

187414

At 12:24 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD **28TH DAY OF OCTOBER, 2015** AT 2:00 P.M.

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

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

	Disposition:
<p>1121 TIME CERTAIN: 2:00 PM – Donation of northern portion of Ross Island from the Port of Portland to Portland Parks & Recreation (Report introduced by Commissioner Fritz) 15 minutes requested Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-5)</p>	ACCEPTED

At 4:46 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.

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9:30 AM

Hales: Good morning, and welcome to the October 28th meeting of the Portland City Council. Would you please call the roll?

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

Hales: Welcome, everyone. We have some time certain items and presentations, but before that we have Council communications. We allow citizens to sign up for three minutes each to talk on a topic of their choosing, and that will come first, and then we'll get to the regular agenda after that.

If you're here to speak on a regular agenda item, let our Council Clerk know and she'll put you on the list. We typically allow three minutes per person. It doesn't look like that will be difficult given the number of people here. You need to give only your name, you don't have to give us your address unless you are representing an organization. We ask that we maintain the rules of decorum and give people a courteous hearing. If you agree with them, give them a thumbs up if you feel like it or a thumbs down if you disagree, but please, let's not make vocal demonstrations in favor or against our fellow citizens' points of view so they get to express them. That's about all the procedure that there is to it. So, with that, let's hear our communications items starting with 1086.

Item 1086.

Hales: And 1087. I think they're a team.

Item 1087.

Hales: Good morning.

Stuart Emmons: Good morning. We'll do a combined six minutes, if that's OK?

Hales: That's fine.

Brian Libby: Thank you for having us.

Emmons: Good morning, everyone. My name is Stuart Emmons, and I'm here representing the Friends of Memorial Coliseum. Brian Libby, my co-chair; and Marilyn Clint of the Portland Rose Festival; Ron Carr, our veterans representative, and I represent a broad-based group of citizens that include architects, veterans, design community members, preservationists, and other community members.

Some of you know me as an architect for affordable housing and involved in schools. So, why do I care about the Memorial Coliseum? Why should anyone care about it? I have five good reasons. One is culture. The coliseum is one of those unique buildings that define our city's culture and is important to our history. Veterans. The whole building is a veterans memorial. The coliseum restored will be one of the most visible and impressive memorials to our veterans in the nation. Community. We need a 6000 to 10,000 square foot venue and will continue to, and even more so, as our population increases. There are 100 annual events at the coliseum already. For example, Cirque du Soleil's sold-out two-week run at the coliseum in May. It would not have come to the city if not for the coliseum. As the city grows, the demand will surely rise. The estimated cost for varying levels of Coliseum restoration are far less than what a new arena would cost.

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Economy. It is really important to our city's economy. Restoring the coliseum will have an economic impact, quote, "worth multiple times the cost of renovation," per the Portland Business Alliance.

Values. We're a sustainability capital. We favor reuse over demolition. Last week, the Council approved \$195 million for the Portland Building -- an enormous sum -- and still no movement on the coliseum. The coliseum should not be passed over in favor of the Portland Building. Funds that should have been used for preventative maintenance and upgrades to Memorial Coliseum have been diverted for two decades to pay off two debts of Providence Park. Why doesn't Providence Park pay for itself? We will need a venue like this more and more as we grow.

And then a word on growth. Our city is growing really quickly. We need to focus on building density in close-in districts that are well-served by mass transit. The area from the Convention Center to the PPS Blanchard site, including the Rose Quarter, is one of the best districts for future density. The coliseum can be the leverage point, the center piece of a transformed Rose Quarter district, a vibrant and high-density neighborhood that includes offices, retail, hotels, and affordable housing.

We can restore the coliseum for less than the Portland Building and have far more economic impact. It is time to restore Veterans Memorial Coliseum. And now, we would like to put our video up, if you will. Thank you.

[video playing]

*****: Portland in 1960 was a much smaller town than it is now. The whole community got together to build this exposition center that ended up being dedicated to the veterans. The building was designed by Skidmore Owings and Merrill. 1960 was during the heyday of Skidmore's work. Kennedy became president, the space race started. There was just this love for the future and an appreciation for what was to come. This building embodied that. It was about the future.

*****: It's the equivalent of about two and a half city blocks in size but the entire building is standing on just four columns, which still kind of blows my mind, honestly. We got involved trying to save the coliseum because of the great architecture and because it can still be a great building, but it's just an amazing repository of Portland's cultural history.

*****: The Blazers winning was a monumental thing for Portland, and it happened in this building.

*****: The Portland Trail Blazers, at about two minutes and 18 seconds past the hour of two o'clock, have won the world championship! [cheering]

*****: The building doesn't have luxury boxes, it doesn't have different levels. Everybody comes out on the concourse. It's not just a building, it's not just a work of art -- which it really is, as well -- it goes back to our core values about who we are as a community, as a city, and we've become even more excited about keeping this building because of what it can be in the future.

*****: We still need as much help as we can get. Nothing has been decided yet, and the City could still decide to tear this building down. We don't really feel like the coliseum will be completely saved until it's restored, and that's been the difficult part. Mayor Hales and the City Council are still looking at the possibility of tearing this building down. We really want to hear from people, whether it's military veterans or just ordinary citizens. We really need people's help to send a message to City Council that we're not going to let this building be torn down. [end of video]

Emmons: Thank you.

Libby: Thanks very much

Fish: Can I ask you two questions? Where did you find the archival photographs, these wonderful new pictures of the Memorial Coliseum?

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Libby: Commissioner, I spent several hours in the City of Portland archives, and that's actually where they came from. There was a treasure trove of information there. I had great fun looking through all the historic images and even deliberations about what to call the building. For example, it was almost officially named the glass palace, and so that's where a lot of this came from.

Emmons: Can I chime in, too? We also found historic pictures from probably the top modern architectural photographer in the world, Julius Shulman, down at the Getty. And just last spring, I found a trove of absolutely fabulous pictures done by a Pacific Northwest photographer, Art Hupy, in the basement of the UW special collections library. And these photographs, the Shulman and the Hupy pictures, really prove that we have a gem on our hands here, and it's hard to see the way it is in its state --

Fish: The other thing I just want to note from your video is that right now, when you're looking east at Memorial Coliseum, it's obscured by some trees that have matured over time. And now, this is a city that prides itself on protecting trees, it does completely alter the relationship to the building, and you have the photograph where it was actually fully exposed to the west.

Emmons: Yes.

Libby: Absolutely. I think that this is the only time in my life where I've ever wanted to see trees cut down. I'd love to see us engage in some kind of initiative where we plant 100 trees for every coliseum tree that we cut down. But this is, you know, a glass box that is all about the transparency and so those trees, like you say, should come down.

Fish: Thank you.

Hales: Thank you both, thank you very much.

Item 1088.

Hales: Good morning.

Fritz Junker: Good morning. Thank you for allowing me to speak today. And thank you, Mayor Hales, for your stated desire to focus on the city instead of re-election.

My name is Fritz Junker. I've lived in a condo four blocks from City Hall with my wife since 2007. I'm speaking today out of concern for the safety of my family, friends, and neighbors. Last summer, as we all know, a man was stabbed to death by a drifter just steps from here. This terrified our neighborhood. Earlier this summer, my wife was assaulted by a homeless man a block from our home. She's now constantly afraid and on guard. Just weeks ago, a visiting friend was spit on and threatened by a panhandler who was displeased with not receiving change. My wife and I, our neighbors and our friends, have had innumerable experiences with aggressive behavior from the increasing unsheltered populations, and we've all reached our limit.

As quoted recently in the Oregonian, the next New York Times article about Portland isn't going to be about how great our food and wine are. For the last several years, I've watched with great frustration as our city has been allowed to become a destination for lifestyle vagrancy, unchecked drug activity, limitless street camping, aggressive panhandling, and other illegal and disruptive behavior that directly affects the safety and quality of life of residents downtown and citywide. Sadly, Portland is no longer a place that we can use public spaces without disruption, anxiety, or fear.

Recent efforts to temporarily displace this activity or label it as a by-product of an affordable housing crisis are shortsighted, misleading, and will not resolve the serious public safety issues we face as a city. Only after we restore basic rule of law can we then speak about affordable housing and other solutions not related to immediate public safety.

Every summer, street kids, drug users, and other lifestyle vagrants flock here in greater numbers to take advantage of the city's hands-off ideology. They inundate our woefully understaffed police force with increasingly brazen and illicit behavior, draw drug

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and gang activity in the region, and extract dollars, services, and compassion from resident populations of the homeless and mentally ill who really need it.

This coming spring, we must send a strong message to those who travel here or choose this lifestyle that Portland is not their anarchic utopia. Some in this debate want to make those fed up with the lawless behavior of the populations to feel heartless. We are not heartless. It's about behavior, not homelessness. Of course, there are people here in Portland who desperately need social services and deserve compassion, but compassion that is misdirected helps no one.

To care for those legitimately in need, we must sort out those who abuse our collective kindness. I speak today on behalf of a growing number of Portlanders who are frustrated with the state of the city. We implore you to consider the following solutions. One, properly staff our police force at FBI-recommended levels and pay staffing with population growth. Two, drastically increase the funding exposure for the smart change, not spare change campaign to educate Portlanders about the dangers of supporting panhandling. Three, commission a neutral third party study of the true demographics of Portland's unsheltered populations. And four, draft stronger ordinances to allow better law enforcement response to these issues. Thank you for your time.

Hales: Thanks for coming.

Item 1089.

Moore-Love: Mr. Linhares was not able to make it.

Hales: OK.

Item 1090.

Hales: Good morning.

Wayne Wignes: Good morning. I'll begin sharing a story, as it helps demonstrate my point today.

I came to Portland in the summer of 2013 to take a summer class that would help me get into U of O. As you recall, I'm sure, back then Portland was unique in the sense that homeless people have the right to congregate in packs of 100 or more on the streets of downtown. I chose to sleep under the Burnside Bridge because I needed to get to school and I needed to hit the daily river spot bit 5:00 a.m. I needed the energy to function. I needed a decent night's sleep to do that. And to do that, I needed safety in numbers, freed of looking over my shoulder every 10 minutes. So, that's why people do it. Safety in numbers. Secondly, it gives a sense of community. This can make all the difference between a livable situation and a very bad one. Lastly, it will reduce the shame of being homeless.

Now, the ability to make connections and the right to congregate is easily the most overlooked aspect of homelessness. Typically, we think of keeping people fed and warm, but it's been my experience that people will find a way to keep warm or to feed themselves, but what they can't do by themselves is to find connection, find that safety in numbers, that ability to congregate, create community, etc.

Now, underneath that bridge, there was a small group of street punks off to the side. They had their petty skirmishes every two or three weeks, but they were easily outnumbered by what was a much larger body of peaceful homeless people. And to my eyes, there was a sense of peace if not community on the streets of Portland. This is a recurrent -- volunteers, they'd come down, and I couldn't tell if they were coming down to mark down volunteer hours or to just hang out for the fun of it. And this is a recurrent theme you will find if you go from town to town in homeless situations. If given the place where the community can grow, a funny thing happens. The street punks, these vagrants, they quickly become outnumbered and get put in check. They even show respect. And from there, human nature will surprise you. It did me.

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Now, about a month later, Mayor Hales, the papers started reporting that you had given cops permission to start sweeping the streets of hobos and doorways around sidewalks. All I know for sure is that within two or three days of hearing this, 200 to 250 people were trying to squeeze under a bridge that can only accommodate 90. I can no longer tell the difference between the street punks and the rest of the crowd. Those petty skirmishes that happen two to three weeks? They became full-blown fist fights every two or three nights. Within a week, a guy pulled a knife on me for taking the last spot available that was next to his family who had been involuntarily swept there because they had nowhere else to go. You limited his options be -- I don't know if it was you -- but later I found he was a pretty peaceful guy, it's just we had put him in a defensive position.

A few months later, the kid got stabbed to death. That's why you see in that yellow tape underneath the Burnside Bridge. In the following years, I witnessed the crowd changed a lot. A lot of peaceful hobos take off to the woods, go to other towns. I have a few acquaintances that I met upon moving here. They seem to take refuge in that sense of community. I watched them relapse on drugs and fall apart and nowadays, when I go to the Burnside Bridge, all I see is these street punk and these vagrants. It's allowed them to take over. So, it's ironic that I hear in the papers nowadays that the City is targeting this group.

Hales: Need you to wrap up soon. We've given you a little extra time.

Wignes: It's ironic because having been there on both sides watching it play out, I can say with good reason that the enactment of our policies is what has allowed them to take over. It is even more ironic considering that majority of faction is a central concept in the founding philosophy of this nation, you know. But yet, when we speak of homelessness, the only solution that we can think of is to break people up rather than drown it with human nature. But I understand that for a select few business leaders, lack of trust for human nature and their interests may take precedent over the lives of people sleeping on a dirty sidewalk. But if we are going to enact act policies that will affect people in ways you can't even begin to understand without getting to know them, we should at least have alternatives in place. Almost done.

On that note -- and alternatives are not missions that institutionalize and disrespect people. We need, on that note, hopefully, later today, I will be able to testify and share an idea on affordable housing that could kill two or three birds with one stone, and maybe make everybody happy. Thank you.

Hales: Thank you very much.

OK, we're going to take the consent calendar quickly and then we'll come to the time certain items. I've had one request to pull something off the consent agenda and take it to the regular agenda for discussion, and that's item 1095. Are there any others? If not, let's take is a vote on the consent calendar, minus that one.

Roll on consent agenda.

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

Hales: Thank you.

Item 1091.

Hales: We look forward to this presentation each year because we have students that work with the Bureau of Planning and Sustainability from Catlin Gabel, so we want to invite you up to begin that presentation. So, whoever is the first wave, welcome, and come on up. I think you have PowerPoint slides too, is that right? Yeah. OK. Bring extra chairs if you need to have more than three at a time. Good morning. If you're using that, you just push the button. So, want to give him a hand with the PowerPoint there, Karla? It's a complicated system, so give it a moment here.

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Kyle Greenspan: I'm just going to talk about it without the slides, if that's OK with you guys.

Hales: That's fine.

Greenspan: My name is Kyle Greenspan, I'm a sophomore at Catlin Gabel, and I was a part of the 2015 PLACE summer program. And so the first thing that I want to mention about our program is that while it is sponsored by Catlin Gabel and run through a teacher at Catlin Gabel named George Zaninovich. We had students from seven schools throughout the Portland area, and even from the east coast. So, we had a very diverse background of students, ages, and schools.

What we did was we split up the time between learning about how our city works and a project that we focused on youth. Our project was about youth-friendly public spaces, and what this meant is we looked at two questions. How do we engage youth in public spaces? And we also developed a list of best practices for developers to design places that would make it easier to engage youth in these spaces.

We looked at our problem, which was that the availability of public spaces does not cater to youth. We have the public spaces they are not utilized by youth, and we asked the question, why is this? And we looked at this through what we call the lens of equity, and we say, who traditionally benefits from the availability of public space? In our case, we decided that youth are not the traditional beneficiaries of the availability of this public space.

What we did with the project is we looked through this lens of equity, we developed the list of best practices and a tool for youth to engage youth in these spaces with their benefit in mind while benefiting others as well. And with that, let's go through -- so here's the tool and a list of best practices, and our lens of equity, and how do we involve youth in public planning. And with that, I'll turn it over to my peers, and they'll talk to you about our methodology.

Elke Kiva: So, as Kyle said, we had two groups. We had this best practices list. And how we decided what to put in that list -- we basically broke out into four smaller groups --

Fritz: Excuse me, could you give us your name for the record?

Kiva: Elke Kiva. Sorry. So, we had the community outreach. We sent out surveys throughout the country through our web of peer connections to youth and found out what they wanted in the public spaces, what the desire is, what brings them to places, what works for them. We also did literature analysis. We read articles about other times youth were involved in public planning and other times places were designed for youth and whether that was successful. We looked at case studies of those and looked at places where we know that we go and where our peers go and what made people want to go there and what made them feel safe there. As we talked to experts on city planning and youth involvement in public spaces.

On the other side is our tool, which we created as an app. And so this idea was to get youth involved and have them find public spaces. So, we did that by using community outreach and talking to our peers about what draws them to an app, and if they would even want something that helps them to find youth-friendly public spaces. We looked at case studies at other times where youth really like apps and what draws them to it, and apps like Yelp that have lots of surveys and reviews of spaces and what makes those successful. We talked to experts in app design about where that would be. Within our group, we realized that we were all youth and we talked about whether this is something that we would actually want, and we found that is something that we would want and something we'd desire and be successful for our group.

Hannah Davis: My name is Hannah Davis. So, our research from the case studies, expert interviews, literary data analysis, and community outreach built the platform for our

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recommendations. And we discovered the most popular ways of how you can engage in public spaces; how to communicate with youth through a youth agency, online or social media; how youth utilize public spaces; and what youth like in public spaces. And this information was used to condense the findings into a list of best practices and a youth involvement tool.

Marley Lopez: Hello, I'm Marley Lopez. We used this information to decide -- we had two different prompts, basically. We had how to get youth involved in public planning and what youth want in public places. So, for public planning, we decided that we needed to have a youth-led commission, so we would have the youth as leaders in that role, and then they would also be students in that role. But to get youth to be involved in this commission it would be necessary to have incentives. You would have to incentivize this council. That could be through either having it be like a paid internship or to give credit for it in schools. And you would have to recruit diversity for this. You can only create for diversity if you recruit with diversity. And also, having teens and youth in roles of leadership on this commission would help to challenge the social stigma towards youth in social settings and in work environments, and it would help to redevelop how we view youth in these settings.

So, what we saw for what youth were interested in these public settings was we wanted basically just free Wi-Fi and food to be close, and it needed to be accessible. We needed to be able to get there without a car, because not all youth can drive. Also, we had different needs. We needed to be able to have places that we could study and do work, but also places where we could socialize, and these could be different or connected. Youth public places are not always different than just public places for everyone, so we could also integrate youth into public places, which is something that is kind of hard to find now other than maybe in parks. And so, with the things that we are looking for, we can also integrate these or to change other options youth have to make them actually what youth are enticed to go to.

Greenspan: I'm going to switch to our other group now. Thank you.

Hales: Thank you. Good morning.

Mia Fernandez-Powell: Good morning. My name is Mia Fernandez-Powell. I'm going to be talking to you about what we actually created and how we came to that. So, before we designed our tool, which we decided to be an app, we did a lot of research into what teens want today and we conducted surveys as well as just looking at important stats to help us design the best tool for teens in Portland.

We looked at some basic statistics about how right now, teens are always on their smart phones and how the power of the internet and smart phones is the best way to communicate and get information from people our age. We also conducted surveys that were more specific to what we wanted to find in our app. We asked about whether people wanted an app or website, how important free service was to them, if they wanted photo sharing features in the app, and also how important interaction is when finding places to hang out. Most teens today ask each other where to hang out -- that's the most common way to find a public space to go to. So, those were some things we kept in mind while creating our app, and basically, all our information supported the decisions we made later on in our app.

We also looked at other apps, which were our case studies, to see certain apps that have had a lot of success with teens and why they are having all the success. We look at apps like Instagram that had this photo feature to them, and then we just looked at them from a design point of view and also from a content point of view. So, we saw that they have a tool bar, which is something that you might not think about when you're using Instagram, but it's something that makes the app really easy to use. And especially for

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teens, accessibility and being easy to navigate is important for deciding whether you are using an app or not. We also looked --

Fritz: What is Rotten Tomatoes?

Fernandez-Powell: Rotten Tomatoes, Yelp, and Airbnb are all rating apps. So, Rotten Tomatoes is specifically for movies. Something like Yelp is generally for restaurants and then Airbnb for places to stay.

But we looked at these apps to see why their rating systems are having so much success because we knew a big feature of the app would be youth getting feedback on public spaces. So, how are we going to get the most helpful data but also get as much data as possible? What we found from this is all these apps were very simple. They all had very simple rating systems that anybody could use. So, that is something that was incorporated into the app.

Basically, from all of our research, these are some of the key points that we found that we later used in our app. First, we found that youth were equally interested in having an app and a website. I'll be showing you this in a minute, but we created an app and then modeled the website right after that app.

Also, we created this for it to be youth-specific so all the information, all the surveys we conducted were all things that youth wanted to see in this app -- so in all the decisions we made, we're keeping in mind what is the best thing for teens our age.

We also thought about ways to get the most reviews possible. The main idea of this app is to get the most information that we can from the youth about what they think about public spaces to ultimately have urban planners to make this change in the city because youth right now we feel don't have as big of a voice as they could, so how can we get them involved in public spaces in Portland right now?

Now, we're going to be showing you a mockup of the app we created. We decided to call this Spot for spots to hang out. When you come to the app, it's easy to navigate. So the first thing that you do is you come to a trending page. This is something that you'll see in a lot of social media apps today, such as Instagram. The first thing you come to is just constant news feed of pictures and the most updated news that you can get.

So, for this app, what you would come to would be most recent reviews of spots to hang out. So, if I just logged in and I want to see what other people are hanging out at and their reviews, I will see the name of the location or public space, there will be pictures because we found that youth really want to have pictures involved in this app because that's something that's really important in the social media, and also there would be a small description in the top right hand corner of things to do at the space. There's also an interactive section to it where you can thumbs up or down what you think about the review. And then, ultimately, on the left side, there is a rating system out of five stars. Because what we found is that people -- well, youth -- aren't going to take the time to really go through and look at all of the basic criteria for how we rated this place. So, basically getting a quick answer out of five stars of what this person reviewed this as was critical.

There is also a finding spot feature, which is -- basically, if you want to find somewhere to hang out you can select the public space you want and then you can decide what kind of things that you want to see in the space so, select your criteria -- and then the system will come up with certain ideas of public spaces that you can hang out with and give their rating, their criteria, things that you can do there, and the distance from the current location.

The most critical aspect is the rating system. This is where youth are basically going to be giving their opinion on public spaces. You select what type of public space you want to review, you choose a space that you're reviewing -- you can use a GPS or type in your area -- and then once you have done that, it will take you to a review system page. And we

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put a lot of thought into how we were going to create this rating system. As I said earlier, the key to making a successful app is that it's very easy to navigate and simple and you can give quick reviews so we can get the most data possible.

So, you type in the title of your review, and the four categories that we decided to use for our rating system were first transportation. We found that for teens -- and for a lot of teens that can't drive -- it's really important that the space you're getting to is easily accessible. Two is entertainment, so just how enjoyable the spot is. Things to do. So, is there a wide variety of things that would cater to the needs of teens or is it fairly basic and not very interesting. And finally, safety -- so how safe do you feel at this spot?

And we looked at past surveys of when people tried to get information on what youth think about public spaces, and we basically narrowed it down to these four categories to get simple, quick reviews.

You can also share a picture which has the photo sharing aspect and then leave a comment. So yeah, that is the main idea of the app. You have your own profile to give it that social media aspect, which is really important for teens to have your social image, but that's the main idea. And then as I said earlier, we created a mockup of a website, which is practically the exact same thing just in website form.

On the next slide, there is also -- you can find a spot, like in the other apps, but then you can also add some more speck feedback about something that you want to change in the space. So, here's where you can get very specific data on what exactly are teens enjoying in spaces but what are things not working for teens, to collect enough data so that you can have an idea of how can we improve the city and make it more youth friendly for people in Portland.

Kathryn Putz: I'm Kathryn Putz. What we did next is looked at how we were going to market to youth and developers. So, we wanted to do this in a way to encourage community involvement. First, as some talked about earlier, we sent out surveys to see what kind of data and research -- what people were looking for in the app and how this would help us to market the app and the best practice list in two separate ways because we had two target demographics. We also looked at case studies of successful ways that people have marketed to teens in the past, and then we interviewed some professionals like architects and advertising professionals to see their ideas on how we could market our two products in a realistic way. And then, we came up with a timeline -- two separate ones, one for the app and one for the best practice list. That just converted our research and ideas into a timeline for how we were going to introduce the app and when we were going to release it. Finally, we made mockups of advertisements and our logo and like different kind of fun things like invitations and QR codes we might use to advertise, as well as a marketing plan for everything that we had researched into one document.

We came up with the user profiles, two different ones for our two separate products, our best practice list and the apps. Basically, we wanted to get an idea of who the target demographics might be. So for the best practice list, it might be Jack Smith who just moved to Portland and wants to start a project with the youth-friendly public spaces. And for the app, it might be Sarah Johnson, who goes to Lincoln and wants to find places to hang out in Portland with her friends that are nearby because maybe she does not have a license or access to driving to faraway places so she needs places to hang out nearby to where she is at that moment.

As I talked about before, we made two different timelines. The first was for the app. So what we thought is that in the first about six weeks, we would create social media pages -- because this is a main source of information for teens right now -- as well as a blog with videos on it of users, potential users, and information about the apps, And then during the week seven we would release it and host a release party, and during the weeks

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eight through 12, we would use the blog for videos and post information on social media as well as put advertisements around the city and use QR codes.

Then, for the best practice list, we made a different timeline because we have a different target demographic for the best practice list. For the best practice list, during the first five weeks, we would write articles and get brochures out there and form connections with people who might be interested in using the list -- developers, architects, people like that. And then during week seven, we would release the list, and in weeks nine through 12, we would film local designers and their plans to use the list, interview people, and keep up a website, update the website with new information.

Finally, we came up with our logo. Today, we looked at popular apps teens are using now, like Instagram, and they are bright, simple, and convey one kind of theme. So, we have this and it's bright. It has two spots because our name is Spot, and then we have a QR code. How it works you scan the phone and it will take you to the app directly from there. This is an easy way to advertise and get people on our app.

Social media. We found that Twitter, Facebook, and Instagram were the three most-used social media in teenagers now from our survey, so we would have social media for Spot app, which would feature weekly spots, top-rated spots, and postings that people have done on Spot recently.

Finally, we would have an invitation to a release party or as an incentive to subscribe to our app or download it and follow us on social media, as well as public advertisements around schools, coffee shops, parks, because this is another way that we found from our surveys that teens get their majority of their information. So, that's a summary of what we worked on in the marketing. Thanks.

Tyler White: Hi, my name is Tyler White. In conclusion, this plan has the capability to make the city of Portland a front runner in youth civic engagement and agency.

Today, you have the choice of providing practical solutions to the lack of youth engagement that is prevalent in our society through empowerment by providing a setting where youth can care and talk about the places that they interact with. Through our app, you have the choice of giving youth the city at their fingertips. Preserving distinctive places is also another thing that is involved -- that have been known as spaces where youth thrive and interact, while also having the ability to improve such areas to best fit the needs of youth and also creating new places, giving way to a more involved and active youth population.

Mayor Hales, along with the rest of our City Council members, has been steadfast in planning for a more inclusive and environmentally sound future. But none of that matters if the future generations, the faces you are looking at right now, do not have the interest in being involved with planning and creating an authentic sense of community where all voice of all people no matter their age are heard. That is why you must do something. It is only those who take action that truly make a change worth noting.

I decided to take my work one step further in heading the "I love this place" project where I have the honor of creating a space for the stories of the displaced and gentrified neighbors and people in Portland to be shared with everyone. In working on this, I have met many different dedicated youth and young people making changes who are just waiting for a government to follow behind them. They are, I am, we are all doing something to make a change. So what are you going to do? Thank you.

Hales: Wow. What a great presentation. Let's break the rules and have some appreciation. [applause] This project has been great for years, but this -- you have outdone yourselves. George, this is really tremendous. I guess my first reaction is as Commissioner-in-Charge of the Planning Bureau is I want us to keep working with you -- and I suspect the Parks Commissioner feels the same way -- because you put something

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together that's pretty actionable for us. It's not an abstract project, it's something that we can put to use fairly quickly. Other questions or comments or suggestions?

Fritz: I appreciated you opening with the equity issue and then closing with that. Did you have any discussions about the 25% of youth who don't have access to smart phones and how you could include them in engagement in the public spaces?

Fernandez-Powell: It was something that we thought about because it's true that not all youth have an iPhone. It's very a specific demographic of students that do have accessibility to those things. But I think what we decided is that right now, this idea of social media is really something that's powerful for youth, and whether you have a smart phone or not, it definitely finds a way of having an impact onto your life. And so I think that the idea for behind this project is that we start by creating this app, having this website, but with more data and more information that we get and more people starting to use it, we hope it's not just an app but it's going to become something that's part of the teen life. And so hopefully, it would find a way of getting to those people and not just being something that you need to have a smart phone to use, it's gonna be more part of the general life.

Fritz: Thank you.

Hales: Other questions or comments?

Fish: My daughter is constantly admonishing me not to put specific details about her in social media because she doesn't want people to know where she is at a particular moment and she wants to protect her privacy. And that's become a huge concern with social media. So, what are some of the privacy issues that you've been thinking about in terms of how to promote this conversation among teens while also protecting the privacy of people, including information about where they like to hang out?

Fernandez-Powell: I think something we thought about was we thought about it from -- like for me, I have an Instagram account and I have all the social media accounts that a lot of teens have, but right now what a lot of social media has realized is that you have to create a way for there to be some kind of private aspect to the app. So, for Instagram, for example, you can have a private account -- that's what most people do that I know. And so I think as Spot becomes something that's more successful, there will be this option to have a private part of it. You don't have to give all your details. But I mean, ultimately you have to be comfortable with giving information to whatever group you decide, whoever you allow to follow you or see where you're at, you have to be comfortable with giving that information. But I think that's something that all youth are having to make a decision about right now when using social media.

White: And to go off of that, the main goal for this is one, to provide data for planners and for other students of where to go, and so Spot will have a huge privacy aspect. If we go back to the start of this app, basically, each user will have the availability to -- sorry, you can't see it -- but basically, you can sign up and have an account. And so the whole point is that people in your -- basically, your sub-community in this app will be able to see what you like and where you think others should go. But on the broader community, only the data you are sending to planners and to the app will be used to give other people suggestions but your name will not be attached to any of it. And that's to get the largest sample size possible so we can help all teens figure out places where they want to go. Because everyone is different, everyone has their own places they like to hang out, so our main goal is to provide a space for everyone.

Saltzman: I noticed you referenced the Multnomah Youth Commission in your report and you're proposing to create a youth public space commission. Is there a possibility this could be part of the Multnomah Youth Commission or subcommittee of it or something like that, in your minds?

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White: Yeah, I was a part of that, and we talked to Marc Fernandez, the former person who ran the Multnomah Youth Commission, and definitely he was thinking about having kind of a sub-group that worked with Planning because the Bureau of Planning and Sustainability did have a youth planning program, so they were thinking about doing something like that. And also, the new diversity and equity department here for Portland can also head something like that, so it could be kind of a partnership and collaboration between different departments but also with the community.

Novick: The idea of this rating system I think is really exciting. I'm not just old, I'm old-fashioned. I don't know what Instagram is, but I've found that these online rating systems like Trip Advisor and Rotten Tomatoes and the others you mentioned are incredibly valuable, so it sounds to me like a really exciting idea.

As Transportation Commissioner, I noticed you said that's one of the things you would talk about in the app is transportation access. And it may be that if you were able to identify places where the youth would like to congregate, they have other good features but hard to get to, then we could do some thinking about how we could improve the transportation options to those places. Thank you very much.

Fritz: And we have to keep expanding youth pass so that all youth have it all the time.

Hales: Thank you all very much. I just want to commit my office to follow up with you -- and I know others here will want to as well -- and to have this move forward because I think you have come up with something that's going to be very useful for the City. Actually, we just had a presentation yesterday from our Management and Finance staff because we're using dashboards much more to show people data about the city in a user-friendly way, and so it's gotta flow both ways, obviously, in a way that people are willing to engage, and I think you've really created something that is useful for the city for us to hear from youth about how the city is working, literally, for them.

There have been occasions when we have designed public spaces that didn't turn out to be very popular. We have many great parks and many great public spaces in the city, but there are a few that are notorious for not ever really working. So, if we engage youth better at the front end of the design process or when we're getting ready to change or renovate it, that could keep us from missing an opportunity on the design and construction level. So, it seems to me there is a lot that we can all do with this, and I'm really blown away by the quality of your work and by how useful this is going to be for the community. We look forward to following up with you and having it be real. Thank you very much, well done. Let's hear it again. [applause] You will hear from us soon. Thank you. OK, speaking of technology, that's the next item on the list.

Item 1092.

Hales: Good morning. That's a hard act to follow --

******:** It is, indeed.

Hales: -- so good luck with that. Good morning.

Jen Clodius, Office of Management and Finance: Good morning, Mayor and Commissioners. I'm Jen Clodius, a senior management analyst in the Office of Management and Finance, and I am the support staff for your Technology Oversight Committee. With me are Jeff Baer, the Director of Bureau of Technology Services; Wilfred Pinfold, who is Mayor Hales' representative on the TOC; and Ken Neubauer, Commissioner Fish's representative from the TOC.

We're here to present information from the quarterly report from July through September of this year. As you know, TOC is made up of five members appointed by you. The others are Joshua Mitchell, Dyanna Garcia, and Colleen Gadbois. We're going to project dashboards where applicable. Ken will be updating the report itself, and Jeff will be giving you the results of the most recent meeting, which was just last Monday. So, we

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have an update beyond this report. With that, let me see if I can find the correct PowerPoint. The first project up is ITAP.

Ken Neubauer: Good morning, Mr. Mayor and Commissioners. My name is Ken Neubauer. I am joined by fellow TOC member Wilfred Pinfeld. Today, we are presenting the TOC's quarterly report for the months of July, August, and September.

The format will be as follows. I will provide the TOC's assessment of the project, followed by BTS Bureau Director Jeff Baer's real-time assessment of that project. For some projects, there may be other bureau directors, project staff, as well as outside vendors that may wish to comment on that project at your discretion.

The first project is the Information Technology Advanced Project, also known as ITAP. For reference, ITAP was one of the first projects brought to the TOC four years ago. At that time, the project had not yet selected a vendor. Approximately a year later, 2012, the project selected the current vendor.

This project's goals are to develop paperless permit and case management processes and allows complete online access to the permitting and case review services. The project deliverables include digitizing and online assessing of historical permits and property information, implementation of an updated permit and case review, information management system, online case and permit application and review services, mobile online access for field staff, and implementation of an automated queuing system.

The TOC continues to have concerns around this project's duration, budget, scope, and overall performance. For the major accomplishments this last quarter, the project works on amending contracts to remedy contract gaps and re-baseline the project. Upcoming milestones for the next quarter is re-baselining the project, address developmental environmental support, make adjustments for interfaces moved in and out of scope, address gaps resulting from phase one gap analysis.

Again, the risk concerns for the TOC. The TOC continues to be concerned about the project's schedules and volume of remaining work. For the quarter, both the TOC and QA assess all aspects -- competence, budget, and scope -- as red. This should come as no surprise to anyone that has been following this project. The TOC would like to stress, in our opinion, the project is not in distress due to the efforts by BDS or BTS but rather the primary vendor selected to provide this capability. You will likely hear how the vendor is going to turn things around. It is my opinion that while the vendor possessed the capabilities at the time the project was awarded, they have since lost that capability along with the entire team -- 17 people. They've had to hire new employees to staff the project. These employees will likely be developing the skills to fulfill this project's requirement on this project, thus taking longer and costing more than what was originally proposed to the City. Jeff?

Jeff Baer, Director, Bureau of Technology Services: Good morning, Mayor Hales and members of City Council. Jeff Baer, Director of the Bureau of Technology Services. I'm going to keep my remarks brief but I wanted to provide updates to the report you have in front of you specific to the ITAP project. And although, as Ken indicates, all the primary indicators are still in red -- and I don't think that that's surprising given the last three months of activity that we've been going forward -- but I would characterize this phase that we've been in as a demonstration period, which is to allow the City to make some very informed decisions here in the near future. I think that there is a level of optimism. I know that I, along with some representatives from PBOT, have been more involved in the project meeting frequently with Paul Scarlett and his team. And I think I'll reserve my comments for now and reserve those for questions afterwards because I know Paul and his team have some more detailed information to provide for you about what to expect over the next

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couple of months. Plus, we have our representative here from Sierra Cedar, who's the vendor on this project.

Neubauer: Thank you, Jeff. The next project is a lien accounting system, which is used to record and manage assessments and liens for the City as required by the City Charter and Oregon state law. The application is written in an old program language and was one of two remaining applications on the mainframe, which was scheduled to be decommissioned on July 1st, 2015. Because of the tight timeline and resource constraints, the decision was made to rewrite the existing system using a more modern programming language and transfer to a Windows environment.

The status of this is lien has been the sole remaining application on the mainframe since July 1st, and has had to absorb all the costs associated with it. The TOC has concerns about the month-to-month schedule, push, and ongoing cost.

Some of the major accomplishments this past quarter were completing some of the parallel testing and bug fixes. Their upcoming milestone is to complete cutover.

Under risk, the project is much past the original date, and the TOC is concerned about the month-to-month schedule push and ongoing cost.

For the quarter, the TOC assessed confidence in budget as red with scope remaining green. Jeff?

Baer: So, I'm just pleased to announce that our go-live cutover for the lien accounting system is actually this coming -- begins Thursday, this week, tomorrow at 5:00 p.m., and then on Friday, the legacy system will begin to be turned off, no longer available. So, we have a cut-over plan right in front of us. All indications are that we're ready to go, and beginning with the next accounting period, which coincides on Monday, November 2nd, all work will be performed in the new lien accounting system.

Neubauer: Outstanding. Thank you, Jeff. The last project is a PCI payment gateway project. This project is to address the requirement to meet payment card industry, PCI, and data security standards, DSS, as part of the merchant service contract as required by card networks Visa, MasterCard, American Express, Discover, and JCB International. The City does not currently meet PCI DSS standards. It is required to remediate the card processing environment or adopt other means of processing payment to enable the City to be compliant by December 31st, 2015.

Current status is the TOC originally requested that this project be presented as two separate efforts, the payment gateway and the overall PCI remediation. As of the end of the quarter, the payment gateway effort has been progressing very well and we have no concerns with it. Regarding the overall PCI remediation, the TOC continues to be concerned about project duration, given deadlines. However, I suspect you'll hear positive news from Mr. Baer when I'm finished.

Major accomplishments for this quarter. Migration work with NIC is almost complete as part of the payment gateway aspect. Collaboration with impacted bureau given their decisions to cease taking payment card information over the phone.

Some of the upcoming milestones for the next quarter. The PIN pad, point of sales solution, close to finished, and PIN pads are scheduled to be deployed and installed by 9-25.

Under risk, concerns, and comments. As noted, the TOC continues to be concerned about the project duration, given deadlines. For the quarter, the TOC assessed all aspects -- confidence, budget, and scope -- of the payment gateway aspect to be green. For full PCI remediation, the TOC assesses all aspects -- confidence, budget, and scope -- as red with the exception of scope, which increased to yellow for the last month of the quarter. Jeff?

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Baer: We've had a lot of work continuing to migrate away from the City's payment gateway. We are currently sitting at 98% of all transaction volume going through what is now a PCI-compliant gateway, hosted gateway, and we have a very clear, executable plan for the next two months, and we are positioned to be in a PCI-compliant state by the end of December. So, we are on track for that. And in fact, our external auditor was on site to conduct an initial review the week of October 12 -- so a couple of weeks ago -- and will be returning before the end of the year to complete the review. We expect this audit to validate all the work that has been done to comply with these very complex PCI requirements. We've also had a number of discussions with our banking partners, which indicate that they are very pleased with the progress being made.

I do want to say very specifically that this has been a very collaborative effort working with the affected bureaus, and we recognized that some of these changes are very difficult, but we do want to recognize these efforts, and the support that we've had to help us get to this point. So, we are on track to report back at the end of this calendar year that we are in a PCI-compliant state.

Saltzman: The end of the calendar year.

Baer: End of the calendar year, correct.

Neubauer: That is all.

Hales: OK. Questions, concerns?

Saltzman: I thought I'd maybe just add some perspectives. I know we're gonna to have BDS and our Sierra Cedar representative, but I'd just on the ITAP project add a little perspective.

Since I received the Bureau of Development Services, in mid-July, I sponsored an executive stakeholder retreat on August 15th -- which happened to be a Saturday, by the way -- and we had over 35 City employees participate in that retreat. And all the bureaus expressed -- you know, they have concerns about ITAP, but they also underscored the importance of the project for the functioning of the City. So, I was very heartened that so many employees took time out on a Saturday in mid-August to participate in this stakeholder retreat.

I've also met with Sierra Cedar senior executive, Kevin Bryant, who is here today. I met with him on August 31st to lay out a 90-day demonstration plan and terms. Sierra Cedar led a plan in mitigation presentation on September 16th. The meeting was attended by City executives from BDS, PBOT, and Bureau of Technology Services. An action plan was developed from those conversations at this meeting and is actively being managed during the 90-day period. The 90-day demonstration period started on September 23rd, and I will continue to rely on Director Scarlett and Rebecca Sponsel for leadership and monitoring of the 90-day demonstration period. Following that 90-day demonstration period, I will be making a decision on the next steps. I just wanted to add that perspective.

I really appreciate Jeff Baer and the Bureau of Technology Services coming onboard in a more visible way. Appreciate that.

Hales: Other advice that you and the other members of our volunteer committee might have for -- it sounds like we're about out of the woods on the lien accounting system. We're on the way to PCI compliance.

Neubauer: Lien and PCI are headed the right way.

Hales: Yeah. Obviously, ITAP is the big worry here.

Neubauer: Everybody believes -- including the TOC members -- that the capability of the project is asking for the City desperately needs. What I don't think everybody is concurrence with is do you have the right person, right vendor providing those capabilities? Do you need to look at a different approach? You're multiple years into it and you're

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looking at multiple more years. Typically, IT projects expand four or five or six seven years. They tend to have a higher failure rate and that's a concern you should be worried about.

Fish: I have a question for either Ken or Jeff. In these reports, I think you do a laudable job presenting us with updates and assessments. The question that I wanted to ask you is, do you feel that you have the latitude -- unfettered latitude -- to make recommendations to us? As opposed to doing a risk assessment, do you feel in these proceedings that you have satisfactory charge to give us affirmative recommendations for future action, even if those are potentially not shared by the bureau or for other teammates?

Neubauer: I believe I can speak for most of the TOC saying we feel comfortable that we can bring issues to Jeff or to Fred Miller -- which I believe is who we officially report to -- or our individual Council members, which we have done in the past a couple of years ago with the Water Bureau project. That's one that we felt really required some attention, and we brought it to your attention, and you acted accordingly.

Fish: Let me give you a context. The Mayor recently led a process where we considered options for the Portland Building. And quite frankly, none of the options were great, but I think that one of the things about that process that was really helpful and constructive is a panel of experts were asked to review the options and make recommendations. None of us up here are developers or people that do the professional work of, you know, deciding about the fate of a building. I found it helpful to have a group of experts come in and say, "This is our best recommendation." And we could accept or reject it, and it turns out we accepted it.

I find sometimes, Ken, when I'm listening to the presentations that I don't always understand the language that you folks speak as you're walking through the presentation because I'm not an IT person, and the reason I asked you to be my representative is that's your work. So, I have a harder time following some of the narrative, but the part that I just want you to know that we have delegated to you is to give us the recommendations. And at the point in which you think that we should cut our losses or take a hard line or that we're going down the wrong road, I hope that you feel fully empowered to give us that advice. Because the most useful part of the presentation for me is the coding because I could follow the red and green and yellow. But in terms of the narrative, you lose me a bit because it's a highly technical field. And so, I'm looking for the big picture stuff, and if you get to a point that you lost confidence in a vendor or think that we're going down the wrong path, I'm looking for you for you to tell us that.

Neubauer: I think at the end of this 90 days, we all should have a pretty good idea of what it looks like and we'll probably look, you know, do we need to make a different type of recommendation, or are we still on the right path?

Fish: Thank you very much.

Baer: And if I could also answer that question for myself as BTS Director -- I have had many conversations with Matt Grumm from Commissioner Saltzman's office, provided a number of recommendations, and plus, with reporting directly to Fred Miller, I don't feel any hurdles in front of me as far as making those recommendations.

Hales: Other questions or concerns from the Council? And Wilfred, are we going to hear from you as well or are you just on standby?

Wilfred Pinfeld: I'm just on standby.

Hales: Thank you all very much, and thank the committee for your work. We really appreciate you. Now, we want to bring up BDS and your team. Give us your report and prognosis, please.

Paul Scarlett, Director, Bureau of Development Services: Good morning, Mayor and Commissioner, Paul Scarlett, Director for the Development Services and sponsor of the ITAP project. The things I was going to share -- a lot of it has been shared by the TOC

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members and Jeff. I can highlight that ITAP project continues to be critically important to the City for the benefits that will be achieved to customers and employees, and the citizens. The aspects around the delays and the scope are shared -- the concerns.

We have been monitoring those delays, have been working collaboratively with the vendor to manage those as best as we can. There's a handout that you are looking at that chronologically shares some of the highlights and progress and accomplishments since the end of July since the last time we reported to you as part of the TOC report. It does highlight a number of accomplishments, which are key to showing some progress. Like Jeff, I'm optimistic that over the next couple of months, we'll continue to see progress and be able to make hopefully a good recommendation in concert with Commissioner Saltzman about which direction we go into the new year with the vendor and this project.

The team continues to work very diligently. Very thankful for the collaborative approach that we've taken with Sierra as well as the inner agency bureaus -- Maurice Henderson, PBOT deputy director, has joined the executive team in meeting with us weekly as well as Jeff Baer. And sometimes, it's a phone call meeting or in-person meeting, and we're going through scope, budget, deliverables, information shared from the team gathered by Rebecca Sponsel, the ITAP project manager, and Sierra's ITAP project manager.

At this point, the focus is on this 90-day demonstration period. We are a month into it, we've seen some progress. For context to be clear, there is a 90-day demonstration period that calls out a specific module -- it's the land use module -- and in concert with that's running in tandem or concurrently is the rest of the project. So, there are two things being monitored within this 90-day period. One of them can't go any slower than the rest sort of thing. They need to be running concurrently together to be able to provide a comprehensive review and assessment by the end of the 90-day period.

So, I have a number of things that I can share, but I will yield my time because this is the first time that we're having an executive person from the vendor, Sierra Cedar, present here at Council. I'm pretty excited to turn this over to Kevin Bryant, the general manager for Sierra Cedar for him to share his perspectives.

Hales: Thanks. Welcome, good morning.

Kevin Bryant: Thank you, Mayor and Commissioners. Thank you for having me. In a way of background I'm Kevin Bryant, general manager for Sierra Cedar. I have responsibility for our public sector practice, which includes the in-floor practice and all the projects, including ITAP.

For some of you who aren't quite as familiar, we're about a thousand resources in terms of our firm, and within the public sector, our in-floor practice is a very meaningful practice. We do business and have done business for quite some time in this space. We're probably the largest if not one of the largest systems integrators, and you evaluated that, you saw that at the point of selection. The city of Boston's successful implementation -- we continue to do work there. The scope and the project is not so dissimilar from Portland. The city of Minneapolis -- we started shortly after your project, and we continued down that path. City of Las Vegas, city of Long Beach -- we have a very significant capacity in the marketplace -- in-floor will tell you that, as well as the market -- and we are confident in our ability to deliver on the commitments that we've made here.

With that said, those projects are not unlike the city of Portland in that projects change. You learn lessons as you move on, you adjust as you move on. And clearly, we recognize the first several years had some challenges. A good chunk of the last year has gone to compensating for that and adjusting in one area. There have been resource changes. The resource changes by and large are past us. I think over the last year, we have been, by and large, consistent with our staff turnover. We've had the same team in

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place and we have very talented resources working. We recently had a project manager change who replaced an interim project manager, and the interim project manager wasn't released. We have him now focusing on an operational part in tandem with Rebecca, so we've strengthened that.

We've taken a lot of lessons learned on approaches. The City of Portland is a complicated environment with respect to this particular project. Everyone acknowledges that. We've taken a lot of time to refine the approaches in how we're going about delivering this project, and you're starting to see that bear fruit. As I met with Commissioner Saltzman back in July and then again with the executive meeting, I think it was clear that there was two areas that we needed to focus on: quality, number one, and the baseline and the schedule. And until the schedule evolved, it would continue to be in the red, and quality was an important area.

So, we identified land use, as Paul as mentioned, and we're tracking to target. In over the course of the 90 days, we expect that to result in a re-baseline of the project with a very strong level of confidence that we can deliver. And along with that, we're entertaining all sorts of areas where we can expedite the schedule, and so we expect the results of that to come in the December time frame and it will be provided to your attention. We look forward to that.

From my perspective, a lot of the lessons learned -- it's the joint project -- on both ends have been made. The teams were working well together for the last year. We expect to continue working well, and we continue to have momentum with accomplishments, and I think you'll see that in the actual activity in the deliverables as we get towards the tail end of the year. So, thank you again for having me, and I look forward to the next 90 days and reporting back to the December time frame.

Hales: Questions?

Fritz: Why did you all pick land use as the demonstration project? It seems to me that's one of the most complicated.

Scarlett: I'll defer to Rebecca. A lot of decision went into that.

Rebecca Sponsel, Bureau of Development Services: There were several options open to us at this point. It was a discrete amount of work. We've already split land use into two components and had completed the first. We were scheduled to start land use in August, and we did that on schedule. We were able to also complete that in the 90 days.

We had considered the commercial permit, but that is the largest item that we have in the whole project from a permit perspective, and that was not achievable in a 90-day window.

Scarlett: If I could add a little bit more information. We've been looking at this closely and wondering, "Are there areas where we can look at and have some early wins?", if you will. And so we have identified the electronic plan review aspect to hopefully get implemented next year, 2016. And to do that, we essentially had some collaborative conversations with Sierra to allow the contract to be separated out, and they agreed to release any constraints so we could work directly with evolve. And that's something that we feel could come early, and our customers and staff could utilize electronic plan review, reduce papers, and all of that stuff. That's an anticipated early win, and it won't impact the rest of the project and the interface will occur at some later time.

Hales: Other questions? So, I know in a consulting firm, you know, your personnel come and go, but I guess I think that the disruption of the turnover was pretty severe. How would you assess the likelihood that we'll have the same team for the remainder of the project?

Bryant: I think there's a high degree of likelihood that you're going to have continuity with the team moving forward. And looking back -- and your team can testify to this -- the majority of the turnover was early on and in the early year of the project. And over the last

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year, we've had a lot of continuity. Where we've made adds, it's been adding on top of the resources that we have and improving upon what we have, and so I would expect continuity moving forward.

Hales: Thank you. Any other questions? Thank you all very much. We'll see if there is any public testimony on this item before we take a motion to accept the reported. Anyone want to speak on this item? OK, thank you all.

Fish: Motion to adopt.

Fritz: Second.

Hales: Roll call, please.

Item 1092 Roll.

Novick: Thank you all very much. I really appreciate all the time that you put in and you're a shining example of civic involvement in the city of Portland. Aye.

Fritz: Yes, thank you very much to the Technology Oversight Committee for all of your work, and to the team at the Bureau of Development Services and throughout the City. I was pleased to hear that the TOC agrees that the City staff have been doing everything that we could be doing and continues to do so. I really appreciate that.

Of course, this isn't the first time that we've had a discussion about whether to continue with the current vendor. That was something that I looked at when I was in charge of Development Services soon after I got the project having been started under the previous Commissioner. And at that time, we decided that the best thing to do was to continue moving forward with the current vendor. So, I appreciate Commissioner Saltzman now putting that on the table in public, and we'll have that public discussion as to whether the current vendor can provide the services contracted for. Thank you for your work on this. Aye.

Fish: [inaudible] -- particularly to Ken who has been a constant on this and really appreciate the expertise he brings from his work at the Standard. Thank you for your work. Aye.

Saltzman: I, too, want to once again thank the Technology Oversight Committee for their outstanding work. Thank you, Ken and Wilfred, for being here today. And thank you, Kevin Bryant, from Sierra Cedar, for being here, too. It's a bit being in the hot seat, but that's what it's all about. Anyway, we appreciate the work everybody is doing on all these projects, and pleased to accept the report. Aye.

Hales: Well, ditto to the comments. This is big stuff, big dollars, big risks. I think that it's important to remember that also with the ITAP project there's a big benefit not just to us as an operation -- maybe we see those benefits on some IT projects more internally -- but this one has a huge external benefit once it's operational. People are used to paperless transactions and will be able to do their permitting work in a paperless environment, which is overdue here and operational in other cities. So, this is one that, again, completed well, is going to pay off for the citizens of this city, and I'm looking forward to that.

Obviously, we do have to successfully complete the project, have it work the way it's intended, be able adapt to changes that the Council makes or that occur in building technology or any other way affect what you and your bureau do. But this is really a big deal for the community, and the sooner that we can get it working and having it working well, the better. So, please continue. And again, the committee members, thank you for your willingness to look us in the face and say, "this is a big problem, you gotta do something about it" or "this is a big problem, and you should continue." And facts are friendly. Good advice is never punished, so I don't think you're going to hold back, but please don't. Thank you all very much. Aye. Let's take our next item, which is 1093.

Item 1093.

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Hales: Anna Kanwit and her team is here, the leadership of the PPCOA is here. Good morning. Lieutenant, would you like to come up? Good morning.

Anna Kanwit, Director, Bureau of Human Resources: Good morning, Mayor and Commissioners. Anna Kanwit, I'm the Director of the Bureau of Human Resources, and here with me is Maureen Weber who's the chief spokesperson for our negotiations with the contract with Portland Police Commanding Officers Association. I would add this was her first time as chief spokesperson, and she did a really good job. This is not easy work. And then Wendi Steinbronn, who you know, who is the president of the PPCOA.

You know, I have to say, this was a very collaborative process for both parties. Wendi and I also had some very good discussions around the interests and the needs of the bargaining unit. I think that establishes a good relationship for this group going forward. As you know, the PPCOA now consists only of lieutenants, the rank of lieutenants within the Police Bureau.

Just the highlights -- this is a three-year agreement, so, due to expire June 30 of 2018. Bargaining unit is about 28 employees. We did agree to our health insurance program similar to what we agreed with Housing, which puts in place July 1 of 2018 the incentive program so that the 95-5 premium split will remain as it is unless the employee does not engage in the required preventative health exams, and then it will move to 90-10. We think that's very important in terms of continuing to encourage wellness in the City and keeping the cost of our insurance down.

We also reached an agreement on Article 29, which is the provision in the PPCOA contract on dealing with interview safeguards, and the language in the contract that was -- is -- was pretty much identical to what's in the PPA contract requiring a 48-hour advanced notice has been deleted. Currently, what we have is, obviously, we would inform the member of an initial interview whether they're a suspect or a witness and provide an opportunity for them to meet with an attorney if they choose, but there is a provision that that can't cause a delay in the investigation. So I think that that's a huge move for the City. Very, very important. I was very pleased that PPCOA agreed to that.

This unit is unique that they have some benefits similar to non-representative employees, one of those is an ability to take a partial day absence without using your accrued leave. The contract had it as four hours. We did reduce that to two. That's really more of an appropriate amount of time for an employee to take off without accessing their leave balances.

We've continued the professional development fund -- which is very important -- at 30,000, which is simply a continuation of the amounts that were in the contract before.

Changed working out of class. The members now eligible for the higher level of pay if they are doing the work for one full shift rather than three.

So, those are pretty much the high points of the changes in the language of the contract. In terms of the monetary provisions, we agreed to COLA provisions and went to other contracts -- a floor of 1%, ceiling of 5%. The COLA, if this contract is ratified by Council, will go into effect October 7th, which is the day PPCOA ratified. We did not reach agreement on June 30th, so the COLA will not be effective July 1, but we did agree on October 7th as the date.

Also, in this current fiscal year, we negotiated an education premium similar to PPA at 2% for a Bachelor's degree. There are 23 members who have a Bachelor's degree. This is extremely important to Chief O'Dea for several reasons, but I think that the most important is, you know, the studies, research does show that an educated workforce I think is important overall, but when you're looking at police work it really is in terms of the judgment, critical thinking, those types of skills that people do learn in college. Also agreed

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to an additional 3% for a Master's degree or higher. And I think that there are four members of the bargaining unit that have that degree.

In year two of the agreement, we also agreed to an across the board 2% increase. This was really based on market consideration, comparing our lieutenants to the cities we look at. Without the education premium and the across the board increase, we were behind all of our comparable cities with the exception of Fresno, Albuquerque, and Oklahoma City. Cost of living, particularly in Oklahoma City and Albuquerque, is not particularly comparable with us. It does meet the statutory definitions of a comparable city, but we were concerned.

With the increases that we negotiated in the contract, it's a little difficult to predict -- obviously, year two, which is when the 2% goes into effect because we don't know what the wages of those other cities will be in the second year, so we're looking at 16-17. It will put us close to even, about even with Seattle and otherwise the same relative ranking with the other cities, so we did feel that was justified for this unit.

And then last in the third year of the contract, we did negotiate a 5% residency premium. This was the topic of some discussion. The Mayor, of course, has an interest in this. We wanted to be sure that while encouraging people to live in the city, that we were not negatively impacting our ability to diversify the workforce since we know that Portland is not a particularly diverse city. We wanted to be sure that if we -- you know, alternatives to a premium are Council could adopt a preference -- so in other words, points -- for living in the city of Portland, or additional pay, things like that. But you know, the Mayor's office saw that as potentially negative to our ability to diversify the workforce. So, with a premium, it is obviously an incentive to live within the city of Portland but there's not really a great disincentive in terms of our recruitment abilities.

Saltzman: What's the effective date you have to live in the city to qualify for that premium?

Kanwit: Well, you'd have to live in the city before July 1 of 2018 -- 2017, sorry. That's when this would go into effect. So again, I think there are eight current members from PPCOA who actually live in the city. And in discussing this with Wendi, we felt that it may encourage current members to live in the city, but also we're hoping long-term looking at people who are coming into the city -- new officers. That if we negotiated this with PPA, we'd kind of have that pipeline going further on through all the ranks.

With that, I think that's really all I had. You have the fiscal impact. I can go over that as well if you'd like.

Hales: Questions?

Wendi Steinbronn, Portland Police Bureau: If I could add something real quick. Out of the eight members that we appear to have identified that live in the city --

Fish: Could you move a little closer to the mic?

Steinbronn: Sure. Doing some further checking, I think there's only going to end up being about three that actually live in city limits proper. The other four or five have Portland addresses, but they actually live in incorporated Washington County. So, I believe it's the intent of Council to live in the city limits proper. I think it looks like it'll affect about three members at this point.

Hales: Hopefully more later.

Fritz: I have a question about the educational premium. What's the baseline requirement for members of the PPCOA or any police officer?

Hales: It would be for lieutenant, right?

Kanwit: Yeah, I mean this is for lieutenants to have, but to get the education premium, they have to have either a Bachelor's degree for the 2% --

Fritz: But what's the job specification? When you apply, is there a requirement that you have?

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Kanwit: There's no requirement to have the education. A number of years ago, there was a requirement, and it had a negative impact on the diversity of the workforce in terms of bringing a candidate pool. So, there's not a requirement, but there's a definite encouragement. PPA has the same 2% premium for having a Bachelor's degree.

Fritz: What the current baseline application requirement for a Portland Police Association member? For a new recruit, what do they have to have?

Kanwit: There isn't an education requirement.

Fritz: They take people right out of high school or with no high school diploma?

Kanwit: You have to have a high school diploma, yes.

Fritz: Lieutenant?

Steinbronn: My understanding -- it was 90 credit hours or equivalent experience. I think there's an exception for military experience a few years ago. That was how it was when I got hired, but it may have changed.

Fritz: Is that like an associate's degree -- is that 90 credit hours?

Kanwit: Approximately equivalent to that. So, a PPCOA member -- in order to be promoted -- at this time would not require any additional to that.

Hales: This is anecdotal -- and it'd be actually good for me to review this as well -- but what we've been getting lately in classes of recruits is quite a bit above that baseline. We have been getting Bachelors' degrees in many cases, Master's degrees in some cases, pretty impressive life experience in terms of other professions that these folks have worked in before deciding to try to become a police officer. So although I believe in the educational -- having a higher educational baseline, we've been getting it by who's been applying and getting through the selection process, even if it hasn't been a specific requirement, at least in many cases. I think Deanna is here -- we might want to go look back at the last several classes of recruits and quantify that, but just remembering the accounts of the backgrounds of the folks that have gone through the last few swearings in frankly has been very impressive. Former high school principals, people that have had great life experience and educational preparedness for the job.

Fritz: Yes, my question was more just about the baseline requirements. Over the course of the recession, when we weren't hiring, a lot of folks went back to school, so that's good that they were getting more people with degrees and advanced degrees. I forgot my other question now. I can't remember what I was going to ask.

Saltzman: So, I see there is a physical fitness premium of 1% percent.

Kanwit: Yes.

Saltzman: I assume this means a real physical fitness test, not a bio metric.

Kanwit: Yes, a real physical fitness test for PPCOA members.

Steinbronn: And it is no gimme, let me tell you. [laughter] Especially for us older -- [laughter]

Fish: Anna, I have a question for you. I recently did a ride-along with two officers and we were together about eight hours. We talked about a lot of things. One of the issues that came up this issue of residency. And I thought they had an interesting perspective on why they chose to live where they did, and it caused me to reflect on this issue. I see we're building in a 5% premium -- so, an incentive, if you will -- to choose to live in Portland. But I just wondered, since I've sort of had another perspective shared with me about why someone might choose not to live in Portland, what do we identify as the benefits of providing that premium? What are the benefits of having officers who live in our city?

Kanwit: I think generally what the studies show is that there can be a greater commitment to the community if you are actually living in the community and a sense from the public that you are sharing in their concerns. And by saying that, I don't mean to imply that because our police officers and lieutenants, etc., do not live in the city that they're not fully

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committed to serving the community, I truly believe that they are. But there's also, I think, a feeling -- and this is some of what the studies I looked at raised -- that you're one of us because you actually live in the same community that you are working in. So, it is that balance, but again, I don't want to leave the impression that because our members of the police force don't live in the city of Portland they're not committed to serve the citizens of Portland.

Fish: One of the things I like about a premium is the data that Dan's bureau has been sharing with us recently makes very clear that a police officer is going to have a harder and harder time finding affordable housing in our community. So, we can't simply state an abstract goal and then say, you know, you have to therefore sacrifice on the kind of home you can afford or apartment. And I know that some of our officers feel that they can get a better value in other communities and choose to take a longer commute, and I think that's obviously within their rights.

The other thing that struck me is -- I had a lot of time with these folks to get a sense of their view of their work and day-to-day strains. One of the things that I was reflecting on when my day is over, quote unquote, and I go to Fred Meyer, my day really isn't over. While I'm not as recognizable as the Mayor, the truth is that people will come up often and they have a concern. And it frequently has nothing actually to do with the city, just if they -- if someone thinks that they have seen you before, you're a point of contact. And I consider it both a responsibility and an honor to have those conversations. So in other words, I learned we don't really have off time. When we're in the public doing the routine things of life, we're actually still in our professional jobs, and it's a responsibility that we all willingly accept and it's an honor to do that.

I don't have the same standard for people that work for the City. It seems to me a police officer should be able to end his or her shift and be able to let his or her hair down and not be in a situation where we expect that they're continuing to serve a public safety function or, you know, be on call and closer to the city so if they're on call they get to work quicker and things. So, I'm glad we're offering a premium, and I think I understand the benefits of having higher proportion of our sworn officers living in our city. But it was interesting to hear another perspective about officers who are on the frontlines doing really hard work and have chosen to locate their families in places where when they turn off the clock, when they're off the meter, they're really off the meter and they are not sort of half on, half off the way we are as elected where we're always on. So, it was an interesting perspective, and I've been reflecting on it, but I'm glad we're offering the premium as an inducement.

Hales: I agree with that and I think that's why a premium is a better approach. I want to give people encouragement to live in city for just the reasons that Anna cited. I think it will improve the relationship between the city and Police Bureau if more officers choose to live in the city. I use that word "choose" deliberately, because it is a choice. And I think their understanding of the nuances of the community will be better just because of proximity and more contact with their neighbors. So, I think everybody wins if we put this kind of an incentive in place and over time that balance shift, some officers that still make that choice that I really want to disconnect and I don't want to really have any further contact with my job when I'm off duty, sure. And one of the ways that they might feel that they can accomplish that is by living farther away.

Fritz: We could have the best of both worlds like I do by living close to the border. So, I can go to Lake Oswego and nobody knows who the heck I am and that's really fun.

I have one more question. Do we provide tuition assistance for PPCOA members to go back to school to get their degrees?

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Kanwit: Yes. Part of the fund is a \$30,000 fund, and there are percentages that are used for I think tuition reimbursement -- and Maureen would have details -- and other things in the fund.

Maureen Weber, Bureau of Human Resources: It's a 60-40 split. 60% is supposed to go towards education and 40% can go towards things like conferences and seminars.

Fritz: Terrific. Good, I'm glad we provide that.

Hales: Other questions? Commissioner Novick?

Novick: Actually, I'm not going to throw a wrench into the monkey by opposing this, but I just want to say that I'm somewhat skeptical of both the education and residency premiums. As far as education is concerned, think that it's actually important that the City has jobs in the public as well as a private sector that don't require a Bachelor's degree. I'm a bit worried about sending a signal that we don't value the people without Bachelor's degrees who are doing the same work as well as people with them.

On residency, I share Commissioner Fish's concern. I've heard the same thing that sometimes it's nice to be able to actually be done with your day. And also, I've heard officers say there's some people that live in the city that aren't particularly part of the community and other people who live outside of the city are very much a part of the community. I will say, however, that I am a little worried about lots of our police officers living in Vancouver, and if there's an earthquake and the I-5 bridge comes down, then they won't be available. That is an argument for being on one side of the bridge.

I do want to express those concerns. I also wanted to note as a tangent that I get approached at Fred Meyer, too, but quite often people confuse me with Commissioner Fish, so I just make all sorts of promises to those people so I won't be held accountable. [laughter]

Saltzman: That just happened to me yesterday, too. Somebody asked me if I was Commissioner Fish.

Fish: The question I often get at the grocery store has nothing to do with City business. The typical question has to do with our libraries. It sometimes has to do with other areas. And you know, we're points of contact. We can follow through on all those. By the way, I'm keeping track of Commissioner Novick's comments this month. Generally, I find him very persuasive, but I've noted when he couples any comment with a reference to resilience, he becomes just unbelievably persuasive.

Hales: You're being wise.

Fish: I'm taking a page out of his book.

Hales: Any other questions or concerns to raise with the team here? Anything else that you need us to know? Thank you all very much. Appreciate the collaborative work. Anyone who wants to speak on this item before we take action on it?

Moore-Love: We have two people signed up.

Hales: OK. Come on up, please. Good morning.

Dan Handelman: Good morning, Mayor Hales and Commissioners. I'm Dan Handelman with Portland Copwatch.

While we applaud the removal of the 48-hour clause from this contract, we're very concerned that perhaps whoever was negotiating this was not paying attention to the full discussions going on around police accountability and the DOJ because there has been talk about expanding the powers of our Independent Police Review division to be doing more of the investigations, and the contract leaves intact the language that says that the lieutenants who are going to be interviewed for investigations shall be interviewed in a Portland police station facility and they will be informed of the name, rank, and command of the member in charge of the investigation -- which, you know, a lawyer would say implies that an independent agency cannot conduct these investigations. Furthermore,

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very first line of the reinserted text after the removal of the 48-hour clause says, "prior to being interviewed regarding IAD or EEO investigation." It doesn't contemplate an IPR or independent body investigation. So, I'm hoping that perhaps you will delay approval of this contract so that the work that we're heading into, according to the meeting with the judge earlier last week, will actually take place and we'll have an independent agency doing those investigations.

This process in the past for the PPA contract has been public, and I've been able to attend those meetings, but this was not public at all. This is a public policy issue, and I was hoping that there would be some time to put in comments like the ones that I just made. I'm not trying to throw a monkey wrench in at the end because it's the first time we knew about the contract being negotiated.

I also read in the paper that attorneys both for the police association and for the City have interpreted the 48-hour rule to not be effective in deadly force situations, which is something that I brought up numerous times and I just got met with stares from attorneys that I have brought it up with because it is except in cases where there might be criminal liability.

Essentially, it is not achieving everything that we are seeking to achieve. Lieutenants aren't often interacting with the public and rarely get investigated for misconduct against citizens. There is an exception to that, which is Lieutenant Jeffrey Kaer went out of his jurisdiction and shot a man in front of his sister's house in 2006. And Lieutenant Kaer, Sergeant Leo Besner, and Bret Burton -- all of whom were involved in very controversial deaths of community members -- attended the COAB meeting last week in uniform with guns, and I was probably the only person who realized there were three officers involved in such cases there, but it made me very uncomfortable. And the officers who sit on the COAB come without their uniforms on.

The PPA contract -- when you get around to reviewing that one -- also has a specific clause saying that the IPR shouldn't be involved in deadly force investigations, and when that gets negotiated, you have to pull that out too. Thank you.

Hales: Thank you very much. Good morning.

Robert West: Yes, my name is Robert West, I'm with film the police 911. And I was concerned about several things. One is the residency. You know, you're going to make it required for lieutenants and not officers and sergeants and stuff like that. The other thing is to sit there and say we'll pay you more because you live in city of Portland seems a little shaky.

And the other thing that I wanted to bring up is that the lieutenants aren't involved in a lot of, you know, door knocking and calls and stuff like that. They sit in the car, they'll sit in the precincts and stuff like that. They don't go out that much. If you go to the precinct wanting to talk to a lieutenant, you get a sergeant, which usually sits there and says, "well, the lieutenant is busy and can't talk right now." So, there is not that much communication between the public and lieutenant and therefore -- you know, I do want to throw a monkey wrench in. I don't think lieutenants should get the pay raise. I don't think that they should get extra money for residencies. You're not giving it to the fire department. You're not giving it to regular police officers. You're basically putting police officers above fire lieutenants, supervisors in water bureau, supervisors in transportation, and stuff like that. They're all public workers. Regardless if they're a police lieutenant or fire lieutenant or a supervisor, they should get the same treatment. And that's it.

Hales: Thank you. So, thank you both. I want to get Anna back up to respond to your question, Dan. So, this language issue about investigations, Anna, could you respond to that, please -- about whether this language in any way fences off IPR investigations?

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Kanwit: The two contracts are different. PPCOA does not contain a clause similar to the one that the gentleman was referring to. So no, there isn't a fence-off at all.

Hales: IPR investigations operate under City Code.

Kanwit: Yes.

Hales: And this contract does not interfere with that?

Kanwit: That's correct.

Hales: OK. I think that's important to get on the record.

Kanwit: Yes.

Hales: Other questions for Anna? Thank you very much.

Kanwit: Thank you.

Hales: This is before us as an emergency ordinance. Let's take a roll call vote.

Item 1093 Roll.

Novick: Aye.

Fritz: Thank you very much for the presentation. Thank you to those who testified and raised concerns that certainly have been heard and will be considered in the next contract negotiation with the Portland Police Association. I have learned over my time on the City that one rarely gets everything you want in a bargaining situation from either side. I think it's terrific that we have made these changes that were outlined -- many of them I thoroughly support -- and I appreciate the changed language on the 48-hour rule. I think perhaps not coincidental that the three people at the table here were women who were able to negotiate based on interest and looking at things holistically. I very much appreciate that.

I concur with Commissioner Fish that paying extra for folks who live in Portland is appropriate since we know that it costs more to live in Portland and we do want people to be both close in so that they can help out in emergencies and also to be part of our community. Thank you very much for all of your work on this. Aye.

Fish: Aye.

Saltzman: Well, I want to first of all say I appreciate the work the commanding officers do. It's very important work. I do support the residency premium for the reasons we all stated - that it's a good thing in case of emergencies to have our officers closer, and also recognizing the higher cost to live in the city of Portland -- the premium also helps in that regard. And I really appreciate getting rid of the 48-hour rule. That's very important precedent and hopefully it will be followed in our PPA contract. So, good work everybody. Aye.

Hales: I want to second those comments. We've made real progress towards community goals and towards a Police Bureau that's got a more solid relationship with the community in this contract. So, I appreciate those improvements and the precedence that we've set here. I just also want to thank Lieutenant Steinbronn and the members of the PPCOA working through not just through this contract but a lot of difficult issues over the last year in a very collaborative way, and I really appreciate the spirit of how you've operated in this as well. So, thank you. Aye. Well done. Thank you. Let's move on to the rest of the agenda. We have one item pulled from the consent calendar to the regular agenda.

Item 1095.

Hales: I don't think we have a presentation on this, but there was someone wanted to speak. Was that you, Lightning? Come on up, please. Good morning.

Lightning: Good morning, my name is Lightning, I represent Lightning Watchdog PDX. One of the concerns that I had on this grant is that I wanted to have an understanding that when we're talking pairing for taxes, tax preparation, and also counseling and financial education, I'm very hesitant on approving this grant for the purposes -- I understand that

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you're going to have an office located in Lloyd Center. I understand this company has several other locations, up to 24 different locations.

One of the other concerns that I had on this -- on reviewing the agreement is that on the signatures here, the grantee is Rob Justice, Executive Director of CASH Oregon. One of the things I wanted to stress here is is this the developer that used to work for JOIN? Is this the developer that is currently doing numerous projects out through the city of Portland? So, I wanted to have an understanding -- the money is going over to Rob Justice, who is the Executive Director of the company called CASH Oregon. And I don't have any issue on him receiving the money, it's just due to the fact that I understand that he has other commitments with the City also in the development side of real estate. And also pertaining to this also. So, that just kind of like I say from my position, I want it to be understood. I want to have maybe in the future I'll do a little more research on this to understand it. Is he getting commitments on the 24 other locations? Obviously, on this particular location of Lloyd Center, he's getting \$75,000. Because if he is, that equals \$1,800,000.

I've also been looking at this that it seems as though they get a lot of volunteers to do a lot of these and I wanted to have maybe a more clear understanding that the Lloyd Center office seems to be the location that is basically receiving the most business. They're receiving close to 4978 filers at their Lloyd Center supersite. The remaining other locations it appears to be close to 10,000. So, I just wanted to have a clear understanding. The name Rob Justice jumped out at me on this, and I want to look at this very close. Thank you for your time.

Hales: Thank you.

Lightning: I was hoping a speaker would be here to speak on behalf of CASH Oregon.

Hales: I think we can get clarification on those points.

Saltzman: I wanted to clarify for you that Mr. Justice is not working on any City housing invested projects. He is a developer and he does develop affordable housing, but there is no current City investments in any of his projects.

Lightning: Fair enough. Thank you.

Hales: Thank you. Thanks very much for raising the questions. Any further questions about this item? Roll call vote, please.

Item 1095 Roll.

Novick: Aye.

Fritz: Aye.

Fish: I'm a very strong supporter of this program and I appreciate the questions that Lightning raises but I want to just also add to what Dan said by putting this in context. We make a number of investments as a City into programs which help leverage substantial other moneys that benefit low and moderate income families in the community. Yesterday, we took up a proposal that Commissioner Saltzman brought forward to invest some general -- excuse me, yesterday we discussed a proposal that's coming to our fall BMP that invests general fund money in helping Section 8 voucher holders be successful. A successful Section 8 voucher holder means a more successful family and it means we don't leave money on the table. We also have a program that helps people qualified for SSI disability. Now, when an otherwise eligible person gets their disability benefits, a number of good things happen. They get coverage going forward, but a significant amount of their preexisting medical bills are also paid. So it's good for the community, good for health care providers, and good for the individuals.

This is a third program that has a great leverage component because a lot of low and moderate income families are not aware that they are eligible for significant federal relief in the form of an earned income tax credit. And if you don't have a tax preparer

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helping you do it, you can literally miss an opportunity to capture millions of dollars in benefits. The attachment to this shows all of the benefits that CASH Oregon has brought to our community by helping people successfully get those refunds and tax credits.

So, I believe very strongly in the limited investments that we make to help people be eligible for federal benefits in particular because they have a huge impact on both the families and our community, and I thank Dan and the Mayor for bringing this forward once again. Aye.

Saltzman: Aye.

Hales: Aye. Thank you. OK. Let's now move to the regular agenda. And just a time check for the Council's sake. It's 11:30. I am going to attempt to power through this with you and get it done before 12:30, but I propose to take a break at 12:30 regardless if that's OK. Let's move on to 1107.

Item 1107.

Hales: I don't believe we have a presentation from the bureau on this item, since we are approving an intergovernmental agreement. Any questions about this item? If anyone wants to speak on this item? Then it passes to second reading. Item 1108?

Novick: Mayor, this is rescheduled to next week.

Hales: You're right. Do we have to read it?

Moore-Love: Yes.

Item 1108.

Hales: OK. Rescheduled to November 4th at 9:30 a.m.

Item 1109.

Hales: This is here as a previous agenda item but it's ready for second reading, isn't it? I think it is. Is that right? Because we already had a hearing on it? It's a big number, so we gotta double-check.

Moore-Love: Is staff here?

Novick: Yeah.

Chris Warner, Office of Commissioner Steve Novick: It was pulled.

Hales: We haven't had a hearing.

Novick: Yeah, sorry about that. I lost track of where we were.

Hales: I wanted to make sure of that. Commissioner Novick?

Novick: Is Kathryn Levine is here to explain the intricacies --

Hales: She is here.

Kathryn Levine, Portland Bureau of Transportation: Good morning. Kathryn Levine from Portland Transportation. This item is an amendment to provide additional contract authority under our existing intergovernmental agreement or contract with TriMet.

In 2012, the City centered into a number of agreements with TriMet recognizing Portland streetcar as part of the regional transit system, and it's through those agreements that TriMet provides funding to the streetcar system. In turn, we reimburse TriMet for the use of their trained operators and mechanics in our system.

This amendment does not change the budget. It does not increase the streetcar budget. What it does is provide through that IGA contract the budget authority for the next anticipated five years of service to be able to reimburse TriMet.

Hales: OK. Questions for Kathryn? Thank you very much.

Levine: Thank you.

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

Lightning: Yes, my name is Lightning, I represent Lightning Watchdog PDX. One of the concerns I always have is with projections, and where I'm at for my position is I think we need to be very cautious on projecting anything on streetcar, TriMet MAX or buses. As you have noticed in other states, when Uber and Lyft successfully implement their business

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model, the taxi cab industry is the first one that begins to lose a tremendous amount of money. When they continue to add more drivers -- permitted drivers with no caps on how many they can have -- for the drivers to be able to continue to make a reasonable amount of money, they will begin to focus on streetcar. And I appreciate your leaving Mr. Novick, and I hope you leave office pretty soon, too. They will focus on TriMet MAX. They will focus on buses. They have a model called Uber pool, which they will get two or three different people in the vehicle. They will cut costs low enough to compete with streetcar, TriMet MAX and bus. When that happens, when you're using these projections currently right now that absolutely mean nothing to me because unless you're including Uber, Lyft and the potential for lost profits, your numbers mean nothing on projections. Your projected losses in the next three to five years in my opinion will be comparable with the traditional cab companies and their losses have been in the last six months. You can mark my word on that within three years, if you do not place a cap on Uber and Lyft, I will be sitting here today, Mr. Novick will not be sitting where he's at, and I will say I projected this out, that Uber and Lyft will cost the streetcar, TriMet MAX and the bus service the most profits we have ever seen in the next three years unless we get a cap put into place on Uber and Lyft comparable to what we had on the cab companies. Your projections mean nothing to me at this time, but thank you very much.

Hales: Thank you. Anyone else? Since it's previous agenda, does it move to second reading --

Moore-Love: It's an emergency ordinance.

Hales: So we do take action today.

Moore-Love: You can vote, yes.

Hales: OK, roll call vote.

Fritz: It's not listed as an emergency ordinance --

Moore-Love: 1109, right?

Hales: It is an emergency ordinance. It says so on the ordinance itself.

Fritz: It just doesn't say it on the agenda.

Hales: Oh, it doesn't on the agenda.

Novick: Sorry about that. I should have made sure it was on the printed agenda.

Fritz: But it is on the ordinance?

Moore-Love: It is, sorry.

Item 1109 Roll.

Novick: Thank you, Kathryn. Aye.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye.

Hales: Every now and then -- and maybe the media will notice this item, or maybe they won't -- every now and then, someone comments on what the City spends to operate the streetcar and says, boy, that sounds like a lot of money. And actually, \$40 million is a lot of money over the multiple years of course that this agreement covers. But it was just mentioned in passing yesterday -- and people might not have noticed it -- that Andrew Scott or Josh Harwood, one of our financial professionals mentioned that about 10 years from now, the general fund of the City and County will each take about a \$30 million a year jump. That's because the Pearl District is going to completely come back on to the tax rolls. It's partially back on the tax rolls now because of the action we took last year on urban renewal reform, where we put I believe it was 40% of the assessed value of the Pearl District back on the tax rolls. The recent study just completed shows that the assessed value of property -- both because new buildings have been built and because land is worth more along the Portland streetcar line -- has risen since its construction by \$12 billion. Portland streetcar, I believe, is the single-most lucrative investment that the City of Portland has ever made in terms of tax revenue cash flow. So, it's a color of money

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question on what we spend to operate the streetcar versus what we earn from all of the property taxes. And every now and then, I think we need to remind people that that's why it looks like the streetcar costs money to operate. Well, that's not true when you look at the revenue that it has brought by all of that development. So, \$40 million of outlay for \$12 billion of assessed value is a good deal. Aye. Thank you. Let's move on.

Item 1110.

Hales: Second reading, roll call vote.

Item 1110 Roll.

Novick: Aye.

Fritz: I'm very excited about this. Aye.

Fish: Steve, I'm also very excited about this. We've been working with Venture Portland with a group of business owners, property owners, and affordable housing developers in the sort of SE 6th Avenue area, and it falls within the area of your pilot project where you have proposed to waive sections of Title 33. And U.S. Bank owns a parking lot there, and they are very interested in being part of this pilot. And we previewed this with the group recently that you were working on this. Thank you for your leadership. I think it may end up being tailor-made for sort of test driving some of the ideas you want to put into place here.

Novick: That's great to hear.

Fish: So, thank you very much. Aye.

Saltzman: Aye.

Hales: Commissioner Fish, I'm voting for this because Commissioner Novick informed me that this system will make the Central Eastside Industrial District more economically resilient. Aye. [laughter]

Item 1111.

Hales: Roll call vote, please.

Item 1111 Roll.

Novick: I just wanted to recognize Grant Morehead who has labored continuously on the items and who showed up here even though these are on second reading. Aye.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye.

Hales: I just want to note this one is not resilient because we have higher and better uses planned for these two lots. No one should get too accustomed to this parking, but I look forward to have maker's space there soon after the temporary use as a parking lot. Aye.

Item 1112.

Hales: Roll call vote, please.

Item 1112 Roll.

Novick: Aye.

Fritz: Aye.

Fish: We had a fantastic hearing last week, and Mayor Hales, I probably don't have the same high-level concern you do about sky bridges. You made it very clear that you see them as inconsistent with the kind of urban form you'd like to see developed and therefore you have set a very high bar. Regardless, what was exciting about a presentation last week is that they met that very high bar. And this is a very important part of our city not just because it's where I get my health care, but it's a campus that's unfolding to serve the larger community. It seemed like a sensible request beautifully conceived so that it's an amenity for the broader public. I want to thank OHSU for the work they did and design team they brought together and today, I'm proud to support this by voting aye.

Saltzman: I also wanted to commend Oregon Health and Sciences University on the good job they did on the design of the sky bridge and also the next item, Portland State University. I think if there were ever two great cases presented for sky bridges, these were the two. Pleased to support them. Aye.

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Hales: Again, I'll echo those comments. The applicant did meet the high bar and demonstrated that there's a really legitimate public purpose and a particular type of use that makes sense in both of these cases. As I said before, 10 years from now I'm sure there'll be a couple more that come along. In the meantime, these two are great. Aye.

Item 1113.

Hales: Roll call.

Item 1113 Roll.

Novick: To respond to Commissioner Fish's previous comments, I think by definition, all concerns about sky bridges are high-level concerns. Aye.

Fritz: I'm going to take you folks out to Russellville and show you how poor seniors are trying to cross the very narrow street in the rain with their walkers to get from one side to the other. On this particular topic, though, I happened to be on the bus going past the previous sky bridge when it was being knocked down and it was quite fascinating. I think we should have sold tickets to it. Aye.

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

Item 1114.

Hales: Commissioner Fritz.

Fritz: Thank you, Mayor. This is one of the first projects coming to Council for construction authorization under the Fix Our Parks bond measure which the taxpayers generously funded in November of 2014. Mary Anne Cassin, our wonderful manager of the entire project is here to tell you about this one.

Hales: Good morning.

Mary Anne Cassin, Portland Parks and Recreation: Good morning, Mayor Hales and members of the Council. My name is Mary Anne Cassin, I'm the Parks program manager for the replacement bond program.

As you know, the park system is an old one and it is systematically -- excuse me, we're getting the slides up? Oh. I'll just keep talking here. It's an old system and it has systematically been built and renewed using bonds and levies. The most recent evidence of that of course was just about a year ago when once again, we got a resounding yes vote. Thank you, Portland voters.

As you remember, the bond program has seven theme areas covering such things as playgrounds, rest rooms, etc. This particular item has to do with the one called pools. So, in this particular scene area, it is not just Grant, but Dishman and Peninsula will get improvements. It is an important one in particular at Grant. In fact, we started this the day the bond passed using existing staff even before we hired because we knew the clock was kicking on the mechanical systems there. And it's not just a cute saying about the duct tape and the bailing wire holding these filters together. We didn't want to even chance one more pool season with the existing system there, so we jumped on this one.

It's currently in for permits. It will be advertised in December. We will come back to you with the contract -- hopefully a nice, low competitive bid -- in January, and we are expecting to open it before the pool season opens in the summer of 2016. In addition to the mechanical improvements, we're going to be addressing some significant ADA issues there. You can see the big lip that precludes bathers from entering the pool, as well as addressing issues cross-slope issues on the decks.

And this is just a warning that you're going to be seeing a lot of me in the weeks to come. We've a lot of RFPs and bids getting out there, including consultant services that we're reviewing right now. We've got a very engaged staff working hard to get all of these things done as quickly as possible. So, that's just a few of the highlights coming your way in the next few months.

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Fish: Mary Anne, what on earth are you planning to do with that Lee Kelly masterwork? Are you saying it needs to be updated?

Cassin: I know, sir. It has to do with getting the folks with disabilities down to it. What we're going to be doing in the Rose Garden is addressing that promenade. Currently, if you need a disabled spot, you would park and be faced with a giant set of stairs, and it's very hard to get in. So, we're going to address the parking area, ramp getting down, and entire promenade including the stairs on either side of the sculpture.

Fish: Do we allow people with a disability to park behind the amphitheater?

Cassin: There's a way to get in but it's much less than elegant. Alright, that's all I had to say. What questions do you have for me?

Hales: Questions for Mary Anne?

Fish: I just want to thank you. That's my neighborhood pool. A few years ago, we kicked the junk food out of the pool, although we still have some work to do. I see the slushes and a few other things have made a comeback. This is a hugely -- this is a pool that gets a ton of use.

Cassin: It's one of the most popular ones, yes.

Fish: And it's also the place to be when you run movies in the pool. Delighted you are working on this.

Cassin: Yes. The water quality will improve immeasurably.

Hales: Thank you very much. Anyone else to speak on this item? Yes, you do? Come on up.

Robert West: When it comes to the Portland Parks, I'm really cautious about how they do things.

Fritz: Put your name in the record, please. [phone going off]

West: My name is Robert West, I'm with film the police 9-1-1 --

Hales: I'm sorry -- could somebody turn that phone off?

West: That's mine. What I'm concerned about is people that go in for the scholarships -- even though they're granted a full scholarship, they still have to pay \$450 a year. You can only apply for that scholarship --

Fish: Mayor, this is about a contract for a pool --

Hales: This is about a construction project. So, you should come back when we work on the Parks budget if you care about those issues.

West: OK. Well, I object to the contract because the City provides money. People pay for the parks and stuff like that.

Hales: This is to fix the pool.

West: OK.

Hales: That's all this is about, it's just fixing the pool pumps and the other work on the pool structure itself, not about what we charge to use it.

West: Right, but it's coming out of taxpayer money and that's why I have my objection to it.

Hales: Alright. Thank you.

West: Alright.

Hales: Thanks very much. This is an emergency ordinance because we've gotta fix it in time for next summer. Roll call, please.

Item 1114 Roll.

Novick: Aye.

Fritz: When the engineer showed me what was on the photographs, she said that the insides of those mechanisms are over 100 years old and she didn't dare take them apart to fix them again because there aren't any replacement parts to them. So, it was one of the most compelling examples that, indeed, the voters of Portland decided that we do want to fix our parks and to fix that particular pool. It was a specific promise made that we would

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be doing this. I really appreciate Mary Anne Cassin and the entire team at Parks for getting this to us so quickly and that it will be done next summer. Aye.

Fish: Thank you, Mary Anne. Thank you, Commissioner Fritz. We have boilers from liberty ships that are heating some of our rec facilities, and they're not going to last much longer. So, this is wonderful news that we're upgrading our systems. Thank you. Aye.

Saltzman: Aye.

Hales: It's always a pleasure to have Mary Anne Cassin in the room for this reason, and we're looking forward to you coming back regularly. Aye.

Item 1115.

Hales: Commissioner Fish.

Fish: Mayor and Colleagues, you'll remember last week Bill Ryan was here and he tried to trick us into thinking he was actually Scott Gibson.

Hales: [laughs] He's not going to pull that stunt again.

Fish: We have taken private disciplinary action over that and now he is back. He is in fact Bill Ryan, our chief engineer. You do have a PowerPoint in the packet and I'm going to turn it over to our crack team to run you through this and the next three items. Bill?

Bill Ryan, Bureau of Environmental Services: Great. Thank you very much, Commissioners and Mayor. With me today is Dennis Jaramillo, who is the design manager for this project, and I'll let him tell us what is going on.

Hales: Good morning.

Dennis Jaramillo, Bureau of Environmental Services: Good morning. Like Bill said, my name is Dennis Jaramillo, design project manager for the pond upgrade project.

Our main goal for this pump station is to basically upgrade a pump station completed right around 1974. It hasn't been upgraded since then, so it's about 40 years old with obsolete pieces of electrical and mechanical equipment, and maintenance is having more and more difficult time acquiring parts to keep this sewage pump station operational. It serves the commercial area in Delta Park, and eight others sewage pump stations feed into it before it feeds its flow into the Columbia Boulevard Wastewater Treatment Plant. So, with this upgrade, we plan to improve the pump station reliability with new pumps, new electrical and control systems, and also to improve the safety and ease of maintenance access for our millwrights and electricians.

In order to do that, we're going to convert the underground portion of the pump station into a submersible pump station. That'll eliminate the need for our guys to perform confined space entry into the below grade pump station. I've got several slides that show existing conditions, as well as what the new pump station will look like when it is done. While we're doing that, we're also going to increase the capacity of the pump station to accommodate future dry weather and wet weather flows.

We're going to move all of the electrical and control systems to an above-grade electrical building. The 40-year-old standby generator that provides back-up power will improve reliability of that pump station to eliminate overflows to the slough that's located just north of the pump station. While we are doing that, we're also increasing the site of the pump stations to allow for future odor control and stormwater treatments, and to expand the pump station.

Like I said, this next slide shows the underground portions of this pump station, and one can see the confined spaces where the pumps and the mechanical equipment are on the left side and on the plan view on the right side. This next slide shows what the plan view of the enlarged pump station will look like. On the west side, there is our brand new electrical and control building with a brand new generator room. Most of the pumps now are going to be in the submersible circular pump station, and maintenance crews will

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simply need to just drive up to it and lift out mechanical equipment and they don't have to enter that confined space anymore.

Side view of what the completed pump station will look like. Some elevation views of that new control building.

As far as project and schedule, our engineer's construction cost estimate is approximately \$1.8 million. We're confident about that estimate. This project has been in the design, pre-design and permitting stage for about two and a half years now, and we've spent about \$500,000 through those processes. We plan to advertise the project December 1st and bid opening about three weeks later, notice to proceed to the successful lowest responsible bidder by March, and completing the project one year later. That's all I've got. Questions?

Hales: Questions? Looks good. 1974? We're due.

Ryan: Yeah, all of those round buildings that you see across going away. Having all of the electrical equipment and having the workers have to go into the area which has got all of the gases from the sewage in there -- I mean, we do have air-handling systems to take it out, but it's not a safe environment, so we're changing that out.

Hales: Good. Thank you. Thanks very much. Appreciate it. Anyone else to speak on this item? If not, then this passes to second reading. Thank you.

Item 1116.

Hales: Commissioner Fish, spending an awful lot of money here.

Fish: Yeah. You have another PowerPoint in your packet and I will turn this over to Scott Gibson. [laughter] Just testing. I saw that.

Bill Ryan, Bureau of Environmental Services: And giving me a complex. Today with us is Susan Hjorten, and she is the design manager for the Powell sewer rehabilitation project.

Fish: By the way, I do want to give my colleagues a warning. This PowerPoint contains one of Bill's specialties, which is really disgusting photographs of existing pipes that's designed to so alarm you that you are further encouraged to support this matter. So, if you want to pass over page four, or if there are people watching this at home --

Hales: Scary crumbling infrastructure for Halloween week.

Fish: Page four is the one that's particularly disgusting. Take it away.

Susan Hjorten, Bureau of Environmental Services: Good morning, Mr. Mayor and Commissioners. My name is Susan Hjorten, I'm a senior engineering associate with Bureau of Environmental Services. As mentioned, we are here today asking for authorization to approve an ordinance to advertise the \$10.8 million Powell rehabilitation project contract.

This map shows the location of the project in Southeast Portland. It is bound by SE Powell Boulevard to the north, Holgate Boulevard to the south, and SE 42nd Avenue to the west, and then 74th Avenue to the east. Foster Road divides it diagonally. The rest of the map shows various large-scale sewer rehabilitation neighborhood project areas. These projects are in various stages of implementation -- some are in planning, some are in pre-design, some have already been constructed, and some are in construction now.

This is a close-up of the project area. The proposed construction method is open cut. We're going to replace all of the pipe shown in red on the map. The areas of blue will be spot repairs of the existing pipe.

The project scope is almost 35,000 linear feet of pipe ranging in size from six inches to 30 inches in diameter. We're going to require vitrified clay pipe to be used. This is the third of four pilot projects that we are requiring that to test -- see how the market is for the clay pipe.

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Forty percent of the pipe in this project is 110 years old, the rest of it being in the age of 85 to 95 years. So, the pipe has held up fairly well, but it's time for some new pipe here.

Fritz: Can I just ask a question about the pipe, the clay pipe? That sounds like it would break in an earthquake.

Hjorten: No. It depends on the type of soils it's in. We did an extensive geotechnical review, and soils in this area are very stable and so we're very confident there won't be any problems here.

About 75% of the project in residential areas here, with the rest of it being in major streets. I can skip quickly. I left any rat photos out. [laughter]

Hales: Just a quick question in passing -- in terms of coordination between our bureaus, the Foster reconfiguration project is gonna follow this work or?

Novick: Actually, that's a darn good question to which I don't have the answer off the top of my head.

Hales: I know Leah Treat is very fervent about making this new coordination system work.

Fish: And in fact, the engineers of both bureaus meet monthly to go over all current projects. So, if it's not flagged to the Commissioner-in-Charge, it means it has been sequenced with the professional staff.

Hales: OK. Thank you.

Hjorten: BES public involvement staff have done extensive outreach to communicate both general information about the project and anticipated night work. This map is included in a flier sent to the residents and businesses in the area so that they would be aware of any anticipated night work. They held a public meeting in case anybody had questions or concerns.

We were able to do some redesign and actually avoid Powell and a couple of other locations. The one area that we're at is actually smaller than -- much smaller than it shows on the map, it's just a spot repair of a broken pipe that we need to get fixed.

Public involvement also communicated with the neighborhood associations, business districts, the public schools, and TriMet. There is -- nobody voiced any concerns.

Our engineer's estimate is \$10.8 million. Our level of confidence is high. We would like to advertise next month and begin construction in May. The construction duration is expected to be about 12 months. Questions?

Hales: Questions? It looks like a big one. That's a lot of streets.

Ryan: And back to the question about coordination. You can imagine that working in Powell and working in the busy streets that are out there -- we have been coordinating with PBOT on this for a number of months.

Hales: Yes, I was just thinking about the Foster project in particular because that actually is going to reduce traffic capacity on the street and that'll cause some anxiety in and of itself, but if they're both doing the sewer work and doing that at the same time, it might constitute the perfect storm, so it might be good to wait and do the restriping right after you're done. OK, questions? Thank you very much. This passes to second reading as well.

Item 1117.

Fish: Colleagues, again, you have a PowerPoint in your packet and I'll turn it over to Bill Ryan and Brandon Wilson.

Bill Ryan, Bureau of Environmental Services: OK, thank you. I'll let Brandon take it away.

Brandon Wilson, Bureau of Environmental Services: Hello, my name is Brandon Wilson. Greetings, City Council. I am an engineer for the Bureau of Environmental Services, and as it was announced, I'm here today for a first reading to authorize a PTE

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design contract with Century West, engineering for the design of the Wheeler basin reconstruction and green streets projects and the amount is \$590,000, as in front of you.

Little background on the project. It's part of the BES systems plan. And again, this is a PTE project. It's primarily a pipe upsize project to solve basement sewer back-up risk. There is a green street component as well that I'll mention later.

The location is in inner Northeast Portland, northwest of the Lloyd Center. It's bound north to south by NE Russell and Hancock, and goes from east to west roughly I-5 to the SE 7th -- or NE 7th, excuse me.

This is a PTE contract and I went ahead and put the MWESB participation at what we have as 45%. That's a total amount of 267 of the total contract of \$591,000. Just some rough numbers on what we anticipate the project to be. Approximately 10,000 linear feet of mainline pipe. This also includes two sewer extension mains, some non-conforming conditions in the city, and as I mentioned before, 11 stormwater infiltration facilities.

Public involvement. I anticipate that several mailings will be sent throughout the design life of the project informing the surrounding community and updating them. Several neighborhood public meetings will also be held just to make sure that we solicit that input and make it part of our design, if possible. We expect just continued ongoing close coordination with the residents and businesses, generally speaking.

One component of the project that I'd like to mention is a flow transfer and addition of the green streets. So, what we've already done is basically took some of the scope that was identified in the predesign and removed it from N Williams and MLK Boulevard. Instead, we're doing that work on side streets instead. That's going to reduce night work and further impact to the public. The addition of vegetative stormwater facilities was a large part of making that happen. We were able to remove some of that stormwater volume and make that flow transfer option a possibility.

Just some brief next steps. We anticipate if this ordinance goes through that the consultant to start early December, and we anticipate a design duration of 12 months and a construction duration of 12 months. Open for questions, if you have them.

Hales: Great. Thank you. Questions? Thank you both very much. Anything else?

Ryan: I just wanted to comment that one thing about this project that may not be real obvious is that this is one of the areas in the city that has the highest frequency of sewer basement back-ups. And this will be a project that really takes a lot of that risk out of that portion of the city.

It also shows the difficulty of the fact that the sewer system was put in without respect to busy streets and people living alongside. So now that we're going back and replacing a lot of these pipes, changing the system, we're quite often having to redesign the system in order to have less impact on the residents.

Hales: Great, thank you. Thank you both. Anyone else to speak on this item? If not, then it also passes to second reading and we'll move on to 1118.

Item 1118.

Hales: Commissioner Fish.

Fish: Thank you. Mike Stuhr and Dave Peters and Darren Kipper are here to give us an update. And just an interesting historical note. We're talking, of course, about the replacement of the Fulton pump in Willamette Park. This new facility will be named after Hannah Mason, a philanthropist, land owner, and the widow of an early Portland Mayor, William S. Mason. At the time of her passing in 1908, she owned a majority of the land on which Willamette Park today sits. Her husband, William S. Mason -- probably also known as Bill -- interestingly, served as the 28th and 31st Mayor. He took a little break, recharged his batteries, and came back. Also interesting is during his tenure, the Council grew from nine members to 16 members. So, he was a believer in big government. [laughter] This

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particular project has been a collaboration between the Water Bureau and Portland Parks and Recreation and we've had a very active nine-member citizen project advisory committee that has advised us along the way. I'll turn it over to Mike Stuhr to give us an update on this matter. Mike?

Mike Stuhr, Director, Portland Water Bureau: Good morning. My name's Mike Stuhr, I'm the Director of the Water Bureau. I'm joined by Dave Peters on my right, he's the principal engineer in charge of the design section and has been deeply involved in the 500 million dollars' worth of work we have put in over the last 10 years. On my left is Darren Kipper. He's in charge of construction management and has been in charge of building it. What we're gonna do this morning is give you a briefing on this contract amendment and why it's important to all of us. At the end, Darren will go through and show you a few pictures about the project that is currently underway.

Hannah Mason pump station, which replaces the old Fulton pump station -- Fulton pump station was built in 1912. It's about the same age as the pool parts that the Parks Bureau is replacing, it's 103 years old. It's given very good service over those 103 years. 1912 was six years after the San Francisco earthquake. There are no seismic capabilities in the existing Fulton pump station. Currently, the pump provides water to 16,000 services. That's 47,000 Portland residents and another 62,000 people that are served by wholesalers that this pump station also pumps to. When we get finished with this building, it will be seismically resilient, flood resilient, and capable of withstanding winter storms.

In the 2007 master plan for the bureau, this project was our number one project to get done. One of the challenges here is the Hannah Mason pump station is several blocks away from the real Fulton pump station. If you take a look at the drawings, you can see that this old pump station is closely surrounded by condos and houses. So when we were looking at the challenge is of replacing this, we had the choice between driving our neighbors nuts for 18 months or finding another solution. We worked with Parks department to put it in Willamette Park, and that allowed us to do something else. If we had done construction on site at the Fulton pump station, we would have had to build a temporary pump station to continue to push water up the hill while we shut this thing off. So right now, this has served our purposes very well and I hope we have also improved the park a bit in our efforts.

Our design is a 42-month effort and David Peters is going to chat about that with you and describe some of our public involvement and committees and so on.

Hales: David, welcome.

David Peters, Water Bureau: Mr. Mayor and Commissioners, my name is David Peters. As Mike pointed out, I was responsible for the design of this facility. I'd like to run through project features of the pump station and park and also some of the public involvement.

The new Hannah Mason pump station, which will be in Willamette Park -- and this is a picture, a rendering of what that may look like -- is going to be capable of pumping 12 million gallons a day of water up to the top of the West Hills to serve up the customers in Southwest Portland. To do this, we'll have to install new mains between this site and the existing site to transfer the water and get it back into the existing system. By moving it to the park, we've been able to build a system that will be easier to operate and less costly to operate because we have the ability to connect into two different supplies in the system, and one of them has a higher head, which means less pumping to get it up to the top of the hills.

The building is going to meet the new seismic standards as well as being flood resilient. It also has an environmentally sensitive design. When we worked with the Design Commission, we developed -- we minimized the glazing, the windows on the facility. The

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windows that are there are bird-friendly, and there's also eco risks that are part of this facility.

As part of our construction in the park, we've also worked with Parks to develop some improvements that encompass the park. For example, the site that we're on is the existing location of the restrooms in Willamette Park. As part of that, we will be replacing those restrooms and integrating that into our pump station facility, along with a small Water Bureau storage facility.

To get the footprint of our property, we are committed to doing some trail improvements for over a half miles of trails which will be improved to meet ADA requirements. And as part of the land use process, there are some nonconforming uses in the park with the landscaping and bike parking, and we'll be improving those facilities also.

The developed pump station design and the park improvements -- we have had an extensive public involvement process. It started back in 2008 when we developed our outreach plan. In 2009, we developed the nine-member public advisory committee that Commissioner Fish mentioned, and they worked with us on a monthly basis for a period of time to develop the design that was approved for construction that was revealed in 2011. In the meantime, there's been numerous meetings with stakeholders in the area. OPB is a next door neighbor to this particular site. We've worked with them closely to understand their concerns. We've worked with businesses in the area to minimize the impacts to their businesses while under construction. So, there's been a lot of work that has gone on over the last six years.

This particular amendment is an amendment to the design contract, so the professional technical contract with Murray Smith and Associates. This is amendment number 10. The proposed amendment total is \$885,000, and that's broken down into three pieces. One -- the first piece is the public involvement consultant. We had a reduction in staff with our public involvement section, and so we needed to add additional services under this contract to continue the public involvement that we've been successful with on this project. There's a small piece on the design services, \$150,000, that is due to some of the design challenges we faced, especially with the electrical systems in the site and schedule increase that Mr. Stuhr mentioned going from 24 to 32 months. And the rest of the change is the construction phase services. And at this point, Darren Kipper will talk about those services and the progress on construction.

Darren Kipper, Water Bureau: Thank you, David. So, now we've moved into the afternoon, so, good afternoon. I'm Darren Kipper, the principal engineer in charge of construction management. Thank you for your time this morning.

I wanted to mention that in all projects, as we noted here on the slide, we continue to have the engineer of record provide services throughout the lifetime of the project from beginning to end. And in this particular project, there's no difference.

The scope of this project has changed as we've gone through the various negotiations with Parks and communications with the public and development of the project over time. The original scope was prepared with the expectation for these services but without the real understanding of what the final scope of that work would be. As I mentioned, it was contemplated early on in the request for proposal phases, and now once we made it to the bid process and we had a contractor on board, we fully understood what the scope would be and contemplated what that scope would entail with the consultant team and also with the adjunct services of the construction management group.

Stuhr: This is something that's typical for us to do in all construction projects. We can't know the exact extent of the AE services during construction until we actually get 100% design and submit it to BDS to go through the billing permit process. At that point, we find out a list of special inspections and so on that we have to do. So that on all of our

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constructions that involve vertical facilities, we will have a change order to adjust the length of services. That number also is a top number. We only use what we need to use out of that 500 and whatever amount it was.

Kipper: 593, 498 -- to get the details. So, with that said, and in light of the amount of time we have here today, I'm going to walk through, if you would, the slides of some of our construction here real quickly.

On this first slide, construction update, we've completed the aggregate pier foundation, site utilities have been installed, site foundation has started, and we anticipate celebrating in the latter fall of 2016 the completion of the project.

First picture here is the improvement of the foundation with the rock columns being placed -- that's a process of drilling down through 15 to 18 feet of material and vibrating in rock columns. It presents a challenge, as you see in the next slide, when you encounter some of these materials down below where you can't see and there is quite a bit of muck -- I guess I would describe it as in a layman's way to discover -- and we have had to make some improvements to that soil to bring it up to the strength that we need --

Stuhr: As a geotechnical engineer, this makes my heart beat faster. [laughter]

Hales: We know that about you.

Kipper: On the next slide you can see, the ground has been fully improved and this was accommodated through the installation of about 370 of these rock piers. And now, we're prepared to -- as you can see in the next slide -- move into the excavation of the top of those piers and prepare for foundation underneath the pump station.

Moving on up vertically, as Mike mentioned, we are looking at the forming of the pump station and this arced component that you see in the form work as part of the restroom facilities that the Parks will have control of on the east side of the pump station for restrooms and a very nice storage area. This is not an ATM, this picture.

Stuhr: Nor is it Commissioner Fish's smoker.

Kipper: This is actually an architectural mock-up of what the exterior is going to look like on a large part of the pump station to resemble a vertical basalt face, and we've gone through some extensive mix preparation to incorporate pigment to create that image of a dark material.

Again, here's part of the construction of one of the pipes that's going to be at the bottom of the pump station. This is not Home Depot, obviously. This pipe diameter about 30 inches in diameter with three-inch flanges and about an inch thick in this particular segment. So, it's being fabricated in one of our sub-contractor's fabrication shops.

Now, you can see one of those pieces of pipe, as I just mentioned in the last slide, is now at the bottom. It's been placed and coated and at the bottom of the pump station. We're starting with the form work to climb out of the hole and move on up vertically into the remainder of part of the pump station.

Parks have been very accommodating in terms of our contractor to work, and we are still accommodating users of the park -- bicycles, walkers, various sightseers, and boats out for the launch. On this particular day, you can see they're doing an extensive concrete pour as part of the foundation work with several extended arms.

And, lastly, but not least, we're continuing -- as I mentioned -- to climb out of the ground. If you get an opportunity to be in Willamette Park, you'll be able to see it's progressed beyond what you see here and we continue on with the construction in earnest to deadline of the project. That concludes our presentation, if you have questions.

Fritz: Nope. Thank you very much. Does anybody want to testify on this item? If not, it moves to second reading. Thank you very much. Please read item 1119.

Item 1119.

Fritz: Commissioner Saltzman.

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Saltzman: Thank you, Madam President. I'll turn it over to Nancy Thorington at the Bureau of Development Services who has worked very hard to clean up some codes here.

Nancy Thorington, Bureau of Development Services: Yes. Good afternoon -- I would say, Mr. Mayor, but he's gone -- Commissioners. Nancy Thorington for the Bureau of Development Services.

The ordinance before you is -- most of it's long overdue amendments to our code. One of them is basically to codify our existing administrative appeals board which has been in existence for decades. We also have added stop work appeal language so that that complies with the new Ombudsman's ordinance and we have added term limits to the existing external appeal boards and just basically cleaned it up, deleted obsolete provisions, and made other technical changes. So, it's a big ordinance, I apologize. The reason why it's so large is because the same changes are going essentially into each of -- you know, Title 24, which is building, 25, 26, and 27 -- you know, heating, plumbing, electrical. That's it in a nutshell. If you have any questions, I'd be happy to answer those for you.

Fritz: Questions? Anybody want to testify on this? Thank you very much. This is a non-emergency and will move to second reading. Commissioner, I want to thank you and Nancy and the team at BDS for finishing up this project which was started earlier in the year. I'm particularly excited to see adding term limits to all of the external boards and commissions. That's a great way to encourage turnover and get folks with experience on City boards and commissions. Thank you very much.

Thorington: Thank you.

Fritz: And our last item is a roll call on 1120, please.

Item 1120.

Item 1120 Roll.

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

Fritz: With that, we're adjourned until 2:00. Thank you very much everybody.

At 12:24 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

OCTOBER 28, 2015 2:00 PM

Hales: Welcome to the October 28th City Council meeting. Would you please call the roll?

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

Hales: Welcome, everyone. We have a couple of different subjects on the Council calendar this afternoon. We welcome you to participate in those. If you're interested in speaking on one of those items, make sure to let our Council Clerk know and she'll add you on the list. Because of the fact that we have time certain items and that we have a lot of people here who might want to testify, I'll probably limit testimony to two minutes per person in order to make sure that we get to hear everyone.

The rules of decorum for those who have not been here before -- they're simple enough, and they're for the purpose of making sure that we hear from everyone. That is, if you agree with someone's position and want to indicate that, you're certainly free to give them a thumbs up and friendly wave of the hand. If you disagree with them and you want to indicate that and you really feel you need to, make a polite hand gesture to the contrary, but we ask we not make any vocal in favor or against our fellow citizens here so people can be sure they feel heard. If you represent an organization, when you come up, let us know that. Otherwise, you just need to give us your name -- no address and other particulars necessary. With that, we'll take up item 1121.

Item 1121.

Hales: Commissioner Fritz.

Fritz: Thank you, Mayor. I am very pleased to announce an exciting new chapter in the history of Ross Island, which is the donation of the northern tip of Ross Island by the Port of Portland to Portland Parks and Recreation. There are two acres, and they add considerably to our restoration efforts to return native vegetation to the island and create significant fish and wildlife habitat. This consolidation of public ownership combined with the 45 acres donated by Robert Pamplin from Ross Island Sand and Gravel in 2007 creates a place for a more comprehensive restoration of the Ross Island natural area. We are here today to celebrate many people and entities who helped make this happen and have continued to work on Ross Island for many, many years. Thanks to everybody involved. I will turn it over to Mike Abbaté, the Director of Portland Parks and Recreation.

Mike Abbaté, Director, Portland Parks and Recreation: Thank you, Mayor, members of the Council. Mike Abbaté, Director of Portland Parks and Recreation. I'm joined by Curtis Robinhold, Deputy Executive Director of the Port of Portland.

Today's land donation by the Port to the City builds on the great work of the Audubon Society of Portland, Willamette Riverkeeper, Urban Greenspaces Institute, GreenWorks, Christina Frank, Melissa Medeiros -- they developed a document envisioning Ross Island, a guide to foster discussion about the future of the Ross Island archipelago. Portland Parks -- along with our partners the Bureau of Environmental Services, Willamette Riverkeeper, Audubon Society, and volunteers -- is managing the property for its natural area values. This 2.2 acre donation will ensure that we can manage the entire north end of the island together. We've been removing invasive plant species, planting native trees, made great headway on returning the portion of the island to the black

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conduit Oregon ash forest with the shrub understory. So, we're very thankful for the vision of protecting and enhancing Ross Island for its natural area values, and that increases the biodiversity of the city.

I'd also would like to thank our staff. Though this is a donation, this has been a process to get to today, so I want to thank our staff Trang Lam, Zalane Nunn, and Emily Roth who helped make this deal happen. Also like to thank Lise Glancy and Don Goldberg from the Port of Portland, who were instrumental. With that, I'd like to turn it over to Curtis Robinhold.

Hales: Welcome.

Curtis Robinhold: Thank you. Curtis Robinhold, Deputy Executive Director of the Port of Portland. Thank you very much, Mayor and Commissioners, for having me here today. Really just came today to express our gratitude and our excitement about this transfer. We're really pleased to help make the community's vision of consolidated ownership and overall restoration of Ross Island a reality. The donation of our parcel has long been on the Port's radar given the strong community interest in the island's restoration.

We're grateful for the collective work in making this donation possible, and in particular, if I could share a quick shout-out to Lise Glancy on the Port's staff who's really been dogging this for us over the last several years. Another special callout -- and you will hear from several of them today -- to the community stakeholders for their vision of restoring the island over the past 15 years. This partnership is emblematic I think of what can happen in the city of Portland and emphasizes the importance of a coalition of interests working to integrate nature more deeply into our shared future.

We hope this donation is just one step in the larger consolidation of ownership and restoration of Ross Island, and we look forward to continuing to be partners in that process. Thank you very much.

Hales: Questions for either of these two?

Fish: I just wanna say, it's extraordinary to have this kind of public turn out on what we think of as a fairly routine matter. [laughter]

Robinhold: I was surprised myself, Commissioner, but I look forward to offering autographs out in the hallway. [laughter]

Hales: They might not be here for the item, but I bet they're glad to hear about it.

Fish: Bill Wyatt never brought out crowds like this!

Robinhold: It's the future of the Port, Commissioner. [laughter]

Fritz: Also, who's in charge of Portland Parks and Recreation?

Hales: There you go.

Fish: The true rock star.

Hales: This is great. We appreciate the good work that's gone into it between the two agencies. This looks easy when it's at this stage, but there's a lot of work behind it.

Fritz: We have a short panel presentation also.

Hales: Thank you.

Fritz: We have Mike Houck from the Urban Greenspaces Institute, Bob Sallinger from the Audubon Society of Portland, Travis Williams from Willamette Riverkeeper, and Mike Faha from GreenWorks P.C.

Hales: Good afternoon.

Mike Houck: Good afternoon. My name is Mike Houck, I'm here representing the Urban Greenspaces Institute. My first involvement with Ross Island, by the way, came in a hearing before City Council in 1979 -- 36 years ago -- except we were facing this direction. And in spite of the fact that Charles Jordan pointed out the great blue herons that were nesting there were feeding on his coy in his backyard, he joined the Council to recommend a 350-foot buffer around the heron colony, which now home to a bald eagle. So, we go

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back a long ways. It would be cool if Bill [indistinguishable] were here. He was the property manager and I bugged him for the last 30 years or so. He has since retired.

This donation is important to help clarify who is in charge in regard to protection of much of Ross Island. As was mentioned by Mr. Abbaté, Bob, Travis, Mike Faha, Melissa Medeiros, Christina Frank all came together. Christina's Master's thesis at the University of Washington was on Ross Island. And we collectively did produce Envisioning Ross Island. I would invite you to read this. Basically, we left it open as to what exactly would happen, but threw out ideas in terms of what the future of Ross Island is, including public access. I also handed out a cool article that Tara Wilkinson, a staff member of the Intertwine Alliance, put on the website for the Intertwine Alliance. I encourage you to read that as well, because it gives a timeline of all of the significant events that occurred.

Finally, there's a picture of simplicity -- [indistinguishable]. I'm going to invite all of you -- we actually took the entire editorial board of the Oregonian several years ago kayak trip with a boat around Ross Island, and everyone, including Dave Reinhard, wrote really heartfelt editorials following the trip once they realized the resources out there urging its protection and restoration. I would like to extend an invitation to the entire Council and your staff -- I think we have room for eight people or whatever -- to come out and join us and do a tour around Ross Island and into the lagoon. Take a look at it for yourselves, and we can talk about some potential futures for Ross Island. Thank you.

Fritz: Thank you for your work, Mike.

Bob Sallinger: Good afternoon. My name's Bob Sallinger, I'm the Conservation Director for the Audubon Society of Portland. I know there's a lot of people waiting to testify today, so I will be very brief and express my appreciation on behalf of Audubon to the City of Portland, Portland Parks, and the Port of Portland for this important step forward. It's great to see the island getting more unified because it's an opportunity to develop a unified, holistic vision for protecting and restoring it. We look forward to working with all entities involved going forward to really realize that vision. Thank you.

Hales: Thank you.

Travis Williams: Travis Williams, Executive Director of Willamette Riverkeeper. Along the lines of what both Bob and Mike have said, we're appreciative of the Port for making the donation and for the City to facilitate it and now we can manage it as one unit and continue to do restoration work out there and get members of the public out there. I would also invite you to get out there on the water with us, maybe in craft that are even more simple being that we only have canoes, but I can offer those up to you. I would say for the public to get out there and engage on the island, frequent trips are conducted with City staff, with the Bureau of Environmental Services, and Parks, and those will be ongoing just so that everyone is aware of that. So, thanks again to you and the Port.

Houck: I would like to add simplicity has a cabin and a nice wood stove. [laughter]

Fish: Mike, when did you prepare this?

Williams: '07, I think.

Houck: Yeah, '07.

Fish: When I was first elected, you came and presented me with a copy of this. '07-'08. And just a quick follow-up, one of the last times you were here talking about Ross Island, you were passionate about a no wake zone as first of a number of steps. How is the no wake zone holding up?

Houck: I think it's working really well. Unfortunately, it wasn't all of the Holgate channel, but it goes from the mouth of the lagoon upstream to the Oregon Yacht Club. There are some -- [indistinguishable] -- out there, but for the most part I think it has made a huge difference to allow families in particular to canoe or kayak without fear. In some cases during the testimony before the marine board, there was one craft that got cut in two by a

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speeding tow boat for water skiers. So, it's made a significant difference. A lot of enforcement still to be done, but it's helped a lot.

Fritz: And is Mike not here?

Saltzman: He's here. He needs a chair.

Hales: Thank you all.

Fritz: I'm going to ask Zalane Nunn and Lise Glancy to come forward, too. You weren't invited speakers but I want to give credit to you as representatives of staff who, as Mike said, have done a lot of great work on this. Please come and share the glory.

Mike Faha: Thank you, Commissioner. We were told we had just a few minutes, so I decided to charitably give mine up to Mr. Houck. I guess I'll take this opportunity to say --

Hales: Just put your name on the record.

Faha: Mike Faha, here from Portland, Oregon. I'll take this opportunity to thank all of you for serving us citizens and putting in the hard work, and I get to thank Mike and Travis and Bob for doing the same thing from the private sector. It's been a joy and a privilege to work with them on important environmental issues over the last 25, 30 years. And this is just the beginning. The work that Mike and Bob and Travis have been doing is work that needs to continue into the future. Ross Island -- we don't have a concrete vision yet and we need to think about --

*****: Some people have a concrete vision -- [laughter]

Faha: But we do need to look at the next step in reserving what is one of the most important wildlife refuges in the city of Portland and that is Ross Island.

Hales: Thank you.

Fritz: Thank you very much. We had 15 minutes, we're done in our 15 minutes. Thank you very much. And also want to thank Tom and various other folks who have been involved in this for a long time. There's many City bureaus who have been involved in this. There's also the public-private partnerships and the public-public partnerships, and I'm happy to celebrate this day. Thank you for coming.

Hales: Thank you very much. Anyone else signed up to speak on this item?

Moore-Love: No one else signed up.

Hales: Then I need a motion to adopt to adopt the report.

Fish: So moved.

Fritz: Second.

Item 1121 Roll.

Novick: This is very exciting. And actually, I can tell you from experience, Curtis Robinhold has drawn this kind of crowd everywhere he goes for years and years. Aye.

Fritz: Thank you very much everybody that's been involved. It's truly an honor to follow on from Commissioner Fish's leadership with the Parks Bureau and to bring something like this to the public's attention. This is an issue that I could have signed off myself as the Parks Commissioner. I wanted to make sure that everybody knows we made a great step forward and that we're going to be looking after your public parks the best we possibly can. Aye.

Fish: This is a very happy day. We have the largest urban forest in the country within a city's boundaries, and that's Forest Park, and this will someday be one of the prize natural areas in the heart of a city. Having one is a blessing, having two is an embarrassment of riches. I will say that Mike Houck has been beating the drum on what this could be for a very long time. And I think sometime in the not-too-distant future we will gather to talk about a naming opportunity for the lagoon. Because there is in fact an indispensable party -- and I'm not talking about a heron --

Saltzman: You're not talking posthumously, either.

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Fish: We'll wave our rules on that one. Thank you, Commissioner Fritz, to you and your team to bring this forward. And thanks to the Port. Aye.

Saltzman: I want to thank Commissioner Fritz and the Parks Bureau for accepting a generous donation from the Port of Portland. This really helps to start fulfilling long-held visions we have for Ross Island. A great step forward. Thank you. Aye.

Hales: Well, I'm not old enough to be a grandfather -- or at least I'm still in denial about that -- but my son got married a year and a half ago, and his fiancé had a seven-year-old. And so I had this strange conversation where he said, "Hey, can I call you grandpa?" And I didn't get to say I'm not ready for this, I had to of course say yes. One of the first things I did with my new grandson was I put him in the canoe in Sellwood Park and took him to Ross Island on a nice summer day. It was a great experience. Nothing particularly noteworthy about that because Portlanders get to do that and people get to take their kids or their neighbors -- or in my case, my new grandson -- to see nature in city. So, those of you that have worked so hard to make that a normal part of life in Portland, that's great. There is more to do, and this is a really good piece of that long effort that makes us a great place. Well done. Aye. Thank you.

OK, let's move on to a -- now for something completely different, to quote Monty Python. Since we already quoted him on "I'm not dead yet." [laughter] Yes, you have to be dead to have a street named after you, but not a lagoon.

Fritz: Just for the record though, this is the second time today that Commissioner Fish has taken liberties with naming things in our parks without going through a process. [laughter] So, there will be a process.

Hales: She's gonna start naming Water facilities next. Alright, if you would read 1122 and 1123, please.

Item 1122.

Item 1123.

Hales: Thank you. Let me begin with a few remarks and then I'll turn it over to Commissioner Saltzman -- and there are other Commissioners who want to comment as well.

On October 7th, this Council declared a state of emergency with respect to housing in our city. Other places in the country have followed suit like the state of Hawaii recently because there is a national problem of the popularity of cities, and therefore, the super-heated real estate market in cities. And we certainly feel that here. We also feel the forces of change all around us, and can we still be Portland and not become San Francisco in terms of our housing market? And so, this whole Council is acutely conscious of those pressures and those problems and we appreciate so much the advocacy from the community on these issues.

The commitment that we're looking at here today of urban renewal resources is a really important tangible commitment by this Council towards making that state of emergency something that gets real things done. It's important, and I'm proud of this work that's in front of us today, but it's not sufficient. This is a good proposal to maintain our commitments with urban renewal to the neighborhoods that want to see other changes made there and also to be serious about committing urban renewal funds to housing, but we all know that the urban renewal source is not sufficient to solve the problems or to even properly address the problems that we see in our housing market. So, that's why the nexus study that Commissioner Saltzman will talk about is important as well.

I just want to appreciate the partnership on this Council and in this community on these issues and with Multnomah County and Home Forward and nonprofits here today as well. It will literally take all of us working together on the issues to make real progress, and

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it needs to be made quickly. With that, Commissioner Saltzman, thank you for your leadership, and take it away.

Saltzman: Thank you, Mayor. Today truly is a historic day for affordable housing in Portland. Today, we will take the first steps to create a new citywide revenue source for the development of the affordable housing a developer impacts fee. And today, we will take our urban renewal involvement in affordable housing to new heights, increasing the set-aside for affordable housing in our urban renewal districts from 30% to 45%.

It is painfully obvious that Portland is experiencing unprecedented growth, and with this growth comes many challenges that all of Portland is now wrestling with. We must ensure that our communities, especially communities of color, do not face continued displacement. We must ensure that our seniors are able to remain in Portland, close to amenities like transit and social services as well as their families. We must ensure adequate affordable housing for our most vulnerable populations. We are tackling these challenges in numerous ways, but the biggest part of the solution is funding specifically targeted toward affordable housing development. The decisions we make today will help ensure that these new funding streams will add and continually add thousands of new affordable units into our construction pipeline.

Before I turn presentation over to the Housing Bureau, I do want to acknowledge the great work of Mayor Hales in bringing the urban renewal set-aside proposals before us today and I want to recognize my colleague Commissioner Fish for a few remarks as well. I just want to say that Mayor Hales, after we had the Council work session a couple of weeks ago, without his sort of getting this across the finish line, I don't think we'd be here today poised I think to really create history. I want to thank you, Mayor, for your great work on this.

The proposal that increases urban renewal set-aside from 30% to 45% still protects the economic development commitments that the PDC has made with the other remainder of the urban renewal dollars. And so, I think we will be able to create hundreds of new affordable units and also honor the commitments to economic development and other important infrastructure that urban renewal helps to pay for. I would now like to recognize my colleague Commissioner Fish for a few remarks, and then I will turn it over to Housing Bureau Director Kurt Creager, who will do an overview of the plans for the nexus study, the developer impact fee, and then we will have a couple of invited panels. And Patrick Quinton will also come up from PDC. So, I'll recognize Commissioner Fish.

Fish: Thank you very much, Dan. I want to begin by going back in time a little bit to February 26th of this year. And on February 26th, it was the last time that Gretchen Kafoury ever came to this building and the last time that she ever spoke to this Council. And as everyone in the room knows, Gretchen Kafoury spent a life fighting for affordable housing in our community, and you could say that she actually built the foundation of this movement. On February 26th, she came before us when we were debating whether to increase funding for affordable housing in North Macadam and she sat where Director Creager is sitting, and she said two very powerful things. She said it is important for you as a Council to keep your promises and I challenge you to do more. And as a result of her advocacy and the advocacy of a whole host of groups, including the League of Women Voters and affordable housing advocates in Oregon ON and a whole chorus of voices, the Council made a change in policy and significantly increased funding for affordable housing in North Macadam.

And I felt at the time that that was a turning point for this Council. Because a lot of familiar faces came back into this building sensing that things were happening in our community and they demanded that the Council take action. Gretchen died shortly thereafter, and we all lost a friend. Commissioner Fritz and I lost a mentor. But the

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question that was I think presented in our community was, who was going to pick up her voice? And her voice was very loud and very effective. And the good news is you picked up her voice. You, the Community Alliance of Tenants, the League of Women Voters, Welcome Home, Oregon ON, Metropolitan Alliance for the Common Good, the faith community, activists in Northeast, outer East activists, the East Portland Action Plan, all the advisory bodies of the Housing Bureau and PDC. Everyone who has ever lifted their voice and said we need to do more for vulnerable families in our community came together and demanded that we take action.

Today is a proud day because it is the culmination of a series of actions taken by this Council under leadership of a Mayor who recently announced that housing would be the primary concern of this Council for the balance of his term. No Mayor in my time has ever said that -- that housing would be the number one concern of the Council during his tenure. And Mayor Hales, I applaud you for that announcement and I thank you for your leadership. And Dan Saltzman, as the Housing Commissioner, I thank you for brokering this deal today because it required some compromise and give and take, and even with the good relations between PDC and PHB, there were big disagreements about getting here. Thank you for your steadfastness in getting us to this day.

Thanks to the Portland Housing Advisory Commission for unanimously recommending that we do this. They are an important advisory body, and I think this is one of the most important things they've done. And thanks to the Metropolitan Alliance for the Common Good that worked this building and worked the community and demanded that we take action.

I'm very proud to be on a Council that has said that affordable housing and homelessness is the top concern facing our city. As Dan said, we're not done. Under the leadership of this Mayor and this Housing Commissioner, we've taken some big steps, but we are not done.

And finally, I just want to say that this \$67 million is going to be helpful, but as the Mayor said, it is not going to solve the problem overnight. And one of the things that I want to work with my colleagues to ensure that as we identify new resources to fight for affordable housing and to end homelessness, that we target those resources that people with the greatest need. If there ever was a time when we had to target our dollars to people with the greatest need, it is now. By declaring a state of emergency and by saying that there is a big problem in our community, we have made a commitment to target our resources to the greatest need. And I'm honored to serve on a Council that has taken these steps and today is another proud chapter in a campaign to address the crisis that we face. Thank you to my colleagues and thank you, Dan.

Saltzman: Thank you, Commissioner Fish. As I said, I would like to turn it over to Director Kurt Creager and Matthew Tschabold who will do an overview of the plans for a nexus study for a developer impact fee, and that is a fee which would be based on the demand that new market rate, residential, and commercial development creates for low and moderate income housing.

Novick: Commissioner, if we have any amendments to submit to either item, should we wait until after the presentation or do it now?

Saltzman: Yeah, that would be preferable. Thank you.

Kurt Creager, Director, Portland Housing Bureau: Thank you very much, Mayor, members of the commission. My name is Kurt Creager, Director of Housing. Matthew Tschabold is director of policy and equity for the Housing Bureau. I'm pleased to present to you our intention to proceed with a nexus study. We are funding this out of savings in our current year budget, so we're not asking you for any money, but we think that it is important enough to raise to your recognition because the policy implications.

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You will recall two weeks ago, we had a study session about the housing element of the comprehensive plan, the 2016-2035 Comprehensive Plan. Within that housing element, there are some 123,000 housing units contemplated within the city within the next 20 years, a minimum of 10,000 of which need to be permanently affordable -- about 8% -- which mirrors the rest of city in our current permanently affordable stock.

So, how do we provide adequate funding for that stock? I provided you with a fiscal note, a capital impact assessment at the time, and now we are back-filling that big number with a series of tools. The linkage fee is a means by which the commercial and industrial impacts through new jobs created can be understood, and the housing impacts of those new employment centers and activities can be imputed. It's a little inside sort of baseball, if you will, with respect to housing policy. I was asked by the Business Journal recently about a New Republic story on Colorado. The New Republic claimed that the housing market in Colorado is driven by marijuana sales. And I said jobs create housing demand and indeed, there may be some jobs created through agro-tourism, perhaps retail sales, perhaps short-term lodging, but in fact, people are coming to Colorado because they have an educated work force, they have a good business climate. People are coming to Portland for many of the same reasons, as you know. We have an educated work force and high quality of life and therefore those jobs create housing demands.

We want to be able to identify what those housing demands are. And in our PowerPoint presentation, we have an example of a deli where the average wages would likely be \$9.25 an hour. I might add that may be a part-time job rather than a full-time job, but if that were annualized, that deli worker would earn about \$20,000 a year. The average rent for an apartment within the same area, the central city, would cost approximately \$1,400 a month or \$16,800 per year or 87% of their total earnings. I might add that the standard by which housing is deemed affordable is 30% of income spent on rent and utilities. So, this particular household would be paying about 300% more than they should for the housing. So, we need a means by which to underwrite the cost of such housing impacts.

The other example that I've used is hotel development, which of course is very labor intensive, and those jobs tend to pay between \$9 and \$15 an hour. So, the employment density of the actual economic activity is very important, and the nexus study will evaluate that.

Moreover, it's very important to make sure that we stress test the market feasibility of commercial and industrial property so that a linkage fee does not render a project infeasible. Nothing is gained if a project is burdened with fees that make it infeasible because it won't proceed. We also want to have a conversation with business stakeholders, including the Portland Business Alliance, about the scope of work for this effort to make sure that people know ahead of time what we're thinking.

The idea being any net revenue levied in the form of a fee would inure to the Housing Investment Fund. The Housing Investment Fund is a flexible means by which we underwrite projects. I want to make sure that you know since there has been some conflicting press about this that we have 19 active projects of about 1650 units. Those are signed deals proceeding in good faith with both nonprofit and for-profit owners.

We will come back to you in the next couple of weeks with our multifamily property tax exemption proposals. We have five live proposals presently. There may be more that come in between now and the time that we actually present it to you. So, we are fully deploying all of our resources.

With that sidebar note, nexus study basically evaluates the impact of these new jobs and it inputs the value that might be gained for the Housing Investment Fund.

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The employment density is quite important. So when you look at other cities, you'll see a range. The reason that they're looking at ranges is that oftentimes manufacturing is highly automated. You can have a lot of capital improvements but not very much employment density, therefore, the effect on housing demand is quite small versus retail sales or hotel development, which is much more labor intensive.

The range of fees in different jurisdictions I think is helpful. Boston and San Francisco have levied these fees for many years. The City of Boston levies \$7.87 per square foot fee on office. Sacramento is a range of 27 cents to 99 cents per square foot. The San Diego fee was just recalibrated in 2014 to range between \$1.28 to \$2.12. I might add parenthetically that prior to the downturn, San Diego was concerned about their business climate. They cut the fee in half and they did not increase it or mark it to any sort of inflationary factor. So, they had to re-establish the rate last year, and they did so in 2014. San Francisco, as you know, is an expensive city. It also leads the cities in the levying the linkage fee of \$16 to \$24 per square foot. Of course there's very little manufacturing left in the city of San Francisco. It's nearly all office. San Jose is levying \$17 per square foot. And the Seattle City Council has a proposal that they are deliberating on. Mayor Murray's HALA Housing Affordability and Livability Agenda has recommended a range of \$5 to \$22 per square foot. In my private practice, I was consultant to the City of Seattle and did some work for them on the linkage fee. I might add that Seattle requires legislative authorization, and we don't believe that Portland requires legislative authorization to proceed.

Fritz: What does that mean?

Creager: That means that it is legally -- you are legally empowered to levy this, in our estimation and in the estimation of the City Attorney. That's why we think it's very important to share the scope of work for this nexus study with the stakeholders prior to coming back to you with a proposal so that people have an understanding of how it may affect their business.

I would add that the mission of the bureau is to serve the entire city and low and moderate income needs of the entire city. We will later discuss tax increment financing, which as you know only applies to a maximum of 15% of the city. Practically, it's really more like 12% of the city. The linkage fee would apply to the balance of the city. We don't think we have sufficient tools to cover the other 85% of the geographic area of the city and housing needs of the city. I'd be happy to respond to questions you might have. We do have a panel that will speak to this issue later.

Fritz: Is it only on new construction?

Creager: Well, I think we'll look at the cost of repurposing or changes of use. Tenant improvement to buildings may apply if there is a certain valuation. I think that's something that is worth looking at. The office building oftentimes will involve gut rehabilitation or major capital improvements. So, I think that's worth looking at as to whether or not that would be a trigger or not.

Fritz: But if a new business starts up in an existing space, would it be --

Creager: It would likely not trigger the necessity to pay the fee, especially if it was the same employment classification. If you were taking a vacant commercial building and repurposing it into a boutique hotel, then you might actually have a reason to care about that because the employment density would change. But I think if you're staying with one use -- retail use to retail use, it would likely be less of an impact. The timing of the fee is one of the elements that we want to examine and I don't want to foretell exactly what the triggers would be because we need to make sure we have a range of alternatives for you to look at.

Fritz: How long will the study be and when would you expect to have the results?

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Creager: We will develop the scope of work and share it with the stakeholders this winter. We would like to procure a consultant the first of next year, and we would like to have a draft available by the end of April. The comprehensive plan and your schedule I think goes into effect July 1. We want to make sure that this is in place for the implementation of the comprehensive plan.

Fish: Director Creager, in other cities that you've tracked, what kind of revenue has this generated?

Creager: It's very robust in San Francisco. I don't have the numbers off the top of my head. The City of San Francisco, Mayor's Office of Housing is run by a colleague, Olson Lee, that I know quite well. They also have a voter-approved general obligation bond of \$300 million that they're deploying. So, it's in the mix of important funding sources for them, but it's not even the largest funding source. Matthew, have you looked at the total?

Matthew Tschabold, Housing Bureau: Depending on the structure of the fee, anywhere between five and 20 to 30 million dollars a year in comparable cities -- with respect to population households, not the economic makeup.

Fritz: What discussions have you had with the Bureau of Planning and Sustainability and Planning and Sustainability Commission in terms of the potential impacts on job creation?

Creager: Well, this is embedded in the housing element. I've raised to the bureau the interplay between the economic elements that you heard yesterday. And from what I understand, most of their study session with you focused on industrial land supply specifically, not necessarily a transaction cost. So, we have discussed it. And we have -- I think it's an open matter of conversation between the bureaus. But the nexus study was within the plan element that they presented to you already for conversation, so that they've already subscribed to the technique. It's really a matter of fine-tuning the implementation of it.

Fritz: I hope when it's done you take it through the Planning and Sustainability Commission as well as the housing commission. That would be helpful to get their advice.

Creager: Very good. I would warrant to say that the PDC will care a great deal about it as well, since they have to market the city as an economic prospect as well.

Saltzman: If there's no further questions on nexus, I would like to invite the PDC Executive Director Patrick Quinton to join Kurt and review the plan for the 45% affordable housing --

Hales: Slide up another chair there. There you go.

Saltzman: And Tom Kelly. After that, we have two invited panels of I think three people each, and then it's open for discussion and debate.

Hales: OK.

Creager: This is a refresher. Some of these slides we will go through quite rapidly because you have of course had some of this conversation previously.

Tom Kelly: Good afternoon, Mayor and Commissioners. Tom Kelly, chair of the PDC commission. PDC is honored to have worked with the Mayor, Commissioner Saltzman, and the Portland Housing Bureau to develop this proposal and make such a significant contribution to address the most pressing problem in Portland, a lack of affordable housing for our residents. As a result of this action, 40% of all urban renewal dollars will have been invested in affordable housing over the 20-year life of the set-aside. I just want to emphasize that's over the life so that we don't get confused by percentages.

While some may believe that this proposal took too long to come to Council for a vote, the PDC board and our stakeholders asked for thoughtful consideration of both the tradeoffs and priorities and the impact on PDC's long-term sustainability. In the end, we believe this proposal represents a careful balancing of a need for immediate action on our housing crisis and maintaining our commitment to the priorities established with the stakeholders and PDC's urban renewal areas.

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We hope the energy and advocacy for more funding for affordable housing continues after the Council action as we all work to our permanent long-term source for funding for affordable housing. Even with fewer dollars, PDC remains committed to the strategic plan adopted by this Council six months ago and hopes to engage Council in exploring opportunities to solidify PDC's financial future. Now, I'd like to turn the presentation over to Kurt and Patrick.

Creager: Thank you, Chair. We itemized the series of actions. I want to remind you that the Portland Housing Advisory Commission started this review. They were mandated by you as a Council to do a five-year review, and they did so. They voted unanimously, as previously mentioned. The current executive committee is chaired by Sarah Zahn, and Dike Dame is here to speak for the PHAC. I'd also say that Elisa Harrigan with Meyer Memorial Trust is also a member of the executive committee. So, we have a talented group of committed individuals to work through the policy issues.

They recommended a minimum 50% set-aside in the aggregate across all URAs, which began our earnest review of fund balances with the PDC. They also recommended that we maintain current income targeting. The PDC of course has had a couple of meetings of their own and has evaluated on a URA-by-URA basis the effect it would have on their commitments in the community and they are strongly in support of a citywide funding mechanism rather than a mechanism that relies solely on tax increment financing, as mentioned by Chair Kelly. And of course, they are intensely concerned about the sustainability of the organization, which I certainly respect.

In this last few weeks, we have been meeting daily, basically, working through these issues, and it is recommended by the action before you that we would increase the aggregate to 45% from 30%, and that it would apply on a going forward basis beginning July 1 of 2015. The calculation within the River District involves an intertie with the U.S. Postal Service property and an ownership interest by the Housing Bureau in cooperation with the PDC, assuming that they are able to come to an agreement with the postal service. If they do not, it will be an equivalent value of \$20 million from TIF that flows from PDC to the Housing Bureau. And we further underscore our belief that we should leave the current income guidelines in place.

The 2015 policy review recommendations -- to summarize them in a table form, slide five -- you can see that we have active URAs with a status quo policy in the aggregate 30% set-aside ranging from as low as 18% on the Central Eastside up to 52% in the South Park Blocks.

On a going forward basis, looking at the 2006 to 2015 set-aside, we were able to achieve 32%. And with this policy review and the URA-by-URA analysis, we are prepared to go forth with 45%. That increases Lents, Gateway, Interstate, Central Eastside, North Macadam, and the River District. The other three -- Downtown Waterfront, Oregon Convention Center, and the South Park Blocks -- are closed districts and there's no new debt recommended.

So, what difference does that make? It has a significant impact and we think a positive impact. In the Lents Town Center, it would go from \$31.6 million and we would add \$7.5 million for nearly \$40 million totals. Gateway would go from 10.6 million with an additional two million for about 12.6. Interstate from 63.6 million, we add \$32 million to Interstate for \$95.6 million. Central Eastside is status quo at 9.8 million. North Macadam goes from 60 million to 65 million in the aggregate, and the River District from 26.5 million with increase to \$20 million as I mentioned with an intertie to the U.S. Postal Service property to \$46.5 million. So, that \$66.5 million represents in total about a \$270 million investment in affordable housing.

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We heard you loud and clear in our last study session about the impacts and understanding the impacts of the URA-by-URA level since commitments had been made by PDC, and Patrick will go through those impacts specifically for you.

Patrick Quinton, Executive Director, Portland Development Commission: Beginning with Interstate, Interstate is contributing the most to this increase and the set-aside at 32 million. As I mentioned in the work session, Interstate has both a significant amount of debt capacity that we've yet to use and a significant amount of un-programmed resources. So, from a pure line item perspective, we aren't kind of sacrificing any existing priorities.

Funds were budgeted in line items that we generally refer to as opportunity funds, so they do represent funds that we might have used for commercial real estate projects and local property ownership projects. And so it will require us as we come across those opportunities to figure out other funding sources to bring to bear on those projects. But generally speaking, as we go through the other urban renewal areas, these funds were the least programmed.

In Lents, we have worked hard to figure out how do we make good on the Lents action plan and bring forward additional resources to affordable housing, and I think we've done that. And a lot of this -- you know, we have conversations in this forum about urban renewal dollars, and part of the frustration is they end up being a moving target a lot because every year we get new information on property values -- [inaudible]

Hales: The microphone fades in and out, sorry. Just persevere.

Quinton: This is the one Commissioner Novick had before he swapped it out.

So, in Lents, we actually believe at this point that we can bring these dollars into the five-year forecast and continue to meet the obligations under the Lents action plan, including the money to be invested in what's known as 92 wedge, the 92nd and Harold three acre property that PDC owns. What we are sacrificing is money projected to be available in out-years after the next five years, and kind of the most specific opportunity we would have less money to work on addressing the range of issues on Foster Road east of 205, relating to the flood plain and availability of industrial land. It's not zeroed out but we will need to be looking for other resources in out years on that.

On Gateway. While it has limited resources, Gateway did have a fair amount of un-programmed resources. We tried to minimize the impact of this on Gateway because we have heard from a lot of stakeholders that, one, they want us to be able to continue to invest in both economic development, business development, but also continuing to invest in the infrastructure in the neighborhood. There was also a concern from David Douglas School District in particular about the impact of adding more households to a district that already has a significant burden on the schools. And so, two million represents a relatively small amount and it can likely go into some existing either preservation projects or the existing project that we have underway.

River District. Actually, Kurt covered this already. We still have some work to do and kind of finalizing the agreement between PDC and the Housing Bureau on what level of contribution that the Housing Bureau will be making to the acquisition of the U.S. Postal Service site and so right now -- [inaudible] -- right now, we think that the equivalent that the dollars invested in that will represent the 30% FAR that we talked about in the work session that translates into roughly 600 to 800 units, potential units -- basically, a land banking strategy -- and the remainder money that's goes to the set-aside directly. As you can see in the presentation, we will probably find it from different line items from within the River District but most likely, it will reduce some of the funds that will be available in the out years of the Old Town/Chinatown Action Plan. We will do our best to make that plan whole either through other funds if we end up with additional money in the district or through

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program income. So, we have a high level of confidence that we can make good on the objectives of the Old Town/Chinatown Action Plan.

The last one is North Macadam where, as Commissioner Fish mentioned, we went through a conversation around how to program the funds in the out years of North Macadam urban renewal area. This adds five million more to the affordable housing pot that was established at that time. What it is taking from is the additional resources that we projected to be created from the full build-out of the Zidell property, which was in the neighborhood of \$25 to \$30 million. There was a range of infrastructure and parks projects that were that are kind of in that speculative part of our forecast, and this pulls five million out of that. And I know there have been conversations about what this means for projects like the south portal and others. I would still say that there's a fairly -- 20 million minimum amount of money if projections hold that we can budget probably in future years -- I'm not sure that we can really budget at this point in time -- future years to make progress on whether it be south portal, whether it be the completion of Bond all of the way through the central district, or whether it be completion of a parks project. There will be a pot of money -- roughly 20 million plus -- that we can talk about at that time, but there will be a shortfall in North Macadam in the out years.

I guess the last thing I would say about that is there was always going to be a shortfall given the needs for the infrastructure in the district and the completion of the master plan for open space, and so this just makes the shortfall somewhat larger. So, I think that's it for the presentation.

Hales: Questions?

Fish: I'd like to ask a few clarifying questions. There were a lot of scribes getting this together -- Shannon in Dan's office, and Mayor, you had someone working on it -- Housing Bureau, PDC -- Jillian worked on it. There were a lot of people crafting this and a number of concerns I had and I want to be sure that they're clearly embedded in the draft language and make sure it's clear.

The first question I have is on the question of Lents and the sense of the Council that we want to hold them harmless in relative terms. Are you recommending as part of this that you're going to either extend the life of the district or increase the indebtedness, and when would that action come back to Council?

Hales: It's a separate action.

Quinton: It was an important part of the conversation. It's obviously not part of this action. We would -- I think PDC would recommend that the Council consider that action --

Fish: Which of the two that I -- ?

Quinton: The extension of the life of the urban renewal area by additional two years to access what we project to be left over maximum indebtedness, roughly \$15 to \$16 million at this point. We would recommend that. I don't know that it has to be addressed in the next month or two months, but within the next year, I think Council should come back to this issue so that the folks in Lents do have some certainty on those resources.

Fish: Mayor, that's your intent?

Hales: It is my intention to do that. I don't think we have to wait a long time, but get it right and bring it forward.

Fish: I appreciate all the effort that's gone into clarifying that. The second has to do with where we focus these new dollars. We have a letter of support from Multnomah County Chair Deborah Kafoury specifically calling out the deficit in the zero to 30 area of our housing production. We actually even have a letter here that I read as a qualified support from the Portland Business Alliance. If you take out the qualifying sentence, it is supportive. If you add the qualifying sentence, I'm not sure. But let's talk about where the

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money goes. In the draft ordinance, in the recitals, number eight, it specifically says that we are falling short in meeting our goals in zero to 60. Director Creager, is that correct?

Creager: Yes. Overall, it is.

Fish: Within zero to 60, are we also falling short in zero to 30?

Creager: I believe so, yes.

Fish: OK. So, we specifically called that out in this ordinance. And then in the resolved, it says in sub-C that as the Housing Bureau develops a proposal, that you'll come back to Council for consideration, you will take into account unmet goals in each urban renewal area. Do you understand that to be primarily zero to 60 of MFI?

Creager: I think it's meant to be the full spectrum, frankly. Everything should be on the table. We need to look at the opportunity to do preservation of existing market affordable units subject to conversion, provide assistance to those owners to renovate those properties, and perhaps a challenge to those owners by matching their equity investment. We also need to look at new build opportunities. And of course in Lents, we have made investments at both Palindrome at the New Copper Penny, and in Williams and Dame Development for their development on PDC-owned land.

Fish: I'm glad we are having this conversation because this language was inserted at my request, and I will tell you what my intent was. It was to focus on the area of greatest need, and that is zero to 60. Ultimately, any recommendation comes back to Council for approval, and that's clear that once you have had a public process and take into consideration the need, it will be decided ultimately by this Council through the budget process. But Director Creager, I want to be very clear. The reason I asked this language to be inserted is because I want to focus on the area of greatest need.

Creager: Understood.

Fish: And I appreciate your job is to preserve as much flexibility in meeting this range of needs. But that was the reason of the recital and the resolve, to focus on the unmet need, which I understand is primarily at the -- primarily, frankly, families of four making \$22,000 or less. I wanted to give you my interpretation of the language.

Creager: And I think to reinforce that -- yesterday, as you may know, we issued a Notice of Funding Availability for 61.5 million with a focus under 60% of AMI. So we are currently employing your preferences with current money and we would apply those preferences ongoing forward basis. We want to have that conversation with every URA because they have slightly different needs and requirements.

Fish: Yeah, and I appreciate that. I guess the thing that we're going to struggle with is this is \$67 million of new money to address a housing emergency. We are limited by the tool -- that is, it's urban renewal money -- but we are trying to address a citywide problem. And so the reason this comes back to us in the budget process is that Council wants the flexibility to address the crisis. The crisis does not necessarily line up with the individual priorities of every district. Since this is a citywide concern, we want the flexibility to be able to look citywide.

The final question I have is -- the Mayor has I think correctly identified a sense of urgency about this. So, we were discussing the need to make sure that these dollars are front-loaded. One of the problems with urban renewal it takes time sometimes for dollars to be generated. Under this plan, are these dollars essentially front-loaded?

Quinton: Yes. We've done our best to model out how all these resources can be available in the next five years. I'm just going to pause because the only question was the availability of funds in North Mac, but I think even that we figured out -- where's my -- yeah, so, in year five, we will make available the additional money in North Macadam.

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Fish: Just so everyone understands, that's fine because there's enough money already in North Macadam for Dan to proceed on the current project he's working on, and the second project. That would help fund the third project.

Quinton: Kurt can talk to us more directly, but the near term money in North Macadam, the next wave actually could help in terms of taking down the parcel of land on the Zidell property that's been negotiated. It was kind of always questioned, like, "OK, you've negotiated this, but will you have the money to actually purchase it?" And so that actually might be the case now.

Fritz: Can I just ask a clarifying question about Lents? I thought you said we were going to continue to do the Lents action plan items as a priority. So, gonna prioritize both housing and --

Quinton: Yeah, I mean, so, urban renewal -- we give ourselves 20 years to issue the debt. The pace at which we can issue debt is driven by two factors. One is, do we have the projects to spend the money on and do we have the growth in assessed value to do that? As we look at our projections on both, we see the demand for the dollars, obviously, and we see that working with OMF that we actually can bring that money forward is the way we say it within that period. It means we are borrowing more over the next five years than we had projected to.

Fritz: But not impacting any of the economic development and not impacting potential projects along Foster?

Quinton: You know, I think those get pushed back in terms of timeline. They were within the action plan, there was far more specificity around projects like 92nd and Harold and the Foster Road work has a lot of unknowns to it. So, that was always further out, but yes, that is what suffers in terms of the timeline, and it would be the area where we could most use the additional -- accessing the additional debt at the end of the life of the district. So that would necessarily mean it goes past the five years. In our conversations with stakeholders -- and a bunch of us were all there last night -- they all expressed comfort with that tradeoff. There was far more of a concern for how the proposal impact projects in the town center, particularly 92nd and Harold. And so I think that seems to be a tradeoff that they're willing to make.

Fritz: I hope there are some folks from Lents because I'm particularly interested in that timing question.

Quinton: Yep

Hales: Questions?

Saltzman: Well, thanks. I think we -- I mentioned two mini panels. I think we can consolidate them into one panel if we can find one other chair. I'd like to now bring up Dike Dame, who is a member of the Portland housing advisory committee. He's also a housing rabble-rouser in general -- Portland Housing Advisory Commission, excuse me. Rita Delamatre of the Metropolitan Alliance for the Common Good, the organization that led the charge to increase the urban renewal set-aside -- yeah, if we can get five chairs. Bishop Holt, the chair of the North/Northeast Oversight Committee; Rey España, who's another member of the Portland Housing Advisory Commission; and then finally, Martha McLennan of Northwest Housing Alternatives. Great. Why don't we start with Dike?

Dike Dame: My goodness, to be described as a rabble-rouser. [laughter] First off, I want to thank you, Commissioner Saltzman and Mayor Hales, for giving me the opportunity to serve on the Portland Housing Advisory Commission and being one of three members on the executive committee. It's been a pleasure to interact with the other members of the committee and an honor to serve with them, and it's also very enjoyable to see the good work of the excellent people that you have performing the service at the Housing Bureau -- Director Creager, Matt, Javier, and the many others. I just think they're doing a great job.

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My background lends a little bit to the rabble-rousing. I grew up in a war housing project in Patterson, New Jersey. I understand some of this stuff. That was 61 years ago when I left there, so serving on this committee has been a very rewarding experience for me, as I said, and also a good reminder of how difficult it can be to live under those kind of circumstances.

So, you're addressing two issues today. Tax increment and -- I will use an abbreviated term -- linkage fee. The TIF to me is a no-brainer. You're going to -- I hope you're going to do that. You know the Housing Bureau fought, if you will, hard to keep the 50% on two different occasions. I think that the 45% being a 50% increase over the existing 30% to enable PDC to continue with the rest of its good work is a good compromise, and life is all about compromise. And so I would certainly along with the other members on PHAC encourage you to approve that.

Probably long-term more importantly is the linkage. And as I think Kurt will tell you, the first time he and I met, we discussed two things. We discussed increasing the TIF and we discussed linkage and/or inclusionary housing. I understand inclusionary housing is a difficult issue in this state and would require legislative action, so I think you're taking the correct course by studying linkage, if you will, or charging per square foot for various developments to generate affordable housing funds. I think it's the right course to do. I know that our PHAC group certainly supports it, and we all would encourage you to vote unanimously for it I'd be happy to answer any questions.

Hales: Thank you.

Saltzman: Rita Delamatre of the Metropolitan Alliance for the Common Good. Did I pronounce your last name correctly?

Rita Delamatre: Yes. Good afternoon. I am here on behalf of MACG. We are happy to speak to you today in favor of a proposal to substantially increase the TIF housing set-aside to 45%. Of course, we hoped to attain more, but we do want to acknowledge your efforts and those of the Housing Bureau and PDC to step up creation of affordable new homes for hundreds more families in the next years.

These families in deep crisis fall heavily within the zero to 60% MFI range and we urge you to press all involved to move up production of highly-affordable units at every opportunity, engaging the creativity of staff and community for completion of as many units as possible within the next few years. We also hope that all involved will remain mindful and committed to 45% as a floor with the intent to exceed that minimum whenever possible.

As we move through the implementation process, MACG looks forward to further engagement with officials, community partners, and developers for better effectiveness, transparency, reporting, and accountability. From the local level to the state level, we are excited to forge partnerships to creatively engage and overcome this crisis and secure a safe, healthy, and just community where everyone has a chance to create a life without constant fear of eviction, calamity, and homelessness.

From our first proposal at the PHAC's July meeting through our press conference assembly before the October work session, we have insisted that crisis requires swift and significant action. Although the TIF increase is a small advance in this crisis, taking this first step now is critical for Portland and will be life-changing for the hundreds of vulnerable residents who find the refuge and springboard that affordable housing provides. We understand the reassignment of funds to affordable housing in urban renewal areas may come at a cost to other budgets, but tradeoffs are expected in a meaningful response to emergency and there are other costs that we want you to bear in mind: the cost of upheaval and even homelessness on the lives of struggling and vulnerable adults and children who find themselves unexpectedly displaced or dispossessed, such as Francia,

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as a resident of the Interstate URA who will share her story a little later today. The long-term public costs to parks, transportation, and public safety. These important programs may experience short-term cuts or delays with respect to funding the housing emergency, but those will be known costs that can be planned for.

The longer we take to meaningfully address the burgeoning housing crisis, the greater the unintended costs to local governments for parks, transportation, and safety, spiraling costs and budget impacts and lost ground on critical goals. Add to those the public cost of damage control from the well-known difficulties with health, education, and chronic poverty suffered by families without stable housing, and we cannot afford not to pass and exceed this new floor.

Portland is a beautiful city. I'm proud to call it home. But the boom of the local real estate market follows the trajectory of other west coast cities as market forces erase the diversity and equity of Portland's neighborhoods, relegating to only the very fortunate the livability and sense of place built by all. All of us here in this room -- organizers, advocates, allies, and elected officials -- are called to serve the interest of all of the people in the city, and right now, the crucial need is to vigorously preserve and develop more homes where people can feel secure and grow. It is important that we deliberately make space and opportunity for residents of all incomes not only to live but to thrive in areas well connected to public transportation, grocery stores, parks and schools, and not turn away as vulnerable residents are pushed out of their communities and dispersed to remote parts of the metro area.

This is not a theoretical question of symbolic representation today. This is the real work of equity and justice. Thank you.

Hales: Thank you.

Saltzman: Bishop Steven Holt, who is the chair of our North/Northeast Oversight Committee. Bishop, just push that button at the base there.

Steven Holt: Thank you very much. Good afternoon. First of all, I just want to express appreciation for the responsiveness of this leadership to the housing crisis and that some creative process put in place to rapidly and tangibly do something of significance to address it. The TIF set-aside being increased to 45% is tremendous in that it is a 50% increase above the present amount. Of course, I think all of us hoped it would be a 50% increase, but we're glad for a 45%. And thanks to the cosponsors -- thank you Mayor, Commissioner Saltzman, and Commissioner Fish for the work on this process. I also want to express appreciation for the Directors of PDC and PHB and their ability to create positive partnership to utilize uncommitted and un-programmed funds as it relates to this.

As the chair of the oversight committee, the foresight and intent to develop the oversight committee with the purpose of keeping accountability and transparency for the City's efforts around affordable housing is proving to be of great value. Our primary focus and concern us to ensure that what has been undertaken is accomplished with efficiency, effectiveness, equity, and as promised. Promises made become the promises kept. To that extent, Portland Housing Bureau created a structure to ensure that the funds utilized in the manner that the community states that their needs are that they're met. I would like to ask the Council to consider increasing the scope of the oversight committee with additions to membership, representing the North Portland, St. Johns area to be included around these additional funds.

I also recommend that the preference policy that's being developed become the standard for how people gain access to programs in North and Northeast Portland. I recognize certain circumstances will require exceptions such as Bridge Meadows, which the oversight committee also supports.

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The need continues to be expansive, as has been mentioned by the Mayor and several Commissioners, and both directors of PDC and PHB. Long-term strategies must be developed to assist those who have needs that don't fit within the present boundary or function of the areas that are being studied. There are countless or have been countless individuals who are just outside of the areas who have needs. As we think about creating a livable Portland, we must address how best to serve our citizens who are in need.

Hales: Thank you. Thanks very much.

Saltzman: *Rey España, another member of the Portland Housing Advisory Commission.*

Rey España: Thank you. Mayor Hales, Commissioners, it's always a blessing to be in front of you. I want to lend my voice as a commissioner, as well as the role I play at NAYA as the developer of 40 units of generations housing, family housing in Lents. I just want to re-enforce on three points. I really appreciate the words I have heard today. The actions before you require boldness and courage. I think you're up to it. I expect that.

I wanted to just focus in on pressures that have not been spoken about too much today, and that is the threat of the displacement that's occurring. The pressures of destabilizing families and forcing them out of a stable housing for landlords who'd like to take advantage of increasing rents. In fact, you take somebody that's stably housed and move them out, move them on. We need some protection, some tools, but the threat of displacement and subsequent actions need to be addressed.

Those individuals that I'm speaking about are heading eastward toward outer Southeast, toward mid-county, out toward Gateway, out that way. That is occurring today. So, while I appreciate the effort to address TIF resources and I support the action, that only applies on every specific limited part of geography. I understand completely the desire to take on the issue of housing crisis on a citywide basis. Those tools do not exist today. I think we have to work harder, faster, to get those tools in place.

I think I've heard the words of special communities. Unfortunately, I would lend my voice to seeing the tale of two cities, those that have and those that do not have. That divisiveness based on economics -- we have made a pretty good data case of the growing disparities of those communities of color in this regard. So, the look at the special needs of children, specifically children of color, families, survivors of violence -- those type of populations need to be addressed on a citywide basis.

So, yes, this action you take today and consider I think has at its root an equity social justice foundation. I lend my support to the Welcome Home Coalition, who you have may have heard about. It's now exceeding 100 organizations who want to work in coalition with you to identify a permanent source of funding for housing. It's going to be a challenge and I just -- I can't help but feel with the effort today, the reconnection. We look to innovation. I think there needs to be a not business as usual approach. I think all sectors need to be involved and I think we need to hear more and involve private sectors, so I intend to work with Dame to address those issues and concerns. So, I think it's all sectors, the foundation, others need to be involved as well. With that I will close. Again, it is a blessing to be with you, appreciate the time.

Saltzman: Thanks, Rey. And finally, Martha McLennan, the Executive Director of Northwest Housing Alternatives.

Martha McLennan: Thank you. Good afternoon. You know, as I was looking at the opportunity to testify to you today, I reflected back in my life and my career and I have now worked more than 30 years in affordable housing and community development in Portland. And it is clear to me that we are in an unprecedented time.

We have been challenged with homelessness and affordable housing off and on over those years to greater or lesser degrees, but what we're seeing in the last year or two what we are seeing is quite stunning. I also want to applaud Council for the leadership it is

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taking to look at this problem in a very comprehensive way and to look in all corners for resources that can help contribute to solutions. If we don't solve this, we do risk the health of the overall community. We have a very hot market now. What we risk is a collapse of the market if we don't address this problem.

What I want to talk about briefly the idea of linkage fees. Kurt Creager has given you a good summary overview of what they are, how they work. The points that I would add to that is that they are a common tool that is used broadly around the country, a very effective tool. The nexus study is the step that we need to take to really understand how that tool could be applied in our particular community and to kind of share that concept with the broader community, with the business community, development community, and understand how it could help this particular crisis.

The linkage fee, the TIF resources, all of these become part of a larger tool kit, and there are other tools that we should continue to explore. Certainly, inclusionary zoning is one. We have worked for a number of years in the legislature to override that preemption. There's still work to be done. We hope the City Council will support that work. I know you're looking at other resource-based strategies to support affordable housing.

We are at a time where we need all of the tools, all hands on deck, and everyone doing their part. I look forward to seeing the product of your work over the months and years and hope to be a partner doing that work.

Saltzman: Thank you. Did you have questions for the panel?

Fish: I want to make one quick comment because this was a very inspiring panel. Rey, you said that everyone has a role to play and you said specifically we're going to talk to the private sector to see what role they'll play. I want to underscore -- in the last three years, 11,000 new market rate apartments, less than two percent were affordable. And when I hear developers say that the City has not been generous enough with their subsidies, I say to them, what is your moral obligation to address this housing crisis? And why is the only route one in which the City has to step up and subsidize the units? We'll play our role, but we're talking about a moral obligation.

And to the comment about the impact on families through this housing crisis -- Glenfair Elementary School, outer east, new dynamic principal doing her level best -- 50% of the students that she starts the school year with will not be there on the last day of school. And so you want to ask the question, what does it mean not to have stable home for struggling families? 50% of the children will not complete that year. How on earth can we have learning when children don't have a stable home?

And the third comment I want to make to my friend Bishop Holt who said we would like to have more money. The reason I support this compromise is 'cause \$67 million is more than the original amount in Leah Greenwood's study. And this was a basis for our discussion. She identified \$55 million, and some properties. \$67 million is a good compromise when you start at 55, and that is why I support it.

Holt: Appreciate it.

Hales: Thank you all. Thanks very much. Is that it for invited testimony?

Saltzman: Yes, that's it.

Hales: Let's turn to the sign-up sheet, please, and bring people up in threes or fours.

Novick: Mayor, I'd like to offer my amendment.

Hales: Please, sorry, I forgot that.

Novick: Colleagues, this doesn't directly relate to the TIF set-aside percentage technically, but as long as we are talking about committing additional URA resources to affordable housing, we should take a look at Memorial Coliseum. I think that the people of Portland expect us to be progressive. They also expect us to be fiscally responsible, and I think that Memorial Coliseum might present us with an opportunity to be both.

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We've been told recently that it would cost at a minimum \$35 million just to make enough repairs to keep Memorial Coliseum limping along as a venue for the Portland Winterhawks and for high school graduations. I think it would be hard to make the case that it's worth \$35 million to keep the venue limping along even if we had \$35 million, which we don't. When I took a tour of Memorial Coliseum a couple of years ago, I was struck by what bad shape the building was in, but also what a great place it seemed for residential development. It's right on transit, it's got a great view of downtown, and I believe that it would have to be possible to work out a deal with some developers where they get to build expensive housing where we reserve a large percentage of housing for low and middle income people. And I've been told that it would be legally possible to give preference for low and middle income housing in that location to veterans we want to honor and to the family members of people who were displaced from that area when the Memorial Coliseum was built, who of course were predominantly African American. So, I'm suggesting that we direct PDC and the Housing Bureau to study the possibility of developing that site for residential and setting aside 30% of the housing for people between zero and 120% of median family income.

I recognize that there are people who dearly want to preserve Memorial Coliseum as it is. We heard from two of them -- Stewart Emmons and Brian Libby -- this morning. We are in an era of limits, we cannot be all things to all people. I think this is a suggestion that at least deserves to be studied and therefore I move this amendment.

Hales: Is there a second?

Saltzman: I'll second it but I just want to express my concern about the timing under which this amendment would be executed. I think we discussed yesterday maybe a six-month period. I have since talked to the Housing Bureau Director and don't believe that doing this in a six-month period is feasible. It's probably is going to take at least a year to do this and it's going to take the full involvement also of the Office of Management and Finance.

Novick: To simply complete a study of feasibility?

Saltzman: Yeah.

Novick: Actually, I don't think I specified a time period in the amendment, so whenever we could get it done.

Fish: Mayor, can I speak to the amendment?

Hales: Sure.

Fish: With great hesitation, I'm going to oppose the amendment. And I do so at my peril because a couple of years ago, Commissioner Novick had a proposal that we engaged the Citizens Utility Board to be one of the oversight bodies for our utilities, and it was one of the best ideas that has ever been presented to me around our utilities and I embraced it and it has been spectacularly successful. But I can't support this amendment for three reasons.

Number one, I think we're putting the cart before the horse. And by way of a little history, there have been numerous studies on what to do with the Rose Quarter since I have been on this Council. It seems to be the Bermuda Triangle of Mayors -- [laughter]

Hales: Let's hope not!

Fish: We keep launching these studies to figure out -- and if we've learned anything in that process, we've learned that without a master plan, we are never going to tackle the Rose Quarter. If we keep saying there is one piece here and one piece there, we are going to miss the forest for the trees.

Number two, we have not called the question as a Council as to whether Memorial Coliseum is even an opportunity site for housing, so why on earth would we do a feasibility study before we decided that we're giving up on a landmark historic structure that at least a prior Council committed to veterans that we would not disturb? And we have had that

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fight. I don't want to study this ahead of having the Council decide that we have lost that fight.

And number three, I cannot support the concept of using TIF and the limited resources of the Housing Bureau to fund housing at zero to 120% of median family income. That is not an authorized purpose of TIF and it is not the mission of the Housing Bureau.

And so while I think the spirit of this amendment is laudable, and I appreciate the creativity of my colleague, I urge a no vote because I think it's at the very least out of time, out of sequence. And in any event, until this Council has a master plan and takes a decision on the future of Memorial Coliseum, I don't think we should be investing scarce resources in assessing development options on a site that at least current policy is we are going to save Memorial Coliseum.

Fritz: I'd also like to speak in opposition of the amendment. This isn't the forum to discuss Memorial Coliseum. It isn't the forum to spend more resources looking into it. You commissioned a study as part of the Bermuda Triangle responsibility of every Mayor -- and we should have that as a campaign question: What will you do with Memorial Coliseum and the Rose Quarter? We haven't had a Council discussion on that. My reading on that was very similar to the reading on the Portland Building. It would cost more to demolish it than to fix it up, and there are multiple reasons why we should fix it up, not the least that it's got a historic designation and would be extremely difficult if not impossible to take that off. So, I respectfully request that we bring this question back when we have the discussion on the Memorial Coliseum rather than addressing it today.

Novick: We have implicitly addressed a lot of questions today -- or we are going to address them -- in the course of this 45% set-aside because if you're spending 45% on housing, there's other things you're not spending money on. I think the Memorial Coliseum is a danger we'll kick the can down the road on forever just as we have with transportation funding. I wasn't here three or four years ago, but we all received the most recent report that said that at a minimum, it takes \$35 million simply to keep Memorial Coliseum limping along, and I do think that it's appropriate to call the question, "does that make any sense?" If it doesn't, we should start actively exploring other alternatives.

Finally, we're here today because we know that there is a housing crisis. And unfortunately, we don't have the tools to address it all at once, but I think that we should be exploring every option to provide for more affordable housing not just for the poorest people, for middle income people who are also being squeezed out. I think that we cannot be all things to all people, and we should at least acknowledge the possibility that housing for low and middle income people is more important than keeping the building limping along as a site for the Portland Winterhawks and for high school graduations.

Hales: Well, let's go ahead and take a vote. I think that I can offer some reassurances. I'm not going to support the motion, but let's go through the process here and take a roll call vote on the amendment.

Roll on amendment.

Novick: Aye.

Fritz: No.

Fish: No.

Saltzman: I just want to point out that the amendment does not involve the committing of urban renewal funds whatsoever. It talks about the urban renewal area, but it doesn't speak on the urban renewal dollars being committed. In fact, there are no urban dollars left in the Convention Center to be committed to housing. Just wanted to get that clarification. But I do support this amendment and will vote aye.

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Hales: Well, I appreciate the creative suggestion, Commissioner Novick -- and I mean that not as a back handed compliment, I actually appreciate when people do this and bring forth creative ideas and we actually debate them in this room and vote on them and that we're not always 5-0 or 0-5. But, I'm going to oppose this amendment for several reasons.

One, I've actually in my capacity as both Commissioner-in-Charge of the Office of Management and Finance -- which owns a bunch of the property there -- and in my role as the Council connection to PDC, I've had a lot of discussions with a lot of people about the future of the Memorial Coliseum. Haven't sailed into the Bermuda Triangle but looked in various corners several times with various parties, and I've heard a lot of creative ideas for Memorial Coliseum over the last for years and 10 months. None of them is actionable, which is why I left the money in the urban renewal budget but not spent any of it, because I agree with your point of view that spending a bunch of urban renewal money to just keep this building limping along is not a success.

So, I'm still looking for that viable idea. I think that we still might hear that idea soon because there are some smart, creative people in the community working on other scenarios than just maintenance or demolition.

Secondly, it would cost -- by what I've seen -- about \$11 million to tear the building down. And so actually -- unfortunately, Commissioner Fritz -- it would cost less to tear it down than it would to fix it up. But neither scenario is my first choice. So, again, I'm looking for the better option, and I think that we still might find it and not simply be lost in that triangle.

To the \$11 million -- we own a lot of land. We the City own a lot of land. In fact, we own several parcels at Memorial Coliseum, one of which is vacant. I'd rather see us build housing on those parcels that don't require an \$11 million demolition, all other things being equal.

So, you're right to keep the pressure on for us to not foolishly spend money on an unremarkable outcome with Memorial Coliseum, but I think that we can focus our housing agenda better in other places, at least for now. No. OK. Any other amendments? So, let's now take public testimony. How many people do we have signed up, Karla?

Moore-Love: We have 18.

Hales: OK. That's not an unmanageable number. Thank you all for exercising some restraint for not everyone testifying. Spokespeople are great. So, let's call them, please. John, I think you're on first.

John Mulvey: Thank you. Mayor Hales and members of the Council, thank you for the chance to talk to you this afternoon in support of raising the TIF set-aside for affordable housing. My name is John Mulvey, I'm a former member of the Lents Town Center urban renewal advisory committee, and I'm a current member of the East Portland Action Plan housing subcommittee. I want to thank you for your leadership on raising the TIF. As has been said before, we need to do more on housing in the city, but this is a big step and it will make a big difference. I had quite a bit of complimentary language. When I realized I would be cut down to two minutes, most of that meant -- [laughter]

Hales: Oh, darn!

Mulvey: I'll move to concerns, if that's OK. This is the five-year review of the set-aside policy, as you know, and the fundamental question that we all should be asking is, how do we ensure that the TIF dollars we're spending translate into safe and affordable homes for low income Portlanders? And there are certain aspects of that conversation that I felt like got a bit of a short shrift during this discussion and process. I wish that you had delved more into the way that the Portland Development Commission's obscure and ad hoc processes make it less of a community partner and more of an ongoing obstacle for the groups working to house low income Portlanders. I also wish that you had revisited your

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decision to do away with the citizen advisory committees, which provided one of the few meaningful tools to bring transparency and accountability to the agency.

Housing set-aside reports are inconsistent from year to year, only including total dollars spent, not the number of units, not the income levels, and not how much money went to which projects, and I hope that that's corrected going forward. On the occasions when the PDC solicits public input, they consult with only a fairly narrow group of people. The project selection committees are filled with homeowners, property owners, known opponents of affordable housing. Renters, housing advocates, and communities of color are rarely at the table for these conversations.

So, I'll finish there, but I just want to mention that low income Portlanders -- I have heard the word "burden" used as far as the neighborhoods being burdened with affordable housing, etc. And I just want to push back about that. These are people who are the future riches of our city, in the phrase of the C.E.S. Wood, so I hope we treat them with that value and respect. I was happy to hear Dike Dame refer to his youth in subsidized housing. Let's remember that the future Dike Dames and future people who will have that level of impact on our community could be living in substandard housing right now in East Portland. So let's always keep that in mind and again, do more. Thank you.

Hales: Thank you. Frieda, would you like to be next?

Frieda Christopher: Yes, I'll be next. First, I'd like to thank you for allowing the opportunity to testify today. My name is Frieda Christopher. I'm a member of the David Douglas school board. I've been on the board for 24 years. I'm also co-chair of the EPAP housing subcommittee, as well as served on the Gateway URAC through its life. So I have knowledge of education, housing, and how URAs are run. But today, I'm speaking strictly for David Douglas School District and our school board. Superintendent Grotting extended his regrets. He was tied up today, so I was elected to come.

As we said in our October 19th letter, our district is not staying a stand for or against the increase in the TIF set-aside. But since approximately 50% of Lents URA, 90% of Gateway's URA, as well as two NPIs are within our district boundaries. We felt it important to share certain information with you today in your final decision-making, but also in the future because having worked with URAC, I know the allocations can change.

David Douglas is 12 square miles in East Portland. We have nine elementary schools, three middle schools, one high school, and one alternative school. Our high school is the largest in the state with over 3000 students. Our current enrollment is just over 10,700 students, with 75 languages spoken in our schools and communities. Our schools are at and over capacity. Our demographic has changed dramatically since 1996, free and reduced lunch went from 39% to 82%. We currently have five schools in the new federal program that gives free lunch for everyone because in those catchment areas, 62.5% of the residents qualified for food stamps. Our ELL population has grown from 6% to 20% and has peaked as high as 25.

During the period of 1996 to 2014, the average growth in our district was 2.6% a year, but the average growth in the free and reduced lunch went up 11.5%. We have a concentration of our ELL and low income students which causes a need that causes the district to have to provide many extra services.

Currently, we are doing our facility plan and are working in collaboration with Planning and Sustainability as well as Parks. Because of the 12 square miles, we lack room to build the schools. But our current projections say that we need two new elementary schools within the next 10 years, and that isn't to reduce capacity, that's just to handle the new students. In a recent bond workshop, looking at all the needs over the next ten years, we would have to go for \$120 million bond. It doesn't seem a lot at PPS with half a billion, but for Douglas, we're lucky to pass a \$49 million bond just three years ago.

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With the URAs, we have had one of the lowest assessed values per pupil in the state and the frozen amount of the URA -- that growth -- is taking off our ability to lower our bond. There's 400 million in assessed value in the URAs.

But today I wanted to just stress that we acknowledge this important stable housing for our students and the effect it has on their educational success. The service we provide to those students in the district is very important and we feel it's important for the City Council to consider the impact of any decision they make today as it has on the school that provide those services to the students in the URA. They mentioned extending Lents. I should tell you as the long-term senior member at David Douglas school board and the most knowledgeable on URAs and a big supporter of starting the Gateway URA and extending the Lents, that at this time, because of the bonding and our needs in the future, we probably would come out against any extension of any URA.

Hales: Thank you, thanks very much. We appreciate your partnership. Good afternoon.

Harriet Cooke: Hi, my name is Harriet Cooke. I first want to express my gratitude for all of the work of the Commissioners and all of the speakers before me who have spent so much time and energy on this important issue. At the risk of sounding like a lunatic, I'm here to introduce an idea of an alternative financing potential, which is complimentary local currencies at the local government level.

Complimentary currencies are anything outside of our usual financing system. There are books that describe how they work currently, historically, the problems with them and their potential. I'm not going to go into details. They basically connect underutilized resources with unmet needs. Naomi Klein's recent book, *This Changes Everything* really brought light to the problems of our capitalistic system, and yet we don't hear too many alternatives to that. We're continually working within the system, within the limitations of the system. Her book also sheds light on the problem of economic growth. Yet, how many of our ideas require economic growth? To be limited by money if there are people looking for work is an arbitrary and unnecessary limitation. Complimentary currencies at the local government level is a long-term idea. It will in no way diminish the importance of the revenue-generating actions within the current currency system, and I look forward to talking with all of you as the future permits more about these ideas and how to integrate them to meet the goals of the health of the people and our region. Thank you.

Hales: Thanks very much. Welcome.

Terry Parker: Terry Parker, fourth generation Portlander. I'm speaking as an individual today. Policy 5.18 in Portland's recommended draft comprehensive plan addresses aging in place. It reads, "encourage a range of housing options in supporting environments to enable older adults to remain in the communities as their needs change." To many older adults, retirees, and senior citizens, aging in place means continuing to live in their owner-occupied single family homes. While the City offers tax breaks to developers for including affordable housing in multi-unit developments, older adults now retired and living on fixed or semi-fixed incomes who have a lifetime investment in their homes are being taxed out.

Property taxes on even a modest home in Portland includes an extra \$400 to \$500 with the item line "urban renewal-Portland." Moreover, this will be the third year in a row where there will be no increase in social security benefits. If the minimum wage is increased to \$15 an hour, prices on food and other necessities will likely increase. Seniors on fixed incomes who will see their cost of living rise with no corresponding increase in income have been completely left out of the conversation. Where is the dialogue and the mitigation for the financial impacts on these retirees?

It seems only equitable that if 45% or 50% of urban renewal funding is to be dedicated to affordable housing, seniors on fixed or semi-fixed incomes living in their own homes should have a similar percentage reduction from the urban renewal line on their

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property tax bills. It is simply unjust to expect low income seniors to subsidize affordable housing for other people. Thank you.

Hales: Thanks very much. OK. I think you're first, Arlene.

Arlene Kimura: Thank you. My name is Arlene Kimura. Thank you very much, Council members and Mayor Hales, for this opportunity. I do want to thank Mayor Hales and the Council for their work on the revised proposal, specifically for the Gateway, because that's where I have my neighborhood. And I appreciate the effort that went into it. I'm concerned that this whole process has been I believe somewhat knee-jerk -- definitely not holistic because you cannot just have housing, you need economic development, you have to have transportation, and I don't feel it was inclusive. Thank you.

Hales: Thank you. Good afternoon.

Jackie Putnam: Good afternoon. My name is Jackie Putnam. I'm one of the former co-chairs of the Gateway urban renewal committee. And I serve on the Hazelwood Neighborhood Association board, and an active member of the East Portland -- I should say, a participating member of the East Portland Action Plan.

I am not in favor of increasing the set aside in the Gateway area. It's a very small area, it has more than its share of affordable housing. The Gateway URA was - has contributed many times to -- in fact, multiple times -- to the same property for establishing working nonprofit housing. We need to say what dig-able land that we have in Gateway for tax-generating businesses.

There's also a discussion about the building at the park site. It should happen and it should be entirely tax generating. We don't want another nonprofit occupying the ground floor of what should be a tax-generating establishment. What is the point in delaying the work that's been happening searching for someone to build? Before we know it, the Gateway URA will be sunsetted and the acre at the park will be vacant with tent dwellers reminiscent of the North Park Blocks. Please consider retaining the 30% in Gateway, rehabilitating houses with that money that exists already without renewed construction. Thank you very much.

Hales: Thanks for coming. Welcome.

Alexandra Anderson de Beaulieu: Hi, my name is Alex Anderson de Beaulieu. You may remember me from such hearings as raising the minimum wage for City workers alongside 15 Now, the Climate Action Plan speaking as a local scientist, and now today on affordable housing. Under the watchful eye of this elected Council, gentrification, discrimination, displacement has occurred unnecessarily and without cause. It seems that you are aware of this but it's not the first time. Without the support and protection of this City's elected officials, we deserve representation that sees this coming and acts ahead of the crisis. What we have heard is \$30 million to help. That's 18% of what 33,000 estimated displaced people have spent of their own money on moving and transportation expenses. We're looking at \$165 million of what our people have spent.

What Council has suggested is that their hands are tied and that you have limited power. It's a good thing that we have plenty of power. Rent control must find its place within these halls. Councilors, I ask for a volunteer, and this is the offer. I have secured an affordable housing unit to occupy for a term of three days. Amenities include a locking door, heat, running hot and cold water, and 100 square feet of ample living space. We will provide the address along with security codes for the bathrooms and laundry facilities. Mr. Novick, would you care to make use of the key for a few days? Mr. Mayor, would you take residence here? Any volunteers?

Hales: Thanks for the challenge. We'll see who takes you up on it.

Fritz: I actually lived in a place like that when I first moved to this country for quite some time.

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Anderson de Beaulieu: OK. Well, I don't hear any volunteers. So by decree the people's right to their city, remember this: you are hereby resigning yourself to replacement in the next elections. Thank you for your service. This is your notice.

Hales: Good afternoon.

Steve Messinetti: I'm Steve Messinetti, CEO of Habitat for Humanity, and on behalf of Habitat and families we serve, thank you -- the co-sponsors, especially -- for due diligence on your staff's work in bringing this quickly through. Habitat encourages your support of the increasing of the TIF set-aside for affordable housing. With this additional subsidy, owning a home can be made possible for hundreds more low income families and families of color.

At a time when finding an affordable rental seems impossible for so many of our low income working families, it's necessary to remind everyone in this room that home ownership is possible for a family making as little as \$25,000 a year, and Habitat is making this happen in neighborhoods all over the city.

Who has access to buying property? Our answer to the single question is the deciding factor of whether or not we get a future Portland that is equitable for low income families and people of color. This is because owning property has always been and will continue to be the single most powerful element to build social and financial equity. Ownership simultaneously and immediately builds equity while preventing displacement long-term.

I would also like to recommend, as Commissioner Fish did, that a key focus of the funds be on the development of new affordable housing units that are sized for families with children. A significant part of the crisis is that all the units being added in this building boom are high end units and are small. The creation of new family-sized affordable housing is critical. That said, I believe an unintended consequence of the creation of the Portland Housing Bureau years ago was the elimination of the City's home ownership development program.

Prior to the creation of PHB, the City had a successful PDC program whereby it issued TIF funds annually to nonprofits who developed affordable home ownership units for families earning 30% to 60% MFI. Just Habitat alone built 50 of these units in the Interstate, Lents, and Gateway areas for families under 60%. Over 80% of them were households of color. This program abruptly stopped when PHB was created, and no other homeownership units were created with TIFs since. Homeownership subsidy for the units also freeze up rental resources as households move out of affordable and subsidized housing. I thank you again for your support and encourage your support of this TIF set aside as well as the other items I suggested.

Hales: Thank you. We appreciate what Habitat does.

Fritz: Mr. Messinetti, has the Council made particular choices that have done away with that program? Why has it gone away?

Messinetti: I'm not sure. I believe it was the transition of -- the structure of PDC going over to the Portland Housing Bureau and not having a structure to allocate the development of housing. Those funds therefore have been used for the down-payment assistance programs to help a family buy an existing house, but not for the development of the additional housing.

Fritz: I know several of us have volunteered with Habitat building, so I'm -- I appreciate you bringing it to our attention, and I'd like more information on that.

Hales: I'm glad you raised it. There are a couple of side effect issues of having the two agencies. This is one. And another is that we're not as good as we used to be at doing mixed use projects because PDC isn't in the housing business and housing isn't really in the commercial development business, and so who makes sure that we build great mixed use buildings that support neighborhood life? There are some costs to the structure that

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we have now in terms of the effectiveness, and I appreciate you raising that. Thank you. Thank you all. Good afternoon. Welcome.

John Rogers: Good afternoon. Mayor Hales and Commissioners, my name is John Rogers. I'm a member of Salt and Light Lutheran Church in Northeast Portland, and a leader in the Metropolitan Alliance for the Common Good, MACG. I ask MACG leaders to stand at this time.

Hales: Thank you all for coming.

Rogers: Thank you for this opportunity to testify on the proposed amendment to the TIF set-aside for affordable housing.

We all know that today, the citizens of Portland are experiencing an unparalleled housing crisis that threatens the very heart and future of our city. MACG and its predecessor, the Portland Organizing Project, has been training and organizing citizen leaders and taking action in our neighbors for 30 years. We've trained over 2000 new leaders, preparing them to participate in the decision-making process in the public arena and to give them an opportunity to claim their voice and power and to bring positive change about in neighborhoods. In reporting our testimony and presence in numbers, at several recent public hearings, MACG has been identified as faith-based housing advocates.

While many of our 25 institutions which represent approximately 27,000 members are faith-based, MACG is more than that. It's a broad-based organization, and our member institutions include labor unions, healthcare organizations, and community nonprofits located throughout the metropolitan Portland.

We've been called housing advocates, but MACG is more than that. For many years, MACG has been organizing to create more equity communities for all the citizens of the Portland. We've organized around community health and safety, negotiating with the City of Portland \$200,000 in funding and enforcement mechanisms to restore neighborhoods by contaminating properties used in the drug use production. We've worked with unions to win 800 prevailing wage jobs in the South Waterfront development. We've secured much-needed housing for survivors of domestic violence. We worked to secure for all Oregonians access to affordable healthcare and worked with contractors, unions, and community-based organizations to bring about energy efficient improvements to Portland, and in particular to the Cully neighborhood in Northeast Portland.

But all of these actions spring from the same source: listening to our people's stories, and acting. Over time, the issues and the stories may change, but our practice remains the same. We listen to the stories and the pressures that our members are experiencing, and then we organize to take action to relieve those pressures.

Over the last three months, we've heard hundreds of housing crisis stories from our members who live in every part of the city. That's why we're here today to support the increase in the TIF set-aside assess the first step in addressing the housing crisis that threatens an ever-increasing number of people who are facing housing insecurity. As our member partners at OHSU remind us, one of the major social factors in family health and wellbeing is stable housing.

We commend the City Council, the Housing Bureau, and PDC for doing the hard work of negotiating and this ordinance, weighing a variety of needs while keeping the current crisis in the forefront. We are mindful that these are public dollars being spent and so we need more accountability and transparency going forward. We want to spend our public dollars wisely, yet creatively and with some urgency. The crisis is real, immediate, and daunting. But with every crisis, there is a kernel of opportunity. Now is the time for bold action and innovative thinking.

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We look forward to working with you, our community partners, and private developers. Together, we can find permanent funding for housing, new tools to ensure that housing remains affordable and permanent, and more imaginative ways to build it. The TIF increase is a good first step to address the crisis. Now, let's make this an opportunity to envision new housing possibilities not only for ourselves, but for our children and our grandchildren. Thank you.

Hales: Thank you very much, thank you. Good afternoon.

Francia Velazquez: Good afternoon. Señor Alcalde Hales, and Señores Comisionados. [via translator] Mayor Hales and Commissioners, my name is Francia Velasquez, and today I feel very sad. I am sad because I have no permanent address to tell you. I am sad because this feels like my life was taken away from me along with my home.

I arrived in North Portland 12 years ago with the hope of finding a new home and stability for my family. I have a husband and three children aged 17, 12, and 11 years old. We made a life here. My children were born here, they've grown up here, and attend school in the Piedmont neighborhood where we lived.

This year, our apartment building was sold without warning. They came to our home and told us that we can no longer live here. They didn't think about how this would affect us, whether we had a place to go. They did not think of the emotional and physical damage that this would cause to my family. They didn't offer us another place to rent or enough time to find another apartment. They just evicted us. It felt so unfair.

During our housing search, we met bad people who hurt our morale with negative racist comments. The stress was terrible. My children couldn't enjoy their summer vacation. The effects of stress caused one child to be hospitalized. We spent all day, every day searching without resting and without finding a place to live. We spent sleepless nights thinking, "What are we going to do? What will our future be like?"

We called the company that bought the apartment building to ask them to just give us two more days. They said no. They said that if we didn't move out, the sheriff would come and force us out. We had no alternative, we gave away all our furniture. We can survive on my husband's income, but we weren't able to save enough to store the furniture that it took us 12 years to sacrifice to purchase. We lost everything.

We are lucky to have family nearby, so we moved in with them. This allows my children to continue in the same schools for now where they are very attached. This is critical to their education and wellbeing. But it is 11 of us in a three-bedroom house. It is crowded and stressful for everyone. It's scary because we could all be evicted from the house for breaking the rules with so many people there.

I hope to find stability for my children, a place they can call home again. Please, we need more accessible, fair pricing housing. Thank you. God bless you all.

Hales: Thank you. Thank you for coming. Good luck. Hopefully -- there are quite a few people in the room that would like to help. I think you see five of them right here. Thank you. Come on up, please. Welcome and good afternoon. Who'd like to be first? Your mic is on so you might as well.

Bianetth Valdez: Good afternoon, Mayor Hales and Commissioners. My name is Bianetth Valdez, representing Welcome Home and the tireless, fearless advocates of Portland. These voices were represented to you earlier this afternoon when we presented with 300 post-cards of the many people who need a call in need of action for more affordable housing in Portland.

I would like to take the time to read some right now, and I encourage you to read some as well in your free time. These are really heartfelt stories and personal stories of many people in the community who want more livable and affordable homes. I encourage you to read them, and let this be just the first action in getting more affordable housing

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within Portland. This is not just our -- this is our first step that we have, but we have a long way to go.

One reads: I have worked with families and individuals for homeless for the past 20 years and have seen the increase due to the lack of affordable housing. I support an increase in funding for affordable housing using a larger proportion of the tax increment financing. Please remember us, the low income people of Portland. I've lived here 72 years. Housing is a human right and a mark of our civic decency to increase the access to safe, clean, and affordable housing. It is a matter of safety for all and an opportunity to say who we are as a community. Please consider this. Our city needs to work for people of all income levels. The best time to address this was 20 years ago. The next best time is now. Home is where the heart is. Don't lose the heart of Portland. Thank you for your time, and thank you for supporting the policy.

Hales: Thank you.

Linda Robinson: I'm Linda Robinson, I live in the Hazelwood neighborhood, which includes the Gateway urban renewal area. I wanted to start by saying that I was disappointed and there didn't seem to be much effort made to reach out to the people who've been involved in the Gateway urban renewal for 15 years or more. I'm not sure that there was much effort to contact even any of the people who were on that citizen advisory committee, and I'm still disappointed that they disbanded it. This would have been a great opportunity to discuss what some of the trade-offs might be -- you know, if you increase the spending that affordable housing set-aside, what are we giving up? Give us some say in which part of the budget might go away. I'm still thinking that even if they were not monthly meetings, if we had some sort of way to reach people.

Also, I just wanted to say that the East Portland Action Plan -- and a lot of us who live out in East Portland -- we are trying to prevent displacement. We haven't gentrified yet. We're trying to put things in place, put affordable housing permanently in place so that when we do, when the prices do start going up in Gateway, we retain the affordable housing that we have. So, we're not against affordable housing.

But when you look at Gateway and East Portland, very few households there make more than the median family income. I mean, almost all of the housing that exists in East Portland is affordable housing by the nature of the fact that it's cheaper there, which is why people are moving there. So, we have a lot of affordable housing. What we need is to put money to build more affordable housing, put money into rehabilitating and converting some of the privately-owned properties so that they stay affordable housing when and if the other rents begin to rise. So, if you're going to put more money into affordable housing and Gateway, I prefer to see it go into that way -- to rehabilitate, make better some of the older housing that we have, and keep it so that it stays affordable housing in the future.

And one other concern of mine is that the work session that I saw -- PDC said that they would put the affordable housing on the property adjacent to the new Gateway park, which will be built starting in March or April. That's not consistent with the master plan that many of us spent a long time developing. There are other PDC-owned properties in Gateway. This is not the place for affordable housing. We need to put what was planned there so that we can generate more TIFs so we have more TIFs so that you can put into affordable housing. We don't have much of anything that generates TIF, and that project was designed to generate TIF and should stay that way.

Hales: Linda, let me offer reassurance from my perspective, and that is what each district is contributing to this effort varies widely, obviously, from district to district. The proposal was that there would be an additional two million dollars --

Robinson: We don't have a lot --

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Hales: I understand that, so each for their ability. But also, how we address the affordable housing need in each district doesn't have to be the same. So, it does not have to be a generic project -- in fact, I guarantee it won't be.

Robinson: Which is why I wanted to emphasize what our need in Gateway is.

Hales: And we've heard much of the same from Lents -- that they have a specific action plan, they have certain things that they want to see. And so our commitment here is that yes, we're going to raise the total amount of commitment to affordable housing, how but how we do it in each district really needs to be involving people from that district, as you mentioned, and won't be the same because of the market conditions are wildly different in different parts of the city. Pearl District and Gateway are in a little bit of different situations in terms of market, so let's get real about that and have a strategy that makes sense in each case.

Robinson: Right. And it could be part of our prevention of displacement goal.

Hales: Yeah, good point.

Fish: Linda, can I ask a question? I have a recollection -- we were involved in that master plan for that park, the Gateway park. There was a park, a plaza, and then there was a building, and that building was originally conceived of as being office space, and --

Robinson: Originally, but then it was changed that it would be housing because we wanted to have eyes on the park in the evenings and weekends, but it was talked about being primarily market rate housing -- which incidentally, Gateway is affordable housing at this point -- but could go up with the market, but maybe with some affordable units in it.

Fish: But what happened to the concept of mixed use, ground floor commercial?

Robinson: It's supposed to be ground floor commercial, but the two -- the proposals that came in when they put an RFP out were all for nonprofit use of that space, and what we really wanted was a restaurant that would look out onto the park, we wanted businesses, commercial in that.

Fish: I thought -- and again, I'm a little out of date on this, but I thought that we were trying to activate the plaza and the ground floor both for some commercial vitality on that commercial strip, but also to provide eyes and ears.

Hales: We are, that's why neither of those proposals was accepted.

Robinson: Right, exactly. We went through two rounds because all the proposals that came in were nonprofit use of the ground floor level.

Hales: We're not there yet.

Fritz: And I've been working with Commissioner Saltzman and his staff in discussions with Parks as well to maybe to pull back on the current request for more proposals on that site. One of my thoughts is let's wait until we've built the park and people will see how spectacular it is, and potentially we can get the market rate or even government offices or something there. I really appreciate you raising this point because on that particular site, yes, there's big dreams, and it needs to be a catalytic --

Robinson: It's really the focal point of the whole corridor.

Hales: Yes, it is. We'll keep working with you and get to a good result. Thank you. Welcome, good afternoon.

Zoe Taylor: Hi, I am Zoe Taylor, and I moved to Portland four years ago because I wanted to live in a progressive city and also one that has no snow. [laughter]

Hales: We'll try to make good on both.

Taylor: OK. I'm the face of white privilege. I own a luxury condo in downtown Portland, I have a pension, and social security. I have Medicare and health insurance. But guess what? It's not just about me.

Shelter is a human right. I'm grateful for all that I have, but what about the rest of the community? I was a struggling single parent in the 1970s, but I had the baseline

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privilege. And despite the discrimination in housing and employment, that baseline allowed me to succeed. I raised my son to serve his community and thus, I am a mother of a veteran Portland police officer. I give back, I volunteer at two shelters, I donate to various local NGOs. I don't just wait for the government to act. But what I do as an individual is just not enough.

You on the Council must ask yourselves, what kind of world do we want to live in? What kind of city? We must ask -- we must ask, you must ask -- what about the other 99%? What about the workers who serve us? What about those who do the jobs that we cannot or do not want to do? What about those whose hard work makes our work and our lives possible and comfortable? On our Justice Center, the words of Martin Luther King Jr. are inscribed: "injustice anywhere is a threat to justice everywhere."

So, members of the City Council, please show fairness, compassion, vision, and love. In addition to approving the increased TIF set-aside, continue to work the housing for everyone. Higher-end housing may support our tax base and our public image, but housing for everyone supports our humanity. We need more than band aids, we need substantive and continuing action, and we need it now. Take up that challenge that was alluded to before -- the opportunity that the current housing crisis office. Just do it, and walk the talk.

Hales: Thanks very much. Welcome.

David Kingham: I'm David Kingham, Lutheran Memorial Church. I work with like the church unit, and also I work with giving children food and stuff every week, every Tuesday -- so about 50 people -- so it's something I try to work with on that. Thank you for the Council for working with the homeless people also.

Hales: Thanks very much, and thank you all. We have a few more signed up? Peggy, are you still here? OK. Diane, you may get the last word. And not for the last time.

Diane Linn: Good afternoon, members of City Council. Diane Linn, Executive Director of Proud Ground. I was going to make the joke, it's not often that I get the last word in a situation like this.

Hales: Sorry, I stole your line!

Linn: [laughs] But that's fine. I will make it brief, mercifully, for all of you and for all of us, but I do want to thank you for the progress that we have made today. In this last window of time, we've just really had a momentum going, a focus on this incredibly important issue.

I just again want to thank Commissioner Saltzman for taking the lead on the nexus study. That's obviously a very important kind of calibration of exactly how much we really can generate out of the development of commercial that is going to require, hopefully, that workforce and housing balance that we all believe so much is important. And at the same time, I think that we do need to keep a full court press on the legislature to remove those barriers. I mentioned it before, we have more work to do. We may have an opportunity to close the door on it, remove that barrier in the 2016 session. We'll be in touch with you about our approach to work on that together. Almost an insult that the legislature would stand in the way of -- [indistinguishable] -- like yours to at least be able to apply these tools.

I just came back from a national conference with colleagues across the country, and I'm telling you, there are jurisdictions that are creating hundreds of units of housing using inclusionary zoning and linkage fee tools, so I think that we're going to need everything that we can get.

I'm also here to reinforce the message that you heard from Steve Messinetti at Habitat for Humanity about the home ownership component of the housing continuum. Absolutely focus most attention on the most needy -- I did that when I was in public office and I honor all of you for doing that, too -- and at the same time, we've got a look at the

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holistic kind of comprehensive need to help people move out of the subsidized rental -- which can be very expensive -- when they are ready and stable into home ownership opportunities and instead of having them compete in the rental market that's almost impossible for a lot of families. As Steve said, we are creating opportunities that will stabilize families once and for all, anchor them in communities, and allow those children to go to the public schools and stay put for the duration. It's a lifecycle kind of solution as opposed to these continual efforts to just hope that the transition is going to work for families.

So, there was a lost in translation problem I think with the home ownership program between PDC and the Housing Bureau. No one's fault specifically, it's just -- I think that it is something that we would really love to talk to you about because I think we could do a better job of being creative at leveraging all those resources. I spent much of my career, as you know, in the homelessness arena and have a deep commitment to that. It's not to take a cent away from that effort, it's to be creative with leveraging what we can bring to the table at Proud Ground and create permanent home ownership and market protect the units citywide so we can reduce the displacement going forward into the future. Again, if we'd been able to plant the seeds years ago -- if can't do it then, today is as good of a day to do it going forward.

So, of course, the set-aside now increased in the different urban renewal districts is what many of us came to talk to you about, and in representing that wonderful coalition back to this, we thank you very much for being so responsive so quickly. Sometimes these things take longer, and you're responding to the crisis that the community is really feeling.

And finally, I would just say that it is going to take creativity, it's going to take partnerships, it's going to take leveraging, and we should continue our work to do it using the information we've got going forward. In order to save those very expensive units of housing for people that need them most, we've got to look up the continuum and help the families move into the most appropriate housing for them citywide at all levels of the median incomes up to 100%, ideally. So, we look forward to that continued partnership and wish you all a great afternoon.

Fish: Diane, since you had the last word, can I offer two observations? The first is that I don't think that the affordable home ownership agenda got lost in the hand-off. I think we hit the worst recession in yours and my lifetime and the housing market collapsed. So, I think that the opportunity to implement some of those goals became compromised at a time when people couldn't get financing, and people were hammered during the recession.

I have one regret, however, and that is that we didn't take a page out of the Habitat book and do massive land banking during the recession. Habitat had John Gray's money, and John Gray's allowed them to buy tracts of foreclosed properties and in areas of the city where the developers gave up on the developing, they came in and bought it at a discount. I wish we had done a lot of land banking because there wasn't the same opportunity to get people into homes, but we could have, I think, acquired dirt at a discount. So, I regret that.

The other thing about inclusionary zoning. There are four democrats in the senate who keep us from getting the preemption lifted. My own personal view is last time we complicated this exercise by crafting a legislation and putting side boards rather than just lifting the preemption. And I'm going to be arguing that our strategy this time is lifting the preemption. But three of those democrats in the senate don't live in the Portland metropolitan area. So, it really on some level doesn't matter what we think. If we don't mobilize the people in their districts and across the state to say this is a statewide problem, we're not going to win the fight in the senate. We've got Tina Kotek in the house. We're not

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going to win it in the senate and three of the four democrats that blocked us last time don't live in the Portland metropolitan area.

So, I hope that as we look at the short session opportunities for the next biennium that we focus on a clean lifting of the preemption. Keep it simple. And I hope that we develop a strategy to appeal -- to make the case to a number of our friends in the senate that maybe still have concerns about what this means. But that will not be Portland's voices that carry that day, it will be mostly voices in places like Eugene and on the coast. I think that that's where we should be focusing mobilizing support.

Linn: Proud Ground has a contract with Lincoln County working statewide. The wonderful mayor of Eugene, Bend, places like Hood River that have absolutely no housing inventory are really attuned to this. The coalition was pretty statewide. You're absolutely right. We can discuss the political nuances of sausage-making in Salem as it goes sometimes and figure out the best path to win the day to allow us enough latitude to use this tool in Portland and statewide.

Fish: I just point out that last time, the legislation that was debated didn't have anything to do with rental housing which made it fundamentally flawed, and we didn't get past the senate where we have a majority. So, there's two pieces that we should revisit if we're going to get this over the goalpost in the short session or next time.

Linn: Completely understand, want the same thing that you do. There are reasons for that and we can discuss that offline. Thank you so much.

Hales: Thanks very much, Diane.

Linn: You bet.

Saltzman: Before we move to voting, I just want to clarify for everybody in the audience exactly what we're voting on today. So, we are voting today on the resolution to go ahead with the nexus study, the linkage fee study that will look at developments' impacts on affordable housing. And next week, as per our Council procedures, we will vote on whether to increase the tax increment set-aside from the 30% to 45%. So, just for clarification.

I just also wanted to take this opportunity to thank a lot of people that worked very hard on the tax increment set-aside, since many of them probably won't be in the audience next week when we actually vote. I want to start out with first of all, thanking the Portland Housing Advisory Commission; the Portland Development Commissioners; Patrick Quinton, the Executive Director of PDC; and Kurt Creager, Director of the Housing Bureau for their collegial work on these issues. It was not easy -- as I mentioned in my opening remarks -- to get to where we got to with 45%, and that does bring me to thanking once again Mayor Hales, but also the people who work behind the scenes to make us look good, and that's people like Kimberly Branham, the Deputy Director of PDC -- I hope I got your title right -- Julian Detweiler of the Mayor's Office, Sonia Schmanski in Commissioner Fish's office, and last but not least Shannon Callahan in my office and Brendon Finn. Couldn't have gotten there without the dedicated work of all the staff who helped to push us, the electeds or the appointeds, across the finish line in this great compromise. Thank you very much.

Fritz: Commissioner, is there a reason we can't add an emergency clause to the second ordinances?

Hales: So long as the Council would like to do that.

Saltzman: If we're unanimous, I guess, yes --

Hales: Let's take action on resolution because that does not require any amendments and we'll see if we have a motion to add the emergency clause.

Item 1122 Roll.

Novick: I wanted to add to Commissioner Fish's frustration about the tools that we don't have. We don't have inclusionary zoning until we get some of those four Democrats to

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switch or if they are replaced or get some Republicans. I look at the housing market, and it seems that we have all these rich people moving to Portland and buying houses at really expensive prices, and I think wouldn't it be nice if we had a luxury tax on houses above, say, half a million dollars. But we can't do such a luxury tax because the voters of the state a couple years ago passed a ban on real estate transfer taxes. I've talked to some legislators about asking the voters if they would consider the taxes only when houses are above 500,000 or, say, a million. So it would be interesting to see if they act on that.

It's also frustrating that the operations of Measure 50, the arcane property tax limitation that was passed in 1996, prevents us from getting the full value of the housing appreciation we've already seen on regular property taxes in recently gentrified areas. We have this ridiculous situation where taxes are much higher in East Portland than they are in expensive, recently-gentrified areas of inner east. If we had the full tax benefit of that gentrification, we could devote more resources to affordable housing.

So, absent those tools, we have to look for other tools, and I was excited when I heard about this linkage fee. I think I first recognized this as an option when Joe Zehnder told me about it when we were both on a trip to Toronto a few weeks ago. I applaud the Commissioner and staff for their creativity and hope this will be a valuable tool. Aye.

Fritz: Commissioner Saltzman, I especially appreciate that this study is done within existing resources -- that clearly, it is a priority to get the data which would supported any fees on this linkage plan, so I very much support this. Aye.

Fish: Thank you, Dan, for bringing this forward. This is one of a number of innovative ideas that you've spearheaded as the Housing Commissioner, and I am frankly proud of the work you have done, particularly in the last two months, and I'm pleased to vote aye.

Saltzman: Aye.

Hales: Thank you very much. It's courageous and creative and will make a difference. Aye. Is there a motion to add the emergency clause?

Fish: I move to add an emergency clause.

Fritz: Second.

Moore-Love: We need some language for that.

Hales: We're just adding the emergency clause.

Moore-Love: But we --

Fritz: Because --

Hales: Oh, a justification? Because there is a declaration of a housing emergency, we add the clause to this ordinance.

Fish: Karla, thank you for keeping us on the straight and narrow. [laughter] We are very lucky to have Karla.

Saltzman: It passes with a straight face test with her -- [laughter]

Fish: She does a superb job in her capacity. Thank you, Karla.

Moore-Love: You're welcome. Thank you.

Hales: Now we can take a vote.

Roll to add emergency clause.

Novick: Karla, just to reassure you, we won't start declaring an emergency on every topic that we want to add an emergency clause to -- this is I think a unique case. Aye.

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

Hales: OK, and now on the ordinance, as amended.

Roll on Item 1123 as Amended.

Novick: I am incredibly impressed by the all the work that people have done in the past few weeks. I really appreciate the fact that staff and fellow Commissioners did a great amount of outreach. I know that there's people in the Lents area and Gateway areas that are still worried, but I think that some of them were reassured. I'm concerned by the case

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that Frieda Christopher from David Douglas made, so we are not making everybody happy. This is not a perfect process, but also not a perfect situation. I also know that people thought it would be nifty to get to 50, but 45 is, obviously, significant progress.

So, I wish that we were not facing this housing emergency at all. I wish that there were easier ways to deal with the problem. I recognize people have legitimate concerns. But this is an important step. It will create housing units. I very much appreciate the work of the bureaus and the advisory committees and all of the advocates and Commissioner Saltzman and Commissioner Fish and the Mayor and Commissioner Fritz for working on this. Aye.

Fritz: I appreciate all the work of the staff in the Portland Development Commission as well as the Housing Bureau, but particularly all the input we received from the community and from each community that's affected by this. I appreciate that the resolution, the ordinance is now more nuanced and looks at specific urban renewal districts. Thanks as always to the League of Women Voters for weighing in with their advice.

I hope -- we have heard a lot of concern about the advisory committee being now a citywide advisory committee, and it seems to me that reconstituting the Gateway, Lents, and Interstate urban renewal committees in a different format, perhaps, and perhaps through the Portland Housing Bureau specifically to guide these changes forward, would be, yes, more work in the near term, but in the long run would help to make sure that the communities have their voice and that they know what's happening and that they know which order it's happening in. So, I urge you to consider that as a process to move forward. And I dedicate my vote to Gretchen Kafoury. Aye.

Fish: I began today thanking and acknowledging the people who brought us this day, and again, I want to thank the Mayor and the Housing Commissioner, my colleagues, MACG, the PHAC, all the advocates who have been pushing hard for us to step up and address this challenge, each of you who have taken time from your day, the Welcome Home coalition, all of the heroes in the field doing the hard work that have caused us to take this action.

This is not new money per se, this is reprioritizing existing money. So when we hear the voices of people saying "we need new money," let's remember that we are reprioritizing existing funds to meet a crisis, but we're not yet at the point where we have robust new money. And we desperately need new money.

I'll close with a story. I start every day at Peet's on Broadway, and early this morning I was with some friends having a cup of coffee. A middle-aged woman walked in and she was drenched because she had been outside. And she was homeless and she had a bruise on her face. And when she came up to me, she had alcohol on her breath. And she asked me for a dollar. I hesitated for a second because I instinctively want to help everyone that needs help but I also want to make sure the money goes to the right cause, and that's why I generally give through trusted nonprofits who then provide the service so that I know that the dollar is being well-spent. But she was standing there wet and cold and homeless and alcohol on her breath and asked for a dollar so I of course gave her a dollar.

When she left, one of my friends in the table said, "you know, shame on the City for not providing a shelter or a home for her and instead spending money on" and he rattled off a number of things as people often do, sort of acting in denial about the fact that we don't have enough resources as if we didn't spend money on curb cuts and if we didn't spend money on transportation alternatives, we'd have this huge pot of money to take care of everyone in need.

Well, that's a fiction. And I wasn't getting through to my friend until I changed the frame of the comments, and I said, let me put it slightly differently. The federal government is subsidizing your home and your second home. And it's a lavish subsidy, because we

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allow you to deduct your mortgage and your property taxes. And you're getting one of the greatest gifts that you can get in our country, because you don't need it, but we are subsidizing your home and your second home and we are not providing the money for this woman. What's wrong with that? And I have to say, it caused us to change the frame of that conversation and it changed the outcome of that conversation.

We are a very generous nation in subsidizing the housing of people who don't need it, and we are awfully parsimonious when it comes to providing homes to people who desperately need them. We are going to take more urban renewal money today and we're going to allocate to housing, and I applaud Dan for brokering this deal. And we're going to take general fund money through the fall BMP in the regular budget and put it in housing and it will come at the expense of other programs. But we will not fundamentally change this debate until the federal government asserts its obligation to provide federal support for housing and until we have a new revenue source.

I will remind everyone here that there is only one issue that we have not heard in any of the debates at the federal level to date -- only one issue that I can remember on either side, and that is the role of housing in America.

So, I applaud the action today, and with the tools that we have, I think that we're acting responsibly. But let's not forget that in America, the biggest housing subsidy goes to the people who need it the least, and the greatest need goes unfunded. And until we change that dynamic, we are going to be moving the deck chairs on the Titanic to address this crisis and we will not be able to make the kind of serious social change that I think that we all support. Today, I'm proud to vote aye.

Saltzman: I very much appreciate the Council support for increasing the tax increment set-aside from 30% to 45% and generating some 63, 64 million dollars of additional investment in affordable housing. I do pledge to the Lents and to the Gateway neighbors that much like as Bishop Steven Holt suggested that we take the North/Northeast oversight committee, expand its membership, and use it to provide us good input on how we spend those additional housing dollars in a way that's conducive with the hopes and aspirations of the geographic areas, which includes not only things like home ownership, but also issues around acquisition and rehabilitation versus new construction, and to have those things factored in before we make the final budget allocations under this new amount of money being dedicated by the City Council today. So, we will have that process, and we'll figure out -- we don't have the North/Northeast oversight committee in Lents or in Gateway, but I think that we have -- I know that we know the people there to contact to get the feedback that we need as we craft these plans, and we will do that starting tomorrow. So, I appreciate everybody's support and this is a significant increase in the amount of money dedicated to affordable housing, and I pledge on behalf of myself and the Housing Bureau that we will spend it wisely and effectively. Thank you. Aye.

Hales: I'm very proud of this City and this City Council. It was exactly three weeks ago that we declared a state of housing emergency. Government doesn't often do this much in a lot longer than three weeks, and there's more that we will do together because there's more to do. There are people outside who need to be in shelter, there are people who are losing their apartment because of a renovation or a sale or a rent increase or 30-day eviction that soon will not be a 30-day eviction also thanks to this Council in that same three-week period. I'm proud of the fact that we have focused on this emergency together, and together with a lot of people in the community. I want to thank you who are advocates for this.

And I want to second some of the comments that my colleagues have played starting with taking off, Commissioner Fish, on one of your points. And that is, it's important to remember that the federal government -- when I first arrived, most of what we were

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spending on housing was community development block grant money coming from the federal government where that no longer amounts to much, and the City wasn't dedicating property tax dollars to affordable housing like we are. It's important to remember that's what we are talking about here. These are property tax dollars. We call them TIF, but that's property tax dollars that are simply channeled through a different ditch to a different bucket. But they're the same property tax dollars, and they would be going to police, fire, parks, libraries, mental health, and schools if they weren't going down this channel. But I'm really proud of the fact that we have both reduced the size of that flow -- because last year, this Council adopted a proposal that I brought forward to go from 11 urban renewal districts to nine and put 800 million back on the tax rolls. That was a good move, and it was the right focusing of PDC on things that matter, and this is another one. We're focusing the resources that we have on things that really matter.

There have been a number of numbers thrown around today. It's important to remember with this addition, we will now be at \$270 million of that particular bucket of property tax dollars that we call tax increment financing going into housing. That's an impressive accomplishment, and we should be proud of that. And as Commissioner Fish said, we're going to find more dollars in our general fund and anywhere else that we can -- including a tax on demolitions that will be coming back to this Council in a few weeks -- to pay for home ownership opportunities and other housing needs. In effect, this Council is taking the cash drawer that we have and shaking it upside down and finding every dollar that we could possibly find for housing. But we have to find additional dollars and in addition to this, and maybe from a source other than property taxes for a change. So, that's why these discussions about what the legislature should set us free to do and we might do under the nexus study we approved this afternoon might lead to. Because there is not much else in that drawer after this good work. And I'm proud of the good work, but I think that we know that it's not enough. But it's a lot, and I am proud of this, and I think it's going to make a difference for a lot of people.

I think all of us have in recent months and weeks just met individual neighbors of ours who are victimized by this huge economic change and who are being left behind and who are scared, and in some cases, who are homeless or facing homelessness. So, this is real and it's personal for those folks, and I hope that it's personal for all of us. It is for the five of us, I think as you can tell, and I'm really proud of that. Thank you all. Aye. We're adjourned.

At 4:46 p.m., Council adjourned.