



CITY OF
PORTLAND, OREGON

**OFFICIAL
 MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **15TH DAY OF JUNE, 2016** AT 9:30 A.M.

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

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

On a Y-5 roll call, the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
661	Request of Michael Withey to address Council regarding affordable housing (Communication)	PLACED ON FILE
662	Request of Michele Beauchamp to address Council regarding the City enforcing the noise compliance ordinances and rules in Old Town (Communication)	PLACED ON FILE
663	Request of Glenda Hughes to address Council regarding small business and contracting with the City (Communication)	PLACED ON FILE
664	Request of Charles Johnson to address Council regarding ransom and extortion near vacant lot (Communication)	PLACED ON FILE
TIMES CERTAIN		
665	<p>TIME CERTAIN: 9:45 AM – Appeal of Kegan Flanderka, Works Partnership Architecture against the Design Commission’s interpretation and enforcement of Section C2, Promote Quality and Permanence in Development, specifically in regard to the proposed exterior cladding material for Jupiter Hotel expansion located at 910 E Burnside (Previous agenda 651; Hearing introduced by Commissioner Saltzman; LU 15-276553 DZM) 1 hour requested</p> <p>Motion to tentatively grant the appeal with modification and amend Condition B of the Design Commission’s decision to read “the alternate exterior cladding option of metal shingle in a dark grey and 26 gauge is allowed, or Malarkey asphalt siding in a dark grey or black”: Moved by Fritz and seconded by Hales. (Y-5)</p>	<p>TENTATIVELY GRANT THE APPEAL WITH MODIFICATION; PREPARE FINDINGS FOR JUNE 29, 2016 AT 10:35 AM TIME CERTAIN</p>
CONSENT AGENDA – NO DISCUSSION		

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666	Appoint Aubré Dickson, Jenny Glass, Paddy Tillett and Ty Schwoeffermann and reappoint Dion Jordan to the Portland Parks Board (Report introduced by Mayor Hales and Commissioner Fritz) (Y-5)	CONFIRMED
667	Reappoint Dan Saltzman and Julie S. Young to the Portland Children's Levy Allocation Committee for terms to expire June 30, 2018 (Report introduced by Mayor Hales and Commissioner Saltzman) (Y-5)	CONFIRMED
Mayor Charlie Hales		
668	Reappoint Sue Dicile to the Mt. Hood Cable Regulatory Commission for term to expire June 30, 2019 (Report) (Y-5)	CONFIRMED
*669	Approve grant agreement with Worksystems, Inc. for the SummerWorks youth employment program and Black Male Achievement Initiative within City Bureaus for summer 2016 for an amount not to exceed \$484,000 (Ordinance) (Y-5)	187813
*670	Authorize an Intergovernmental Agreement with Portland State University for the Springwater Corridor project for an amount not to exceed \$54,000 (Ordinance) (Y-5)	187814
Office of Management and Finance		
671	Extend term of franchise granted to Northwest Metal Fab & Pipe, Inc. to construct, operate and maintain a conduit system within City streets (Second Reading Agenda 615; amend Ordinance No. 180044) (Y-5)	187815
Commissioner Dan Saltzman Portland Fire & Rescue		
*672	Ratify Settlement Agreement with Portland Fire Fighters Association that requires payment of \$38,627 (Ordinance) (Y-5)	187816
Portland Housing Bureau		
*673	Amend subrecipient contract with Transition Projects to add \$348,500 for additional rent assistance for housing placement and prevention, emergency shelter staffing and operations, and the Rent Well Landlord Guarantee Fund (Ordinance; amend Contract No. 32001169) (Y-5)	187817
Commissioner Steve Novick Bureau of Emergency Management		

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*674	Apply for a grant from the Oregon Military Department Office of Emergency Management for their Emergency Management Performance Grant Program in the amount of \$811,786 for administering an integrated all-hazard emergency management program for the City of Portland (Ordinance) (Y-5)	187818
Bureau of Transportation		
*675	Amend contract with Bicycle Transportation Alliance for Safe Routes to School bicycle and pedestrian safety education for an amount not to exceed \$300,000 (Ordinance; amend Contract No. 30002664) (Y-5)	187819
676	Amend Intergovernmental Agreement with Oregon Department of Transportation for design of the Burgard/Lombard at North Time Oil Road project (Second Reading Agenda 625; amend Contract No. 30003916) (Y-5)	187820
677	Implement the temporary suspension of system development charges for the construction or conversion of structures to accessory dwelling units (Second Reading Agenda 626; amend Code Section 17.15.050) (Y-5)	187821
Auditor Hull Caballero		
678	Certify abstract of votes cast, proclaim measure approved at the Municipal Non-Partisan Primary Election held in the City of Portland on May 17, 2016 (Report) (Y-5)	ACCEPTED
REGULAR AGENDA		
679	Assign certain City owned property, at Swan Island Lagoon, from Environmental Services to Parks and Recreation (Second Reading Agenda 630; Ordinance introduced by Commissioners Fish and Fritz) (Y-5)	187822
Mayor Charlie Hales		
680	Proclaim results of the Municipal non-partisan Primary Election on Measure 26-173 Temporary Motor Vehicle Fuel Tax for Street Repair, Traffic Safety (Proclamation)	PLACED ON FILE
Bureau of Police		
*681	Authorize a grant agreement with LifeWorks NW for the use of U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance Grant Program funds in an amount not to exceed \$220,000 for agency personnel expenses for the New Options for Women program (Ordinance) 10 minutes requested for items 681-682 (Y-5)	187824

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<p>*682</p>	<p>Authorize a grant agreement with LifeWorks NW in an amount not to exceed \$100,000 for FY 2016 agency expenses for the New Options for Women program (Ordinance) (Y-5)</p>	<p>187825</p>
<p>*683</p>	<p>Authorize an Intergovernmental Agreement with the State of Oregon for the use of U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FFY 2015 National Sexual Assault Kit Initiative Grant Program funds of \$125,657 for grant program expenses (Ordinance) (Y-5)</p>	<p>187826</p>
<p>*684</p>	<p>Amend a grant agreement with Central City Concern to extend for four years at a not to exceed amount of \$8,522,821 to provide services through the CHIERS van and Sobering Station (Previous Agenda 635; amend Contract No. 32001249) Motion to add emergency clause: Moved by Saltzman and seconded by Fish. (Y-5) (Y-5)</p>	<p>187827 AS AMENDED</p>
<p>685</p>	<p>Amend an Intergovernmental Agreement with the Multnomah County District Attorney to reimburse the Police Bureau for overtime costs of officers assigned to the District Attorney's Office as investigators (Second Reading Agenda 636; amend Contract No. 52652) (Y-5)</p>	<p>187823</p>
<p>Office of Management and Finance</p>		
<p>686</p>	<p>Amend Portland Tourism Improvement District code to revise the periodic sunset review and administrative cost provisions, provide a new definition, add appeal procedures, and correct references (Second Reading Agenda 609; amend Code Chapter 6.05) (Y-5)</p>	<p>187828</p>
<p>Commissioner Dan Saltzman Portland Housing Bureau</p>		
<p>*687</p>	<p>Accept three federal grants total \$1,023,071 from the Department of Housing and Urban Development for Continuum of Care planning, the administration of the regional Homeless Management Information System, and OTIS supportive housing programs (Ordinance) (Y-5)</p>	<p>187829</p>
<p>Commissioner Steve Novick Bureau of Transportation</p>		
<p>688</p>	<p>Appoint Kyle Collins, Jonathan Bolden, Idris Khoshnaw and Mark Leutwiler to the Private For-Hire Transportation Advisory Committee for terms to expire March 31, 2019 (Report) Motion to accept report: Moved by Fish and seconded by Fritz. (Y-5)</p>	<p>CONFIRMED</p>
<p>689</p>	<p>Vacate NE Alderwood Dr north of NE Alderwood Rd subject to certain conditions and reservations (Second Reading Agenda 647; VAC-10099) (Y-5)</p>	<p>187830</p>

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<p style="text-align: center;">Commissioner Amanda Fritz</p> <p>690 Accept the report and recommendation to extend and modify the Early Agenda Pilot Project through December 21, 2016 (Report) 10 minutes requested</p> <p>Motion to accept report: Moved by Fish and seconded by Fritz. (Y-5)</p>	<p>ACCEPTED</p>
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At 11:49 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **15TH DAY OF JUNE, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5. Commissioner Fish teleconferenced at 2:00 p.m. and left at 3:00 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council at 2:00 p.m. and Susan Parsons, Acting Clerk of the Council at 3:00 p.m.; Kathryn Beaumont, Chief Deputy City Attorney at 2:00 p.m. and Heidi Brown, Deputy City Attorney at 3:00 p.m.; and John Paolazzi, Jason King and Mike Cohen, Sergeants at Arms.

S-691	TIME CERTAIN: 2:00 PM – Adopt new and amended supporting documents for an update of Portland’s Comprehensive Plan; accept report of the Citizen Involvement Committee; and amend certain Ordinances (Second Reading 659; Ordinance introduced by Mayor Hales; amend Ordinance Nos. 185657 and 161770) 1 hour requested for items S-691 and S-692 (Y-5)	Disposition: SUBSTITUTE 187831
S-692	Adopt a new Comprehensive Plan for the City of Portland, Oregon, which replaces and supersedes the Comprehensive Plan adopted with Ordinance 150580 and amend certain ordinances (Second Reading 660; Ordinance introduced by Mayor Hales; amend Ordinance Nos. 161770, 165861 and 177028) (Y-5)	SUBSTITUTE 187832 AS AMENDED
*693	TIME CERTAIN: 3:00 PM – Update Collection and Foreclosure code to align to changes in ORS 205 and 223 (Ordinance introduced by Auditor Hull Caballero; amend Code Chapter 5.30) 1.5 hours requested for items 693 and 694 (Y-4; Fish absent)	187833
694	Foreclosure List Report 2016-01 (Report introduced by Auditor Hull Caballero) Motion to accept the report: Moved by Saltzman and seconded by Fritz. (Y-4; Fish absent)	ACCEPTED

At 4:08 p.m., Council recessed.

June 16, 2016

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **16TH DAY OF JUNE, 2016** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, and Saltzman, 4. Commissioner Novick arrived at 3:20 p.m., 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Judy Prosper, Deputy City Attorney and Mike Cohen and Jason King, Sergeants at Arms.

The meeting recessed at 2:59 p.m. and reconvened at 3:00 p.m.

695	TIME CERTAIN: 2:00 PM – Accept 2015 Arts Oversight Committee report on the Arts Education & Access Fund (Report introduced by Commissioner Fish) 1 hour requested for items 695-696 Motion to amend AOC Metrics Committee Analysis Year 3 to update with current data: Moved by Saltzman and seconded by Fritz. (Y-4) Motion to accept report: Moved by Fish and seconded by Fritz. (Y-4)	Disposition: ACCEPTED AS AMENDED
696	Establish criteria for assignment of delinquent Arts Education and Access Income Tax accounts to outside collection agencies (Resolution introduced by Mayor Hales) (Y-3; N-1 Saltzman)	37213
697	Direct the Bureau of Revenue and Financial Services Revenue Division to report on options for a permanent resolution to the issue of the five percent cost limitation on administration of the Arts Education and Access Income Tax (Resolution introduced by Mayor Hales) (Y-4)	37214
698	TIME CERTAIN: 3:00 PM – Establish a Construction Excise Tax to fund affordable housing initiatives from an Inclusionary Housing Fund (Ordinance introduced by Commissioner Saltzman; add Code Chapter 6.08 and Section 5.04.530) 2 hours requested	PASSED TO SECOND READING JUNE 22, 2016 AT 9:30 AM

At 5:15 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.

June 15, 2016 9:30am

Hales: Good morning and welcome to the June 15 meeting of the Portland city council. Would you please call the roll?

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

Hales: Before we begin, this morning we need to take a moment, I think, we had a terrible tragedy, in our country once again involving gun violence and hatred. And the worst yet of this seemingly endless parade of awful incidence, and the latest in Orlando, our flags are at half mass at the president's request, and also at mine. For the city flag and we are flying the pride flag with the city flag. Let's take a moment of silence for all of the victims and families and for the city of Orlando. [Moment of silence] thank you very much.

Fritz: mayor in recognition of some of the representatives in congress have walked out after the moments of silence. I am wondering if we could have a short discussion of what else we might be able to do.

Hales: I appreciate the fact that they did that, and this council should be proud of what we have accomplished so far, in our advocacy for gun insanity. There is more to do and we are going to be working on our legislative agenda for the next session over the next few months. I certainly hope and expect that we'll have issues on that agenda that deal with the gun violence, particularly, assault weapons. That would be one thing that I would put on the table is that we should not regard the progress that we made at the legislature on guns. So far I appreciate closing the background check loophole, and I appreciated closing the domestic violence loophole. But wished not regard that as finishing the job.

Fritz: Right, and we have had some additional successes in the hot spot zones and in parental responsibility, locking things up. I would really appreciate the city attorney looking into are there other things that we can do and can we tax assault rifles even if we can't ban them?

Hales: I like that idea, and I think that we should revisit that.

Fritz: If there is anything that we can do to push the limits, something for the courts to see if it is legal. As we said when we were honoring the victim's gun violence last, just last week, when we had the orange day, I think it was? We need to do more, it's clearly not getting any better. It's getting worse.

Hales: I like that suggestion. I will draft and share a memo to the city attorney asking for options on what the city might do, and even where the gray areas are because we are somewhat preempted by state law from taking action on issues related to guns, but I don't think that any of us want to concede that we are completely preempted.

Fritz: Let's think of something that they have not preempted and do that.

Hales: Right, yeah. Yeah. Let's explore that, and when Martha Pellegrino gets back, we should enlist her in that work as well. Steve, other thoughts?

Novick: There is another issue that's come up in the context of the Orlando tragedy which we have, actually, spoken out about before. It is the fda guidelines saying that gay men should not donate blood. I think that we passed a resolution on that topic last year, the fda has somewhat modified the position, and now it's -- you can't do that if you have been sexually active in the past year. But there is increasing metabolic evidence that that is not

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necessary, France doesn't do that and Italy doesn't do that. So, I think that we could reiterate or call for a change to that. I called the white house, the fda is part of the Obama administration and I called the white house comment line at 202-456-1111 to say that the president should talk to the fda about changing the ban because one of the things that happened is that a lot of -- it was the gay men a general response to Orlando was to try to donate blood, and they learn the blood was not wanted. And that's really sad.

Hales: Good point. Good point. Other ingredients we might put on the table? That's very helpful. We'll follow up on both of those in terms of the legislative agenda, and also, I ask, I will also ask the crime prevention folks and the police bureau for some thoughts that they might want to add to our mix. As a city, we should do everything that we can, as a city, and actually, I am on but the button -- there we go. I thought I was on, and we will look for every opening that we can run through, and try to run through it.

Hales: Great, thank you. Ok. We have some communications items up front and then we will get to the consent calendar, I have any request to pull items as of yet, is that right? Let's take the communications.

Fritz: I am thinking that's going to be a record.

Hales: It never happens. Let's take item no. 661.

Item 661.

Hales: Good morning, Michael, come on up.

Michael Withey: So this topic is about the emergency relief efforts like how homer Williams has been proposed. There is, actually, that spot, 50-acre spot on front street. There is, actually, another program that was planned by architects, Snip dog hotel hired an architect to design an emergency relief effort. Much like you say after natural disaster, I personally have set up four of them, three after Katrina and one after the hurricane Ike, so I know that these work. Unfortunately, they are intense, and they are in barrack-type tents but run by professionals, volunteers and professionals, not sort of like what you would see at hazelnut grove, which is somebody with a murder conviction is on the actual permit. So we kind of want to do away with those types of emergency relief efforts, it's nice that they have somewhere to go but it's not going to help get to where they need to be. So we suggest that you guys pay close attention to what they are suggesting. And I think that I have, actually, brought it up to josh, maybe he's talking to Cory about it. Not sure. But the 100 million deal with this is not feasible. So we are for the professionally run homeless camps. But our organization is not really for just letting anybody pitch a tent anywhere that they please, because it's not really helping them get off the street. Second thing that I would like to bring up, is now that we have included, inclusionary zoning, I hope that you work together to, actually, stretch those boundaries as well. That's about it home and garden thank you, Michael, and appreciate your advocacy. Thank you. Ok. 662.

Item 662.

Hales: Come on up. Good morning.

Hales: Good morning. Welcome.

Michele Beauchamp: I'll be really brief. I just would like to encourage the requests.

Hales: Get closer to the microphone.

Beauchamp: I would like to encourage the request or beg if needed that the city follow and enforce its own rules and ordinances that have been brought forth regarding the noise control in old town Portland. I have resided there since august of 2015, and music has just, is constantly emanating up to seven nights a week until 2:00 a.m. So --

Hales: This is from the clubs?

Beauchamp: Yes.

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Hales: If you have a minute while you are here at city hall would you do me a favor and do this issue a favor and stop up at my office and talk to chad Stover. Chad has worked on a lot of old town issues on my behalf, so that he's somebody who might be helpful.

Beauchamp: Thank you.

Hales: Thanks for coming. Ok 663.

Item 663.

Moore-Love: She had to reschedule.

Hales: 664.

Item 664.

Hales: Good morning.

Charles Johnson: Good morning, commissioners. For the record I am Charles Johnson. And obviously in light of the tragedy in Orlando I want to thank you for your moment of silence, and I particularly want to thank commissioner novick for raising the fda's harsh and non-productive blood exclusion in the context of the fact that what happened is 49 queer people were slaughtered by a person who should never have had access to a gun. But so we have two extremely important issues, actually, even more than that. We have homophobia and violence that was -- incident that one person that came up that was attacked here in Portland but I feel safe, and thank you, mayor, for coming to the vigil on the night after the event, in front of the embers and working with the police department to close down Broadway so that thousands of people could gather in the community and say that we're going to do everything possible to make sure that every gay and lesbian and trans-queer person feels safe and wherever else that we can have effect. The gun safety issue I know has been a long struggle and different people on different you know, worry about one issue, eclipsing another. We all have to work in the area that's closest to our heart. When I wrote this and I talked about extortion and ransom, that was probably the day that miss Barbara kite came and spoke to you about the property at 7707 southeast alder where a beautiful historic tree has been taken down and 12 condos are going to get sandwiched into a very mixed neighborhood of people of diverse economic background. I can't speak totally to the racial and ethnic diversity in the neighborhood. But there is some risk with the projects coming, that the city will lose the diversity. Occasionally, there are high income people of color with tech money that dart from San Francisco and the Silicon Valley, but we want to make sure that as we grow the city, we have thoughtful and aggressive policies to prevent a white flight to Portland. We don't want a white flight. We want a diverse worldwide community of open hearted, non-homophobic and racist people to come and find ways to fit into mostly our existing neighborhoods. As Mr. Novick points out, growth is coming and density will have to increase in some places but not at the expense of complex projects like this. As you may be aware some are calling it the death star. The yard north of the bridge where the window issue is. So, so many issues facing the city. I thank you for the work you do to talk to the individuals regardless of whether they are able to vote or not. Thank you.

Hales: Thanks very much. Ok. We have got a couple of minutes before we get to the time certain, so let's go ahead and address the consent agenda again. I don't have any requests to withdraw the items so let's take a vote, please, on the consent calendar assess printed.

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

Hales: Aye. Ok let's see. Let's move to the regular agenda and take up 679.

Item 679.

Hales: That's the second reading, roll call vote, please.

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

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Fritz: I very much appreciate commissioner Fish and Jim Blackwood on his staff working with my team. Also best staff, Eli Callison and the Portland parks and recreation Zalane Nunn and Trang Lam. It's a very significant purchase to keep this boat ramp in public ownership while at the same time providing necessary parks maintenance. Aye.

Hales: Very appreciative of this good move. Aye. Let's take 685.

Fish: It is now 9:45.

Hales: Ok, I was going to get read of the second readings, let's go ahead and do 685 and then we'll switch. 685, sorry, that was the next second reading, I believe. Ok.

Item 685.

Hales: Second reading and roll call vote.

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

Hales: Aye. Ok. Now we'll return to our 9:45 time certain. Read that item, please, 665.

Item 665.

Hales: First I believe that it's the case that both commissioner Saltzman and I have reviewed the record. And intend to participate in the remainder of this hearing if that's acceptable. Ok. And then does anyone of the five of us have any ex parte contacts or conflicts to declare? Hearing none. We're going to move back into the proceeding and allow the applicant to present rebuttal, and then have council deliberation and make a tentative decision so that one remaining item from the previous hearing was rebuttal. And now is your chance for that. Welcome.

Cary Strickland: Thank you. I am Cary Strickland at works Partnership and Architect. A brief statement. Last week we presented an appeal to you regarding the one, one of the conditions of approval on our proposed Jupiter hotel project. That condition required that we use a siding material that we feel like is not the best material for this project. And as the hotel owner, Kelsey bunker stated in the testimony that though the type of shingle may seem like a small issue, it is, in fact, a primary detail that will make the difference between a mediocre building and an iconic building. We feel very strongly that the asphalt shingle is that detail. We are asking for your approval to use this material to create a beautiful unique building that we can be proud of and will help further their business. The design commission had three concerns when they considered this material, they were concerned with permanence, quality and setting a precedent. We have proven this is a long term solution, it's a very high quality. Representatives from Malarkey were here last week and testified on behalf of quality of their material. And spoke in support of using it on this project. Even the majority of the design commissioners believe that the asphalt shingle was the better solution and were in support of the design statement. But they feared setting a precedent and therefore, choose to require an inferior product for the project. For the reasons that the commissioners stated, they did not feel like they could make a decision or a statement in support of the preferred material for fear of setting a precedent. The city council, you have the ability and the opportunity to make a more decisive statement. We are asking that you help us to pull off the best version of the project. We do need your help to push the envelope, do something a little unorthodox, and innovative and daring, but again, something that is rooted and careful thought and consideration. Thank you.

Hales: Thank you. Any questions? Ok. Thank you very much. All right. So now we reached the point in the process where the hearing has been completed and including the rebuttal and it's time for a motion for a tentative decision if someone has one.

Fritz: I have a suggestion, and that is in looking at the approval criteria for the design review there is the one that was called out, and, on C 3-1, looked through the buildings throughout the district for contextual precedent, and innovation and creativity are encouraged in the design proposals, switching hands to the district character, and we did

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hear testimony that the -- there are roofs currently clad in the similar asphalt shingle, and c2 is promoting the quality and permanence in development, and we heard that the malarkey legacy shingles are much more importantly than the cheaper versions, and plus they are a local firm. As I mentioned last week I had had a lot of investigation into roofing materials because I am planning to reroof my house. And independently somebody who was not connected with these, that are the projects, had told me about the malarkey siding, which is more permanent and good quality, so my suggestion is to honor the design review, the design commission and did have a preference for the asphalt, as far as I can gather, but we're concerned about setting a precedent and also concerned about the quality. If we were to change the condition of approval to specifically allow the malarkey legacy shingles and I would suggest that we keep "or the metal" because as the hotel owner said, if it turns out it does not work she will be the first to want to change it because if you have an unattractive hotel facade that people are not going to like it. So I would suggest that we leave in that they can change to the metal as specified by the design commission, but allow them to have a try of the malarkey legacy.

Hales: So it would be under this change, would be their option, ultimately in the construction of the project is to which material to use but they are authorized to proceed with the shingles that they want.

Fritz: These particular kinds, yes.

Hales: Asphalt shingles.

Fish: Mayor my preference is just to uphold the appeal. I thought that the hearing last week was extremely helpful in framing the issues before us. I appreciate Miss Strickland and her closing statement mentioned the concerns for permanence, quality and precedent. I think that sometimes we get hung up on this notion of precedence. I think that rightly so we're worried in saying that yes, here we have opened a Pandora's Box. My understanding is that in every case like this, there is always the consideration of context. Geography and history. All the factors that the design commission reviews. I am not so concerned about precedent, I am concerned about the reverse precedent. Which is where a city that is affirmatively committed to promoting innovation. We have a successful business owner that's willing to spend a lot of money expanding their site and wants to invest in an innovative technology for siding. We have an owner that has a huge amount of self-interest to maintain the building in a very high quality condition since it's an ongoing business. And the best way to test whether this particular material works for the long-term is to allow this particular applicant to partner with malarkey, and to put the siding on the building. I fear that in some of these cases we're getting too prescriptive at the administrative level, and it feels like we're just substituting personal preference. In a case like this where you have a, an architecture firm doing first rate work in the area, an owner, developer that's willing to stake a lot of their private money on this building, a building that, by the way, is probably about 60 to 65% glass. So it's mainly a transparent glass building. What we're talking about is a minority portion of the face, and using a surface that has been used in other buildings as has been cited in the record. Although in most of the examples the entire building has been clad in this material. I think this is an example where we should reward innovation and creativity and give them the flexibility to do it, if it turns out over time, that it's -- it does not work out as planned, we can address the consequences of that, and I am not worried about setting a precedent because in fact, a one building case, study like this is inherently bound to the record, the location, the specific facts of the case. I am worried about a different kind of precedent, which is we're telling our design community, that we're not open to innovation, and I want Portland to be known as a place of innovation across the board, including in architecture.

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Fritz: With that agreement, I would propose that we amend condition b to say the alternate exterior cladding option of metal shingle in a dark grey or 26 gauge is allowed, or malarkey legacy asphalt siding in a dark grey or black.

Hales: Are we at odds here or are you two agreeing that the change that commissioner Fritz has just suggest idea is permissive and therefore giving the applicant --

Fish: Can you read that again?

Fritz: The alternate exterior cladding option of black metal shingle in a dark grey or 26 gauge is strike "required strike asphalt composition shingles is not approved" and say is allowed or malarkey asphalt siding in a dark gray or black.-- could I have a second?

Hales: I will second that.

Fritz: The design commission -- it is important to have the colors and textures. That's a lot of what the design commission does. As with you, commissioner Fish, I think that we should allow the innovation but I don't think that we should have them come back but give them the other option that they can go back for what the design commission suggested, which was the metal shingles.

Fish: Because I have -- I am operating today, mayor in a fog bank. And a lot of medication, I would want to know from the applicant whether that change satisfies the issue that they have asked for us to address.

Hales: Is that all right with you?

*****: Yeah.

Hales: All right. So we have a motion and a second. Any further discussion on -- so were going to -- this would grant the appeal and change the condition of approval has an iterated by Commissioner Fritz. Ok. Roll call on that tentative decision with findings to follow.

Fish: Thank you, and thank you commissioner Fritz. That seems like a, the right approach here, and I found that the hearing last week fascinating. I am glad that we have the chance to be the backstop occasionally on these design commission processes because I think that ultimately that's the right outcome, as well. The concerns that the design commission raised are valid. I appreciate within their discretion the way that they focused on the three issues of permanence, quality and precedents, and I also appreciated the applicant's testimony and passionate belief that this, actually, using this surface can make this a distinctive building that is in addition to the east Burnside district in which it falls. I also appreciate in taking the action that we are today we're signaling that we want to see innovation. We want to allow things to happen that are outside the box. And that we should not be constrained in every instance with the concern that sets a precedence because while everything is, essentially, precedent, it does not set the mark for every other project which follows. And I think that the best way to test drive this is to let this developer use the material, and there was a concern raised about quality. I was persuaded when the hotel operator testified that, that she had probably a greater commitment to quality than anyone in the room since her business depended on people wanting to pay a lot of money to stay in a building, and presumably that building needed to be in a first class condition if people were going to continue to come so I found that compelling. Good discussion. I think that it's the right outcome. I am pleased to support this approach. Aye.

Saltzman: I want to thank the design commission and our staff, who staffed the design commission for the hard work that they do and the long hours that they put into that job. I do think that in this case that the fear of a precedent shouldn't stifle our ability to be innovative and to try and do building materials, especially given the testimony last week about its durability and permanence. I know commissioner hales and I met with the design commissioners some time ago to talk about the concerns about the issues they struggled with. We were talking about the new affordable apartments being constructed at the former

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site of the St. Francis Park. I remember I think the chair of the design commission saying how they had to struggle on that project -- which is 12 blocks from the river, with the goal or standard that they consider the proximity to the river in approving the design. So they often given criteria that really require some head scratching to figure out how that applies to a particular project. And I think that this one is closer to home. Permanence of materials and durability, and is something that they wrestle with every day, and it's not as abstract as the proximity to the river for affordable apartments 12 blocks east of the river. So as I said, I think that it's not establishing precedent. It is allowing for subjective determinations by the council, and I think that this is appropriate decision to make. I think it is within our abilities to be subjective. To be, you know, to heed the design standards and recognize that the standards don't always answer the question. That's why the design commission is there and why we're here when somebody makes an appeal of a design commission decision. So I am pleased to support this appeal. Aye.

Novick: I really appreciate the discussion, and I really look forward to seeing what the building looks like with this material, aye.

Fritz: Thanks very much to staff and to the design commission for all of your good work and to the applicant for pushing the limits a bit and to see what we could do that would be different but high quality, and I want to emphasize that I believe it's within the design commission's purview both to set the standards for exterior materials and colors and such and also to be aware of when precedent is being set. Every design review is inherently setting some kind of a precedent because of the subjective nature of the approval criteria and the design guidelines, so thanks very much, and look forward to seeing the project. Aye.

Hales: What an indication of health, this is -- that is we're having this discussion in this way. As it happens I had an early morning conversation upstairs with a group of people here studying Portland from the state of Santa Catarina in Brazil. And I told them, I think, part of Portland's success is that we sweat the big stuff and small stuff, and mentioned it by happenstance we would have a design review case, and our comprehensive plan on the council calendar today. The big picture for 20 years and a quarter block so we're sweating the big stuff and the small stuff. And I think that that's part of the success. This building is innovative, and that's good. Our criteria should allow the new, as you said, so I support this appeal. The design commission does do a great job. They are heavily loaded right now, so I appreciate their amazing volunteer service, as well as our staff. Again, we also appreciate the quality of the design community producing innovative buildings. In each case it is not necessarily our personal preference about what materials were used but whether they meet the criteria. I think these do and also the building does an especially good job of transparency at street level, which is always an important criteria for me that the pedestrian needs to be the first class passenger in our city. Every building needs to support and respect that. I think that this does. Finally I want to say that each of us on the council has our strengths and weaknesses. Some of us are better at things than others but commissioner Fish I have to say that even with the cold that was the best and longest speech about architecture that I have heard you make, and I was really impressed. I agree with you. Aye.

Fish: I can refer you to the prescription drugs I'm taking.

Hales: Whatever it is, it's working, yes.

Fish: That would be helpful.

Hales: Thank you so much, and we'll come back with findings.

Linly Rees, City Attorney's Office: So typically we'll -- we would like to come back in three weeks, this one is minor. We also have 120-day issue, it would be great for staff if

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they had two weeks that would require the applicant to extend the 120 days by a week. That was on the 29th for final adoption of the findings.

Fish: This is the moment where being gracious gets you extra points.

Hales: Ok. Do we have a solution?

Rees: On the record, the applicant has agreed to extend the 120 -day clock until the adoption of findings on the 29th and then the final order, maybe we can arrange to have that go out very quickly thereafter.

Fritz: Is it the council clerk or the city attorney wants my language written on it.

Moore-Love: It will be 10:35 on June 29th, time certain.

Hales: Thank you very much. Let's go onto the next item, which is 680.

Item 680.

Hales: While this is a particular happy occasion I have the official documents here, from the results of the election, it says whereas the council of the city of Portland referred to the voters of the city at the municipal non-partisan primary election held on May 17, 2016, and measure with ballot title caption motor vehicle fuel tax for street repair, traffic safety, and such measure was designated as measure 26-173, and according to the official canvas, 108,191 votes were cast in favor of the measure and 99,294 were cast against the measure, and now therefore it is hereby proclaimed by the mayor of the city of Portland that the measure with the ballot title captioned temporary motor vehicle fuel tax for street repair and traffic safety has been enacted and had in fact, I think that we should suspended the rules and celebrate and thank commissioner novick.

Fritz: Yeah. [applause]

Novick: Thank you, I want to thank the voters for approving this measure which will enable us to repair streets, and to fill in gaps in the sidewalk, and address the dangerous intersections, and especially in areas around schools, so that the kids can safely walk and bike to school. They will make it safe for seniors to walk to the bus stops, and the areas where again we have gaps in the sidewalk along the busy streets and dangerous intersections. I trust that as the people of Portland see what we're able to do, with the funds from this tax, a lot of the people that voted against it will come to think it was a good thing, and they want, I want to thank the coalition of folks who supported the campaign. The Portland business alliance, advocates from east Portland, advocates for bicycle and pedestrian safety. The cities own unions. There is a broad coalition that supported this effort, and I am particularly pleased because a couple of years ago, or a year and a half ago, we had kind of two camps, among people that agree we needed to do something about street repair and traffic safety. There are a bunch of folks who thought that we should spend the overwhelming majority of the money on street repairs, and there was a bunch of folks that this well, we need to spend at least half of it, on the traffic safety measures and disagreement about what the particular revenue collection measures should be. We had a lot of discussions amongst everybody who agrees that we did, we had revenue for the street repair traffic safety, and we had a meeting of the minds, and a coming together amongst those different groups, and they were able to see each other's perspectives and ban together behind there measure. So it's been a long process, but a very important process and a successful process, and I am just pleased as all get out.

Fish: Mayor can I just make a few comments? First, Steve, we have a double debt to you because you took on this challenge while you were also on the ballot. This required you to spend a lot of time that you would otherwise be spending on another election on this particular issue. We owe you a great debt for that, and for the sacrifice that you made. Second, I am not saying that my family swung the vote for you. I will, I will point out that the two other voters in my household who were living in Europe did get their ballots back in time.

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Hales: Ok.

Fish: We are happy to contribute three votes.

Hales: That's great.

Novick: And thank them.

Hales: That's great, good work. Thank you very much. Ok. 681 please.

Moore-Love: Do you want to read 682, also?

Hales: Yes, please. Those two together.

Item 681.

Item 682.

Hales: Ok, I understand the sergeants staples is here, and there he is. Come on up, please.

Hales: Good morning.

Norman Staples, Portland Police Bureau: Good morning, sir. I'm sergeant Norman staples with the sex trafficking unit. And for the past few years we have partnered with life works northwest. And in helping rescued women and women of victims of sex trafficking to life works northwest for helping them to get out of the life of sex trafficking, for chemical dependency and mental health treatment. Kendra Harding is here to talk about the life works.

Hales: Thank you.

Kendra Harding: I am the program coordinator for the options program, and for those of you who may not know, the details about the program, we have been partnering with the Portland police for many years to provide the services for the case management mental health services and chemical dependency for women who have been affected by the sex industry, and experienced exploitation. In our program we are proud to say that we have a survivor on staff who can connect with them on a peer level, and take them to a lot of different community events and meetings and things that they want, they would not otherwise be able to do, if they did not have that support from a mentor. We also have a variety of group therapy that can provide them support and services when exiting the life of the prostitution through mental health and chemical dependency needs as well. So, they are with us approximately five days per week, so we have a lot of engagement with the women that we serve, and we have a variety of court mandated women who come to our program, as well as a variety of self-free for all women, as well. So even without that court mandate a lot of women are seeking our services and where will getting what they need. We have women who graduate who have had jobs that they have never been able to achieve and gone back to school and they have completed their probation, which they have never done in the past, and getting off paper for the first time which is a huge success.

Hales: Thank you. Questions?

Saltzman: I am just curious, we fund this had program, I think, what five, maybe, six years.

Staples: Yes, sir.

Saltzman: And are we seeing more or less survivors than in the last year or two coming through the program? Not a function of the program, just trying to get a picture of what's going on out there.

Harding: It's been about consistency, and that's through more women here in, hearing about the program and coming to us, to our self-referrals, so it's been the numbers have been, I would say, consistent. Steady over the five years or so?

Saltzman: Ok.

Fritz: I am guessing that's because you are full all the time, right?

Harding: Full all the time?

Fritz: Are all your beds occupied?

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Harding: Yes.

Hales: With the program fully staffed up?

Fritz: Is there a waiting list?

Harding: No. -- We are an intensive outpatient program so they don't live on-site with us but we can respond and get them in for services within 48 hours.

Hales: That's good to know so you are not turning anyone away? That's great.

Fritz: And there is the residential components of it.

Harding: Lifeworks has a residential program, project network. If we do have someone who may not benefit from an outpatient level of care, we do have the option to connect them to a residential program within lifeworks.

Hales: Other questions? Thank you very much. Thanks for being here. Anyone else want to speak?

Moore-Love: I have two people signed up.

Mary Eng: Good morning, city council. My name is Mary Eng. Is the time rolling? I would love to meet with the lady who just spoke, I missed her name, and sergeant staples, and talked with them and get some cards so I could pass them out on a voluntary basis if I happen to find someone who may need that. I appreciate your interest, and I think what we have in the Pacific Northwest is an opportunity to move towards a full pattern of what is described in sex trafficking as the Nordic model. There is a vibrant debate going on between people who want decriminalization, of sex such as the sort of German Wal-Mart kind of brothels, where sex trafficking is rampant and at an all-time high and the Netherlands' model did not work and perhaps it was a noble experiment but I tend to go towards the Swedish model where a lot of women who have exited sex trafficking have come forward and described the incredible amounts of violence that they have suffered. With amnesty international, the no amnesty for pimp's campaign to working on the fact that amnesty has been invaded by the temp agencies who want to promote the commodification of women's bodies and it's coming from an inherent gender basis which has been active in Norway and Sweden and this is moving to England. The labor opposition may move to say decrim. He you will -- all want decriminalization of sex trafficking but the question is what attitude are we going to have towards pimps or johns. Within the government of England we have notorious cocaine addicts running [inaudible], whose sex work, I don't care for that work, I apologize, has written a book about his drug addiction, and we have such a lack of leadership, and I think that the only way that we're going to get through such difficult issues is for more heroic survivors to come forward, and share their stories, and I am excited about the fact that there is a survivor on staff because I think that people really feel alone when they are trafficked, and often there are issues with refugee status and documentation status with passports being held, and I think I will let it go and thank you very much. It's lovely to see all of you.

Hales: Good morning. Thank you.

Laura Vanderlyn: I am at a loss of words.

Hales: Put your name in the record.

Vanderlyn: I am an artist and I'm at a loss of words. We are talking about people vulnerable, women that are vulnerable. And you have -- you hired you hired people that came into the city. You hired people that came into the city. To reach out to the community, and you hired those people. Rosenbaum and Watson, llp. That are supposed to train our police officers to work in a crisis situation. You hired them, sir. I know you've been watching the meetings. Your commissioner was there. It is a zoo. A lot of those people may be victims of sex trafficking. They are being attacked. Rosenbaum and Watson are creating a mental health crisis, and you are doing nothing about it. Nothing,

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nothing. You have security people walking around and harassing people, and what are you going to do about it, sir?

Hales: Thanks, this is --

Vanderlyn: What are you going to do about it?

Vanderlyn: These are victims.

Vanderlyn: I still have one minute. Don't interrupt me.

Hales: Go ahead.

Vanderlyn: You were there Commissioner Fritz. Why are you smiling at me? I am not smiling. This is not funny. People are being arrested for using their first amendment rights to speak. For airing their grievances. You sat there, just sat there, the entire time. That whole thing is supposed to be about community engagement. You just sat there. And thanked Watson and, and Rosenblum and Kathleen Sadat. Thanked them for their work. It was a circus, a circus. A circus. A circus. A circus, and you sat there and thanked her. You, sir, brought them into this city. From Chicago, from Chicago, and you hired them, you, and you are still working with them. You are getting are ready to hire another with them. Without the consult of the people. You better listen to the people.

Hales: Thank you very much.

Charles Johnson: Good morning, commissioners, for the record I am Charles Johnson, and as commissioner Fritz, I am much more satisfied with your question and attentiveness pointing out that lifeworks northwest has a program offering inpatient program but I think that confusion, the lack of specific numbers, makes it -- we have had a nebulous discussion about there is a nonprofit, running a program or two, and they are helping some of the women that are stuck in a horrible situation. No specific numbers, other than the money. And you are all elected with the fiduciary duty to take care of money, to provide the maximum good to the maximum number of human beings. The human being number is the number that I wish had been more a part of this presentation. To know how many women have, have recidivism is a crappy word for the situation but it may be applicable. How many people have been successfully able to reboot their lives and work in a career that's the career of their choice without exploitation and oppression from men, that's what we want life works money to do, certainly I am in favor of you voting for this program. As the previous testimony indicated, we had a settlement hearing about, or a program that came out of the department of justice, the United States of America, versus the city of Portland, for problems with police misconduct, impacting mentally ill people and people appearing to have mental illness. Two people were removed from that meeting, in handcuffs, arrested, and booked, instead of just given citations they were run through the booking process in the county jail. Six months ago, a person in crisis here, Mr. Barry Joe stull had, what was clearly a psychiatric related mental health episode, and we, as a city, criminalized it, and paid for a person who got stabilizing housing, federally financed to also sleep in the jail for 77 days. And then get booted back out on the street, fortunately his supportive housing was still there so we still have hard work to do to make the rubber meet the road for best expenditures and best services to the people in crisis. But please do vote for this so that all those women who are stuck in whatever situation, whether it's on 82nd or wherever the other hot spots are, regarding you know, human trafficking brought to this area, I came to Portland by choice and I am thrilled to be here, but it's painful to know that there may be women, essentially, in slavery that need to get connected with this program. Thank you.

Hales: Anyone else? Okay am these are emergency ordinances. 681.

Fish: Aye

Saltzman: I want to thank sergeant staples and the officers who work in the sex trafficking or human trafficking division of Portland police bureau. Also I want to thank lifeworks

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northwest for running a program. I have had a chance to visit this program early on, from its inception and I think that it has a successful track record of helping women to find life off the streets, and we need to continue. It's a very tough challenge to get women into different, more productive lifestyles. There is a lot of issues around it, and its tough work so I think that lifeworks and Portland police have the right approach here. Which recognizes these women are survivors and they need support to be successful. Aye.

Novick: Aye.

Fritz: I very much appreciate all your work, and I appreciated the mayor as police commissioner that this wasn't considered as a cut, and when the police bureau was looking at the budget, as it has in the past, and it does help about 100 women and girls every year, and there need to be options for people to be able to escape the misery, and abuse of sex trafficking, so thank you for providing this funding and thank you for your work. Aye.

Hales: This approach, the police bureau is taking, and this partnership with lifeworks is one of the better things, I think, that's going on in the public safety in our city, and treating the victims of this traffic as victims and then focusing on the crime of purchasing sex, rather than on the victim of trafficking who may be providing sexual services. So it's just an enlightened approach, and I appreciate it, and it's a couple of examples like this service coordination team being another where we focus on getting somebody out of the life, out of the addiction and those cases, out of the criminal record, a pattern, back into the community, and it takes a lot of work. It's intensive, difficult work, and life works staff do. So we want to thank you and acknowledge you for doing that work, and again I want to commend the police bureau for the whole philosophy, and consistent partnership that they have had with life works and other people in the community that want to do the right thing, and that's exactly what this is. Thank you. Aye, ok and the second one 682.

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

Hales: Aye. Thank you. Ok. Let's move onto 683.

Item 683.

Hales: There was a corrected amount there, right?

Moore-Love: Right.

Hales: Let's see, good morning was going to be here and is there someone here from the bureau on this item? Anyone want to speak on this item?

Moore-Love: Yes.

Hales: 683. Ok.

Moore-Love: I didn't have a sign-up sheet.

Hales: Ok.

Eng: I am Mary eng and I would like to thank you, even you, nick Fish, for your participation in this. The national sexual assault initiative grant program is so long overdue. I remember the first time that I was aware of the controversy in the law was when I found the Nick Christof article in the "new York times" sometime about 2009. It was something like, is rape serious? And from a personal perspective, I would like to share something with you, which I think is very graphic and very embarrassing, and very sad, but when I was abducted in Nashville, Tennessee, in 2002 in July, I was eventually taken into a medical treatment due to the fact that I was -- had aphasia. I was unable to speak I was so traumatized, I could hardly walk. I had a hostile taking fight overnight. When I was put into a hospital bed I was given a catheter to remove the urine from my body, and I was under the unfortunate impression that oh, hey, somebody is doing my rape kit. And what, actually, happened is no, I did not get a rape kit. If I had it probably would have sat on a shelf like the others, of these unfortunate victims of sexual assault. So I want to say from a personal standpoint, I felt extremely betrayed by the Nashville police, and I reached out to

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them numerous times, with witnesses, with information, and we could have possibly gathered surveillance video, and I wanted to investigate my crime. The crime that happened against plea and I was as we willing to help. And what I found was that my rape was put on the back burner. I would wait for the police to show up at the crime scene where I had the witness, ready to give testimony. And it was just -- it was a non-event, it did not happen, I was not a human, and my rights didn't matter. It was very difficult to piece myself back. I had is a very severe speech impediment, and I had anorexia. I eventually just starting eating ice cream. I could keep weight on my body but there was a lot of pain surrounding these issues and I want to applaud every woman coming forward to explain the injustice that she has experienced within the sexual assault system. I think it is difficult that we do not have women in policing. It is hard to report this to men who are, if not victim-blaming. I talked to officer mike effy, and [inaudible] and it was sergeant jenson about women in policing. They gave me the number of 16%. That needs to change. We need 50-50 and women option we need trends and everything everyone needs where anyone, including men when, or trans-people can reach out and get justice. Thank you.

Hales: Thank you. Good morning.

Johnson: Good morning. Again I am Charles Johnson, and I wish that this issue has been on the agenda here in different forms, at different times, and it has been at the county. V.a. Underhill has a district attorney to work on the improvement of processing this type of work. But it's almost maybe a mistake that we don't somewhere someone from the city auditor's office and the city attorney's office here because what's going to happen is in a few years, you all may have moved on to the next level of your careers, retirement, whatever. But the politicians who made the promises will have cycled through. We have had a lot of churn at the top of the police department, we have no idea who will be in leadership. But the liability for the city for women who don't get treated properly during their sexual assault investigation, is still there, and those are the issues that the city auditor's office looks at and the city attorney's office is concerned. We have stepped away from the headline that followed this issue for the last couple of years and that in misconduct, we did not talk about how many rapes there were but we know over the last ten years that 2,000 kits didn't get tested. That does not mean that every victim was neglected. Many of them, they pled and maybe they did not pay for the kit or whatever. The nonprofits and especially as Miss Eng and the people mentioned, survivors need to realize that they are the first line of defense and support inside situation. These chairs, that you are seated in are a four-year term, and things, as you learned during your experience, slipped through the crashes, and I am sure that the mayor was rather shocked, pleasantly surprised to discover he inherited the office of the city, that had thousands of untested rape kits and we had to wait for the federal government to find money to rescue us to process that backlog. But I want to commend you for your work and your statements to make sure that that does not happen again and I hope that you succeed in that regard. Thank you.

Hales: Thank you. Please.

Vanderlyn: Again I am an artist, and I have a hard time even trusting this, that you could make a decision for women that had been suffering from sex trafficking, when you bring in people like Rosenblum and Watson LLP into the city. To deal with people with mental health crisis. Going through a sex trafficking, young women, I videotaped a bunch of women in Vancouver that had gone through the sex trafficking that had, severe experiences. I have a hard time believing that you could make those decisions when you bring somebody like Rosenblum and Watson llp into the city who are creating a health crisis to sell their little crisis intervention team training. Into the city and into internationally everywhere. They are creating a health crisis. A health crisis. Do something. You have not shown up to those meetings. They are supposed to have a meeting with your, and the

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chief, and there is no chief now. Your chief is shooting somebody in the back and you are keeping it a secret. And you are supposed to be making these decisions. You, mayor, Rosenblum and Watson, into the city. You hired them. You hired Rosenblum and Watson llp. You hired them and brought them into the city. They are creating a health crisis. Where Amanda Fritz is part of that. She sat there and she, as she smiled at me, she sat there and thanked the chair for her abuse. You are abusing a huge group of people. You are responsible and you are not doing anything about it. What are you going to do about it, sir?

Hales: Thanks very much. Anyone else? All right. These are both -- this is an emergency ordinance. Let's take a vote, please.

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

Hales: Sexual assault is one of the most underreported crimes, in the city, it's one of the few part one crimes that has increased in the last few years, so this is important that we do a better job. Testing is going to motivate the victims to make a report, when they are victims. It will help to lead to the identification of the serial sexual offenders and provide justice and some closure for survivors. So I very much appreciate that we are doing this, and doing it the right way. Aye. Ok. 684.

Item 684.

Hales: I think that there was some questions on this last time, that's just why the commander is here, any remaining questions about this?

Moore-Love: We have an emergency clause.

Saltzman: I would move that, the emergency clause.

Fish: Second.

Hales: Ok, motion to add the emergency clause? Roll call, please.

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

Hales: Anything you need to enlighten us about before we take action? Ok. Let's take a vote.

Rees: Just for practice in terms of an emergency it's a good idea to state the reason for the emergency so that could be added to the ordinance is there a section that has been provided to the council clerk?

Saltzman: I think there was a section 2 provided. I can read it. It says the council declares it an, that an emergency exists because the city needs to act promptly to ensure could not newt of this program. Therefore the ordinances shall be in full force and effect from and after the passage by the council.

Hales: That's because it's June 15, and this fiscal year starts in two weeks.

Hales: Roll call, please, on the now emergency ordinance.

Fritz: Do we have to take testimony first.

Hales: I don't believe so it's the previous agenda, right?

Moore-Love: Yes.

Hales: You had a hearing so we are ready to take action.

Moore-Love: We did not call for testimony. We just immediately passed it on.

Hales: I am sorry. Last week I was not here so there was not a hearing last week?

Moore-Love: No, we just read the title.

Hales: Ok. All right. Commander anything to add before? We do need to have a hearing, so anything that you want to tell us about this program?

Sara Westbrook, Portland Police Bureau: This is a continuation of the contact of central city concern for chairs and the sobering grant, and extends to 2020.

Hales: The amount that's shown is four years' worth of services, right?

Westbrook: Correct.

Hales: Ok.

Hales: Great, thank you very much and we'll see if there are any questions, anyone?

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Fritz: I have a question about, does the contract allow for the variation should it be found that we would like them to do transportation for things other than taking people to the sobering station?

Westbrook: No, I think that would be a bigger question. The -- it comes down to authority, most of the time, so there is an authority that they are given in order to take somebody on the civil hold of this but not for any other --

Hales: This raises an important question which I think that we need to discuss which is once the unity center is open, and there is a need to transport the people who are in a mental health crisis to the unity center.

Westbrook: It's my understanding that that's, that's all been, ambulances are going to be doing that.

Hales: Only ambulances?

Fritz: That's the current plan, which is very expensive, and since we're paying for cheers, it would -- I would like to have some discussion as to whether that could, used to help the people get to the unity center.

Hales: I would, too. I would, too. And an ambulance is both expensive and forbidding as an environment. So maybe we could do better than that.

Westbrook: All right.

Hales: So let's discuss that more with the council and also, obviously, the county since they are the keepers of the contract before that, before that October opening. Thank you.

Westbrook: I think if you could, you can make amendments, I am told.

Hales: Cheers will be operating assess, per this agreement unless we change it, right.

Hales: Thank you.

Hales: Anyone want to speak on cheers?

Moore-Love: Three people signed up.

Hales: Ok, folks, you need to focus on the subject of cheers.

Eng: Absolutely. Hi, council, it's nice to see you, I am Mary Rose Lenore Eng. I want to talk to you about an experience that happened that would have been a place where I would have liked to have been able to say hey, Sara, can you help me here? So, and imagine this, I am standing outside of a hotel, and on May 7, 2015, and I hear a loud clatter, a man is like squealing, like oh, and like as loud as he can, and I start to hear crashing. So I run, and to the edge of where this crashing is. My goal is to run into the fire, not away from the fire. So I go and I am thinking, oh, no, what is it? It sounds like some kind of protester gone wild. And I get there, and I see a very thin man starting to attack cars, and he's putting his whole hand in his whole face on the car. And going oh. But, then he basically takes a dive around towards that place by the library where there is that beautiful mural of children behind a library, and the restaurant, so he's going that way, and I basically take off running, and I just happened to have my camera rolling because I love thousands of you tubes, so I got the camera rolling, and I, I recognized his face, and I say, I know him. I know him, I couldn't remember his name, it is Mr. Pato, he's a vegan and he comes from a straight edge background, and a straight edge punk background and Hindu family, and their gripe was he won't drink milk from the sacred cow, so I know that this is a good person. And so I vouch for his integrity saying that I know him, I know him. And come here, come here, and I, basically, get in between what might have been a tasing, a potentially disruptive arrest. And I start hugging him. And he recognizes me from Summer Park, he's a very lovely percentage. But it became apparent to me that he was intoxicated, and the officers on the scene, basically, gathered around me, watching like we were in the center of it. I have a friendship, and I couldn't remember his name because he had a unique nickname that he selected. I know it started with an oh, so I was trying to get his name written down, and as the car came up to take him to hooper, which is a similar kind

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of detox place the driver or paramedic or whatever he was said, do you want to work my job? And I was able to talk to an, a lady officer named Shauna who we communicated on the other crisis I was helping with at that time. So it would signify this is the day that our president, the president of the United States of America was in town about hotels, and what I take it for what a one-man riot, and unfortunately, his riot didn't work out very well, and he was intoxicated when he started it and he caused a big thing. I said you're a Sagittarius and in a Leo we are compatible, and he's compatible and I know that miss Fritz is an Aries so we are compatible in fire and I want to be a police astrologer, this is the new emerging sanity from coab.

Hales: Thank you. Welcome.

Vanderlyn: I want to know what you are going to do about the mental health crisis being created.

Hales: You need to be -- ma'am, you need --

Vanderlyn: Don't interrupt.

Vanderlyn: You hired them.

Hales: I know I did, this says about cheers. Do you have anything about cheers?

Vanderlyn: You are admitting you hired a mental health crisis --

Hales: Mr. Johnson, go ahead.

Charles Johnson: Thank you. I don't know how many people in this room are down at home are aware, cheers operates at least one van, and that's going to need to come up in the discussion, it's a, an \$8 million contract and of course, services, all I care about, the effectiveness of the services, and 20 parks van or one. But, I would hope that as we work through the police union negotiation, I think that we have had some progress there, and there is also a review in this world, called Portland police bureau, where I was pleased to have the acting chief come to the vigil, speak before and after you, and she can, as she's done with the recent decision of the citizen's review committee, the committee said oh, they screwed up and it's going to the city council, and the very next day, wisely, even if it deprived us of a valuable hearing, they said no, it's not going to the city council because we're going to take appropriate disciplinary action within the department. So as we have this thing where we have people testifying about what's at the coab --

Hales: I need you to focus on cheers.

Johnson: Well, cheers is going to be coming to the coab. If we can't get traction with Rosenblum and Watson -- So cheers and we have also -- you personally before I came up here and before the artist made her testimony the unity center and ambulances came up, so this \$8 million for cheers and the millions going to Rosenblum and Watson because of the, did the united states of America versus the city of Portland, there needs to be more public engagement about how cheers is effectively going to make a safe, pleasant downtown where people don't get injured but connected to the services, and how the coab is going to be become an atmosphere where people aren't driven to distress or arrest and there is progress on making sure that the mentally ill people are not traumatized anywhere in the city whether it's [Shouting]

Hales: You need to let other people speak. Let other people speak, please. Thank you.

Johnson: I am not distressed that she interrupted but I am through with my testimony.

Hales: Thanks very much. Let's take a vote please.

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

Fritz: Again mayor I am really pleased and I think it was the first budget that you did that you put cheers into ongoing funding and now that we can give him the four-year contracts, which provide the stability and allows us to have the further conversations about how we might be able to involve them even more so thank you for that. Aye.

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Hales: Cheers does good work. I have encouraged people to do a ride along with them just like with police occasionally to see how thoughtfully and humanely they do this work. I appreciate it very much. Aye. Ok did we -- we voted on 685, right? I didn't check on my sheet but I think that I did, yes, 686.

Item 686.

Hales: It's a second reading and let's take a vote, please.

Fish: Aye.

Saltzman: I want to thank Susan Harnett for her good work on this tourism improvement district, and most importantly thank the hoteliers in the city that agreed to tax themselves in order to provide more effective services to those who come to Portland for business or for pleasure. Aye

Novick: Thank you Susan, aye.

Hales: I also appreciate Susan Harnett for all her good work and for travel Portland and their work with travel Oregon and the hotels for providing extra income, aye.

Hales: It's been in the wonderful world of acronym we have bids, lids, and tids, aye. 687.

Item 687.

Saltzman: Thank you, mayor, in November of 2015, the Portland housing bureau applied to the u.s. Department of housing and urban development or hud for an ag renewal of three continuum of care grants in the amount of 1,230,071. The funds will go towards planning administration of the regional homeless management information system. And for the supportive housing programs, programmed through Cascadia, behavioral health and transition projects. We have Ryan Diebert here, if you wanted to add anything or answer questions?

Hales: Questions for Ryan. It's a nice chunk of federal money.

Hales: Thank you very much, anyone want to speak on this item and see if I can speak. Yes. Hud, come on up.

Moore-Love: Three people signed up.

Eng: It's lovely to see you, I am Mary Rose Lenore Eng. commissioner Novick, it's a pleasure to see you, Charlie hales I am pleased with your interview and Dan Saltzman, I really want to commend you for your work on housing. Nick Fish, you know we go along, maybe it's because your read your grand folks Wikipedia article, it was so fascinating but Mr. Saltzman, I wanted to offer you the opportunity to really put on your superhero cape and move forward on a level of heroism that has been unseen heretofore, and we don't know where we're going with this housing catastrophe. We have the refugee crisis in Syria, and I am sometimes impressed that the refugees in northern Europe are getting better treatment than our homeless here in the United States of America. So I want us to bring up, to bring us up to an international humanitarian aids standard where we have -- you people are force said to live in camp and is tents and they are living in very high quality, heated, with sanitation services kinds of tents. What we have got this little shamble Hooverville type of stuff is just despicable and afflicted my grandpa's organization. Why he joined the navy. I want to thank you because I think that housing and urban development needs to be expanded. We need forward thinkers like fdr who transforms the blight and poverty into productivity. Of particular, a hero that I have is Olaf palmer who for some reason gets blamed with the, with the million program, which in Sweden -- he went to Detroit, Michigan, and saw the urban blight and the destruction, the homelessness and the poverty and the rioting and the controversies and he said, I am going back to Sweden and this is not going to happen to my country. I will build housing. And the million program, I've been there and what passes for standard impoverished housing or just like a regular old blue collar worker would have, excellent windows, double paned windows and insulation and electricity and excellent water pressure. Cleanliness. Scandinavian design which

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focuses on simplicity and durability and beauty, elegance, and when I was there I felt the potential for the riots, which eventually broke out, so -- I was there in 2011, primarily. And when the riots broke out in 2013 I said I can feel this, once you meet the housing, you have to ultimately meet the human needs, if there are afflicted populations who feel alienated they need to be reached out, too, so there may or may not be within this data management systems management a way of calculating what is the amount of social workers on staff for different kinds of crisis from alcoholism to domestic violence. What is the amount of cultural centers, libraries, computers, things that are cultural center related which the Swedish term is culture [inaudible]. It's more interesting than a library and not a de facto homeless shelter like we have in our libraries where women like me are afraid to enter the libraries for fear that I will be offered crystal meth or sex sales or any other kind of unfortunate situation. Our libraries should be sacrosanct. I thank you for your work on women's issues and I wanted to reach out to you specifically about the bullying on Facebook of David kif David as a skin head who is a Jewish man. I have a Jewish great grandma, so it's hurting my heart.

Hales: Thanks, Mary yes.

Hales: You need to say what you're going to say.

Vanderlyn: I am exercising my first amendment right.

Hales: Want to do that for three minutes? Go ahead.

Vanderlyn: You hired Rosenbaum and Watson LLP you brought them into the city to create a mental health crisis so they could sell their city, crisis intervention team training. So they could sell it all over and franchise it. You brought them into the city. You sat there, Amanda Fritz, commissioner. Not one time did you stand up for the people, not one time, you stood up for them and you stood up for them, Amanda Fritz, you stood up for them. And you were at a meeting with me where you came and thanked me because I spoke up for the people. You thanked me and shook my hand and you or somebody, someone else. At that meeting the other night. You did not stand up for the people, Amanda. You didn't. Commissioner Fritz, you did not stand up for the people. Mayor hales, you are not standing up for the people when you bring people in. When you brought Rosenblum to the city to create a crisis to sell their crisis intervention training. You didn't stand up for the people, Amanda. You didn't. You are a woman. You did not stand up for the people, Amanda Fritz, commissioner. You did not stand up for the people: You just sat there, and then you thanked them for the job that they are not doing: You have not showed up, mayor hales, and listened to the people. You have not showed up at the community oversight advisory board meeting. For the people. You did not stand up for the people. You did not speak up for the people. You are not speaking up for the people, Commissioner Fritz. You were there. You were there, and there was bullying, from the board. A board member, offended somebody in public. The mayor, Rosenblum, and Watson, and the chair are all refusing to apologize. Why is that? Why can't you own what you did? Why? Shame on you.

Hales: Thanks very much. Charles. Go ahead.

Charles Johnson: Good morning. Of all those concerns, close to my heart, I am also very much on this agenda item about hmis. I don't know if you noticed but recently there was some suggestions that Russian hackers have gotten into the democratic data base about Donald trump. And if anybody wants to hack, the hmis, the homeless management information, if you are homeless in the city of Portland, you will be given a bar code that associates, we're not bar coding people but just a way to bring up the records faster. 363-805 doesn't mean a person is homeless, just in poverty and they are engaging with services at join or transition projects or maybe central city concern. I am probably not competent to speak on the broad scope of whether hmis is working and whether it deserves another million dollars. Unfortunately, nobody is here with the experience to

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Speak on the broad scope of how hmis is and isn't working, and we're paying somebody 100,000 to run transition projects, and that's ok. They are working harder than they were a year ago because we have added shelters under the tpi contracts so the guy who oversees most of the hmis stuff services related, George, his name is, the transition projects, and he also has to now deal with the shelter and the fact that our wonderful loving city, shut down the shelter in Multnomah village, they won't have to worry about it. They chased the homeless out. When you look at this item on the link, a very, at least on my phone, may be having technical difficulties a pdf comes up and I am sure that Mr. Saltzman can tell us what it is. I didn't see that, the acronym, decoded in there. It's a complex situation, as we have said in the past, we have anywhere from 25,000 to 60,000 people, 10% of the city, living in financial distress because housing costs are disproportionately high. Some of those people will go to eviction court today, and then they will wander around after their eviction happened happens and entered into hmis. So we need to make sure that there is resource systems that are there to support the work that needs to be done by the transition projects, by join, and but when we see every time you see somebody under a tarp on 5th and 6th avenue that's a sign that we are not leveraging hmis, the federal dollars to get to where we would like to be. Thank you.

Hales: Thank you. Thank you very much.

Hales: Ok. Anyone else? Let's take a vote please. Emergency ordinance.

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

Fritz: A million dollars is a lot of money but not as much as we used to get before the Reagan defunding of housing and I hope that the federal government in the next administration starts stepping up for the funding housing appropriately. Aye. Thank you for getting it. Aye.

Hales: Thank you commissioner. Aye. Ok. 688.

Item 688

Hales: Commissioner novick.

Novick: Colleagues, these appointments complete the private for hire transportation advisory committee, in January council approved 17 of the 19 members of the committee, and we planned to come back to council later after recruiting executive town car shuttle drivers for the appointments, and they vacated the institute committee. Pbot conducted outreach to the taxi drivers as well as the other drivers for these appointments, I would like to tell you a bit about these appointees today. Jonathan Bolden will serve the town car representative, Jonathan worked limo and executive sedan industry more than seven years, in Portland and Seattle and works for -- as a driver for many companies here in the Portland area, before working here, he owned a moving company and covered Washington, Oregon, California, and Idaho. And Idris Khoshnaw will be the shuttle driver representative. Idris was born in the town Cora in northern Iraq he finished a four-year degree, the college of agriculture and forestry in Mosul in 1990, and in 1996 he was evacuated by the u.s. Government to Guam and granted asylum, and settled in Portland in 1997, worked as a welder and a supervisor and a manufacturing company. He started working as a part-time shuttle driver at night. He started full-time in 2000 he purchased eagle llc with a partner five years later he opened Hillsboro car services LLC. Kyle Collins served as the taxi driver on the committee, Kyle is a driver for eco cab since they launched operations in July 2015 before working for eco cab he worked in the food and beverage industry he's been a volunteer in this community since 2008 also has experience as a tow car and limo driver. This action today also replaces Michael Huggins with mark leutwiler as the port of Portland representative of the committee mark currently works for the port as the commercial roadway system manager and oversees the daily operation of taxis, tnc's and shuttles including ground transportation. Prior to joining the port earlier this year mark

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was airport manager at Bellingham national airport where he was instrumental in rolling out a formal ground transportation program for ground transportation providers. So those are the nominees for today. Mark Williams from pbob is here to answer any questions.

Hales: Good Morning mark.

Fish: I have a question if I could. My understanding is that a number of appointees from the taxi industry have backed out and that's one of the reasons we're appointing someone else today. Can you give us an update on the reasons why prior appointees have chosen not to continue their service?

Mark Williams, Portland Bureau of Transportation: Sure, my name is Mark Williams I'm the regulatory division manager. So the original appointee was a full time college student, we didn't realize he was enrolled at the time. He applied for the position, he has since then gone back to school in south Dakota and then we outreached to some of the other taxi cab companies. We had another individual I can't remember her last name, I believe her first name was Alice and she at the last minute decided she didn't want to make that kind of commitment with the time she had and for other personal reasons. So we called a few other companies to see if they could hand pick an individual for use to appoint for the driver on the committee Kyle Collins was one who had reached out to us earlier expressing his interest in being part of this process so after all the other efforts failed I reached out to eco cab to see if Kyle was still interested.

Fish: So there's a total of 17 people on this committee?

Williams: 19.

Fish: 19, excuse me. And one designated taxi driver representative of the 19?

Williams: Correct.

Fish: So given the fact that a significant portion of the regulatory oversight of this body applies to the taxi industry, do we have an assurance from Kyle Collins that he will take this appointment and make the necessary commitment to this, attend meetings and be fully engaged?

Williams: I'm completely confident that he will be able to and he expressed interest several times that he would love to be a part of this process. He's very excited to be there. I should also mention that the other members we're appointing today have also been a part of this process, Kyle would be the only one that has not attended the meeting before. Along with Kyle representing the taxi industry we also have the owner of Broadway cab who also represents taxi owners in the industry but the industry as a whole.

Fish: I have no doubt that that's the owner of Broadway cab will be faithfully attending these meetings, I just think as long as it's clear that we're looking for someone to make the full commitment. With the prior history it's important that this person, this person fulfills a very important position on the committee, so if you're confident that Mr. Collins is ready to make the full commitment to this job I'm prepared to support your recommendation.

Williams: Thank you.

Hales: Other questions for Mr. Williams? Thank you very much. Anyone want to speak on these nominees? Okay. Come on up.

Hales: Mary you've spoken several times this morning this has to be on the subject of these nominees. Let lightning go first. He came up first. Then I'll make sure you get a chance.

Eng: I don't need special treatment. You don't have to handle me.

Lightning: My name is lightning. I represent lightning watchdog pdx. I do agree with the appointments. Again, I think I heard the owner of Broadway cab would be attending these meetings which I think is very beneficial. One of the concerns I want to just stress to the whole committee a lot of these companies at Broadway radio have taken a serious loss in evaluations of their businesses and I want it understood by the new committee members

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that we need to figure out a way we can help them recoup their losses by the shared economy by bringing in Uber and Lyft. One way I have been trying to figure that out is I think Uber just received another \$3.5 billion from Saudi Arabia. My understanding for their expansion. What I would like to propose to the committee is that make a suggestion to Uber at this time before they decide to do their ipo and allow these companies to have their built-in losses rolled into their ipo of Uber and see if Uber will look at it that time to understand it, make a first step forward on doing something great in the Portland, Oregon market by allowing some type of profit incentive that you have made a tremendous amount of money by coming into this city. When you do your ipo, and you will become your super unicorn status which you're trying to do, you will achieve that but also pick up some of the people in Portland, Oregon, which I have asked at the beginning of this and work them into your ipo, either by funding them back low interest loans long term to continue to operate and build their businesses or offer them a buy-in before you do your final ipo, to where these companies can also show a rapid increase in profits as you have done in the Portland, Oregon market by riding the backs of the traditional cab companies, taking their ideas, creating a simple app, putting it on your platform which anyone could do. The sandmore brothers, to you in Silicon Valley. Imitation is simple but step forward and show how you recoup their profits. You can do it through your ipo. Do it. Thank you.

Hales: Thank you. Mary.

Eng: Hi. My name is Mary rose and I would like to say hello, council, again, Steve novick, it's a pleasure to see you all. I would like to speak on measure 688, the measure under the bureau of transportation under Commissioner Steve novick to appoint Kyle Collins, Jonathan Bolden, Idris Khoshnaw and mark leutwiler to the advisory committee in terms to expire March 31, 2019. What I understand is that miss Fritz was isolated in her testimony and standpoint about her skepticism, which I believe to be a healthy skepticism about the uber monolith which I had no idea had Saudi Arabian funding. I find that furtherly fascinating. But the issues which company less are we have got a very impoverished generation on one hand that can't afford a taxi fare. I get that. Every gen-y, maybe gen-xer needs 7 dollar ride instead of a 35 dollar ride needs an Uber. It's like couch surfing, pirate bay, any kind of democratization of resource I get that. What I don't get is why we are not committed to women's safety, children's safety, the safety of vulnerable persons, disabled persons. I'm also concerned from a labor angle when we have cabbies or Uber cabbies getting bashed on the head by even drunk pint sized women. A woman could be furious at times if she's drunk. Did you see that on YouTube? It was wild. I understand that the taxi cab industry is very alienated and there are some people who really believe they would never trust putting their daughter in an Uber on the way to the airport. So I hope that the transportation advisory committee doesn't have any preexisting affiliations or preexisting lobby arrangements or secret pax and envelopes of cash and I find it very difficult to believe that there isn't some kinds of secret arrangement, so I unfortunately am unable to report to the public whether Kyle Collins, Jonathan Bolden, Ida khoshnaw or mark leutwiler, have any affiliation with the Uber company. I don't know if they are technologists, silicon forest people, dark ages or Stone Age people. I don't know what kinds of people they are and whether or not we should trust them but I do trust that goldsmith said he trusts black cabs in London. The man is a billionaire. I'm not.

Hales: Thank you. Charles?

Johnson: I'm going to close.

Vanderlyn: I'm exercising my first amendment right to speak.

Hales: On this subject.

Vanderlyn: I'm exercising my first amendment right to speak. I'm exercising my first amendment right to speak. I'm exercising my first amendment right to speak. I'm airing my

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grievances in a public building in a public meeting. I'm exercising my freedom of speech. I am exercising the constitution of the United States. I am asserting my right to speak. You, Amanda Fritz, did not stand up for the people. Mayor Hales, you hired a company named Rosenbaum and Watson, llp@gmail.com. Rosenbaum and Watson@gmail.com. Rosenbaum and Watson llp@gmail.com. You hired them and you're doing nothing about them. They are creating a crisis, hurting people. They are hurting people. Along with you, with your complicity, you sat there, Amanda Fritz, commissioner, you sat there quiet, complicit while people were being hurt. While people are being hurt. While people are being traumatized a man is being traumatized, being gas lighted by public officials. You all got to pay attention to this. There are people that are being gas lighted. People that are being criminalized because they are speaking up because they are using their first amendment right and they are bringing their grievances to the right place and they are being arrested. They are being excluded, dismissed, being ignored. They are being ignored. A man brought a grievance to the coab, to the meeting. It was a real grievance, reasonable. What are you going to do about it? Shame on you.

Hales: Charles?

Johnson: For the record I'm Charles Johnson and I concluded that the mike is live. You're aware of this but there may be some confusion with the way things are going so Lisa Collins was put in the hot seat by commissioner Fish but I appreciate Mr. Fish bringing that up because what he's really doing is talking about front line workers of all these massive 17 or 19-person commission Mr. Fish was kind enough to talk about the important work that Kyle Collins as a front line driver, a person dependent on this work to feed his family, are being surrounded by people in a slightly different situation. Yes, the owner of Broadway cab also has a family to feed. Actually, this commission we should think about if it is properly structured in accordance with Portland values. We have been -- we have some good signs in the market. We know that a group of primarily Somali immigrant drivers have banded together and formed their own taxi company, not on the committee yet. I have even though it's going to be a contentious election, I have good confidence in commission Novick's work to make sure that this for hire committee is as robust and effective as can be, but all of us should really be caring about business as a way to have quality of life for families to have good lives. So perhaps this committee should even have better engagement with front line drivers. I don't know if there's a seat for the people who are struggling to maybe have Uber and Lyft driving be their primary income. This three-page pdf doesn't list all the positions, only talks about the new people, somebody from the port of Portland, no comment about that although I know they are the regulatory agency for the licensing. Shuttle drivers. I thank commission Novick for his attentiveness there. Idris Khoshnaw Kurdistan immigrant to the United States. Technically Kurdistan is under the control of the state of Iran right now. Bad foreign policy by the United States, it should be a Kurdish state. That's far from the topic on the agenda, though. I want to get back to the issue of what we as a city, we as a people, you as city council and this committee do to make sure there's a robust spectrum of service jobs, jobs where people can make a living income and keep this is a vibrant, world class city, best of luck to Mr. Collins because he's under the microscope.

Fish: Can I ask you a couple of questions? I have forgotten. Maybe I need to follow up with director Treat, but do you recall what the frequency is in terms of council updates on the tncs generally and compliance with the agreement?

Novick: I think I know but I may have it wrong. Let me ask Mark.

Fish: When is the next time we get an update on all the conditions we established and compliance and whatever?

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Williams: We are looking at coming back to council in November with an update. Mark Williams, regulatory division manager. Any time council needs updated information we would be more than happy to provide that.

Fish: One of the issues that I recall us discussing and I believe commissioner Saltzman was the opponent, was the level of identification on any tnc, and I believe it was your amendment but I believe it required more than just the symbol of the company. It required a business license. I drive a little bit more now than usual because my daughter left me her car before she moved to Europe, and this obviously pervasive distracted driving on the roads. Equal opportunity. Everybody seems to be distracted, but I have noticed the significant amount of distracted driving by tncs. What I notice on the identifying on the vehicle is just either a Lyft sign or a u, and nothing else. Is there a currently requirement that the business license be prominently displayed?

Williams: Correct. What we do know what's happening is that being Lyft and Uber management has required all drivers to initially write that number on the back of their trade dress as they come in to renew they are being given a more formal trade dress. During our enforcement actions we are seeing that a lot of the drivers do have it there.

Fish: With the caveat that I may have the worst eyesight of any member of the council, to say that the lettering is small is an understatement. It has escaped my completely my ability to detect it. My recollection is that the purpose of having that information was so that a passenger, a pedestrian, another driver could get that number and then take follow-up action.

Saltzman: I think it was that and to ensure that people driving are current of their business license requirements. So it was both. The lettering is small I would be the first to admit. Maybe we can improve that.

Fish: This is not directly germane to this matter, but I have a number of concerns including the distracted driving which I think is a function of people driving with their iPhone on. Whether that's allowed or not because it's not texting but it may be google mapping or whatever is a different matter but it does promote more distracted driving. I have not been able to detect any of the business license information. Is that something that we can at least consider whether it's prominent enough?

Williams: Yes, I think we can totally consider that. I think the size of the lettering now is determined by the size of the trade dress they mass produce. They are writing that numbering at the bottom. It is the business license with the city of Portland but we can certainly go back to them and explore options.

Novick: I want to look at a font requirements that's says that everybody has to be compliant --

Fish: You're referring to the trade dress you're referring to a stick that's about that size?

Williams: Yes.

Fish: I'm not going to speak to the proponent of that amendment but I thought we were requiring something more substantial than just small print on the bottom of the trade dress which frankly looks to me more like one of those eye tests you take when you're in the eye doctor. Very rarely do people pick up that bottom line. I thought it was supposed to be something that was more easy to read for the general public and for someone --

Dave Benson, Portland Bureau of transportation: If I could -- I'm parking services group manager. When we get a compliment or complaint about a private for hire I expect most people would use a license plate number. With the number it's easily readable and if we get that information we can go right to the driver of that vehicle. I don't think it was ever our intent to use the business license number as a way for a citizen to report. Certainly they could do that, but the license plate number is slightly more effective way to do that.

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Fish: We can have this discussion. I just think it should be at least as visible as a license plate. Right now you need binoculars to pick them up.

Benson: It is very small. I have seen them on all the vehicles out there. It's within the trade dress.

Fish: What's the penalties for driving a vehicle with a trade address with a number but isn't the business license?

Williams: It would be \$50, I believe, without having the penalty table in front of me. First offense, \$50.

Fish: If you put a sticker in your car with a phony business license, flagrantly not complying with this requirement, you face a \$50 fine?

Williams: The initial fine is \$50.

Hales: It goes up after that?

Williams: I believe to \$100, then 150.

Fish: I think we need to revisit that as well, commissioner novick.

Novick: That's for not displaying. What's the fine for driving without a license?

Williams: Without the trade dress?

Novick: Without the business license at all.

Williams: The same, \$50. Without carrying your insurance, without carrying your business license on you, you have to have a paper copy on you in your vehicle, and without having the proper trade dress I believe those three initial fines start at \$50.

Hales: That does seem low.

Novick: Looking to increase those.

Fish: That's if you don't carry them with you. What if you don't have a business license?

Williams: The only drivers that do not need a business license are those actually working full-time employee. Currently that would be eco-cab and a few of the nemts out there that have full-time staff.

Novick: What if they don't have one?

Williams: You would be issued a sanction of \$50.

Fish: I think we're all in agreement that's woefully inadequate.

Hales: In general the penalty for not having a license ought to be more than the cost of the license, right? If it's cheaper to drive without one somebody might gamble that they won't get caught. I'm going to get nailed for 300 bucks for not having a \$100 license I'll probably be a better citizen.

Williams: I want to clarify that no driver is on-boarded on to the platform for uber or lyft nor will we certify them without first verifying their business license in our regulatory division. They all have them. They don't often carry that copy with them. That's what we are citing them for.

Fish: That's different. We're confident that every driver has a business license. This is about whether they adequately display it.

Williams: That's correct, yes.

Novick: Theoretically possible to get hold of an Uber trade dress and put it on their car. There should be meaningful sanctions for that.

Williams: If you go out there, you can buy these things I understand on the internet. The driver could pose as a Lyft driver but you do request those rides through the app. No person should get into a vehicle without requesting it through the app. When we conduct an audit, information that we have on within our database for that day should reflect every active driver on the road that day. We can confirm any driver on the road with an uber or Lyft trade dress just by checking into our database.

Fritz: I thought we didn't have the entire database.

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Williams: In the new regulations we made a requirement that every day they provide us a list of all of their active drivers on that particular day.

Fritz: But we don't know whether they have or not.

Williams: Yes, we see it every day.

Fritz: You see a list but you don't know whether that's the list, the whole list and nothing but the list. You find that out by audit.

Williams: We do but when we conduct our audits again we are going out there and calling an Uber or Lyft driver using the app and conducting that audit when they arrive. We also go to the airport where they are waiting in the hold lot and we conduct audits on a number of vehicles all at once.

Fish: That's helpful. Thank you.

Hales: Other questions?

Saltzman: I would like an update. I have made this request known about the 50 cent per passenger surcharge that we put in place to fund enforcement efforts. If you could provide us I would like to know -- not now but maybe in writing how much money has been generated to date.

Williams: Sure.

Saltzman: And what is the money going for.

Williams: Be happy to provide that.

Hales: Thanks very much. Is there a motion?

Fish: So moved.

Fritz: Second.

Hales: Roll call, please.

Fish: Thanks to all of the citizens who have agreed to serve in this important advisory role and thank you, commissioner novick, for continuing to make progress on tnc's. Aye.

Saltzman: Aye.

Novick: Thank you, mark and Dave, thanks to my colleagues for their questions. I did just want to explain what the rest of the membership committee consists of. I think that would be helpful we have representative of Portland commission of disabilities, an at large commissioner with disabilities, someone from the port, someone from trimet, a taxi company representing the taxi drivers, representative of the tnc driver representative, town car, executive town car driver representative. Shuttle representative, shuttle driver representative, a representative of the tour bus industry and nonemergency medical transportation company. That's how we get to 19 people. Aye.

Fritz: Aye.

Hales: One more case we depend on volunteer citizens to figure out what is the historic landmark. In this case how do we fit the new economy into an old cab system? Appreciate these folks being willing to put a lot of volunteer hours into making the city work. Aye. 689.

Item 689.

Hales: Second reading. Roll call.

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

Hales: And 690.

Item 690.

Hales: Commissioner Fritz.

Fritz: Thank you. This has been a partnership between my office and city auditor Mary Hull Caballero and Sarah Landis.

Sarah Landis, Auditors Office: Good morning. Sarah Landis, city auditor's office. I have your clerk Karla Moore-Love with me for any questions.

Hales: Here to object to the new system? [laughter]

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Landis: So we began the pilot project for early filing and early agenda release in October of last year. The Purpose of the pilot was to determine if it was feasible to produce council agenda one day earlier on Thursdays. This meant pushing the filing deadline to Monday from where it had been on Thursday. The idea was to give commissioners and the public more time to review agenda items before council meetings on Wednesdays. Over all the results of the pilot project were mixed with some benefits for commissioner's offices and drawbacks as well. The experiment was extremely difficult for council clerk and created many work flow and workload issues that could not be resolved. Monday filing deadline was generally seen by commissioner offices and bureaus as a draw back. They reported difficulty meeting the deadline for a variety of reasons and also reported they had to delay or require four-fifths approval for items that were time sensitive but not ready for Monday filings. Thursday agenda release was seen as positive by pretty much everybody because it provided additional time for agenda review. The problems for the clerks in terms of work flow were many. Created disjointed work as they handled two agendas simultaneously, this was especially difficult when one clerk was absent. Increased the number of agenda revisions especially four fifths and time certain cancellations. We found nine four-fifths items in the seven months the pilot project was running at the time we produced this report whereas in the past there had been a high of three for over the course of the entire year. There is greater risk for error and omission. There was more work after hours. There was more duplication of work. We also had some transparency concerns. Revisions and four-fifths make it difficult for the public to track what's going on. There's a risk for delay on completion of disposition documents and a correlation between the very early holiday filings and increased agenda modifications and scheduling problems down the road. The clerks feels strongly the early agenda approach as currently outlined is not sustainable for our office however we appreciate the desire to have earlier access so more review and research can take place prior to council meetings. What we are proposing is in this report that council extend the pilot project for another six months through December with the following changes. The filing deadline would move from Monday at 5:00 to Tuesday at noon. Allowing more time to submit documents. The agenda will be released as early as possible on Friday, hopefully by noon or earlier. Our ability to do this depends largely on the length of Thursday meetings and on staff coverage. We will track data to see how it goes and discuss with council at the ends of the pilot period. Finally a draft agenda could be produced and provided for council chiefs of staff Thursday evenings for additional review times. This would have to have limited circulation would be subject to change and not have supporting documents attached. The benefit would be additional time for commissioner offices to ask questions of other offices, prepare for the Friday chiefs of staff meeting and generally get ready for the next week's council meeting a little bit earlier but we are concerned about having drafts of agendas and confusion that might cause. We would have to think that through a little more but we would be willing to do that. So that is the report and the option before you is to approve the report and accept the recommendation to extend the pilot project with modifications or I guess do nothing and we revert back to the original filing deadlines and that are in code.

Fritz: I just want to add that I greatly appreciate Sarah, Karla, sue the City auditor in your patience and willingness to try to make this work and I strongly support the revised pilot to see if we can get that little bit more even a few hours of time on a Friday afternoon is good for my staff and the public. I appreciate your shared valuing of that principle.

Hales: I think this might thread the needle pretty well. The first two recommendations, Tuesday by noon filing and early Friday release of agenda, those are firm but the draft agenda to chiefs of staff on Thursday evenings is a maybe?

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Landis: I think we can go ahead and give it a try. If we run into real problems we can walk back on that. What I am concerned about is like I said multiple agendas being available and having this information for the public when they could wait six working hours and have a good, clean draft.

Fish: Balancing multiple agendas on this city council.

Fritz: The other advantage is if we have something on a Thursday afternoon council will be able to go over it the following week instead of two weeks.

Landis: That's right.

Fish: With these proposed modifications, will we likely decrease the current usage of the four-fifths agenda items?

Fish: Of all people. Welcome our distinguished clerk.

Karla Moore-Love, City Auditors Office: The four-fifths, were a real concern. A problem for us. This will solve that because we'll be able to put anything carried over from Thursday on to the next week instead of that two-week kick-out.

Fish: That's important for a lot of reasons including the fact we ran into problems with four fifths. It gets more complicated. I wanted to ask you one other question, Karla, in addition to the proposed modifications which we're going to adopt today, are there any other things that you would like our offices to focus on that make your job easier?

Moore-Love: Thank you, commissioner. What really helps is that a lot of you, most of you, when you have items for filing you bring them in early. That really helps. We really appreciate that. Checking the items for thoroughness, making sure the dollar amount is there, that what agenda you want it on is correct. A check of the backing sheet by your offices is appreciated.

Hales: Thank you very much.

Moore-Love: Thank you.

Hales: Sounds like a solution. Public will still get earlier notice than the old way of doing business and I like that. That's obviously the heart of the matter. Anyone want to speak on this item? On this item?

Vanderlyn: I'm exercising my first amendment right to speak. Exercising my first amendment right to speak. I'm using my freedom of expression to speak. I do want to thank the clerks, the council clerks, for their service. Thank you very much. Amanda Fritz, you were there at a community oversight advisory board meeting where you were complicity. You sat there silent. You thanked the board for their job. For the job that they were doing. You thanked in particular Kathleen Sadat, the chair. You saw her using her power to bully people. You saw her. I'm pretty sure that you were part of that group that decided to bring security, planned security to be there ahead of time in a public meeting. I'm pretty sure you were part of that. I don't even want to know. The conversation in those meetings is about murder. And every time we want to talk about the reality of excessive force we are shut down. Because they are trying to make the meeting nice and beautiful and pretty. We have officials that constantly show up and never engage with the public. And yet they say engagement is the most important thing. Engagement is the most important thing, the most critical thing. Captain Michael Marshman said that. Critical. Critical while he sits there every month and never engages with the public. And locks out two people and ensures they get taken away in a police car for exercising their first amendment right to speak. For airing their grievances. You -- Commissioner Fritz -- watched that whole thing go down and you thanked the chair for that type of work. Shame on you:

Hales: Thank you very much.

Vanderlyn: Shame on you, mayor hales. Shame on you.

Hales: Thank you very much.

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Vanderlyn: Don't interrupt me. I want my three seconds back. I want my three seconds back.

Hales: I'm sorry, it was beeping.

Vanderlyn: Shame on you, mayor hales.

Hales: Thank you very much. Okay, let's take a vote, please.

Eng: I'm here to speak, sir.

Hales: I thought you had, Mary.

Eng: I wasn't here -- misunderstanding. My name is Mary rose Lenore Eng. I'm here to speak on the measure under Commissioner Amanda Fritz measure 690 to accept the report and recommendation to extend and modify the early agenda pilot project through December 21, 2016 report. Here's just some friendly feedback from a consumer of the city governmental services. Or a citizen as they used to say in the French revolution times. So one thing I notice about the meetings more generally speaking is sometimes the terms are not quite user-friendly. So I had my aha moment toward the end and I was like, I get what this measure is about. It's about preparation of this Magna Carta of the meeting this. Comes out, it's also printed in our fabulous djc-oregon so any emerging activists can pick one up at the door or the city boxes and out in the hall. I just wanted to draw attention to Karla Moore-Love for her incredible kindness and sensitivity to me through my years being an activist here in Portland and applaud any measures which will help the citizens participate in governance in an expedient, friendly, harmonious way. I would also like to point out that my unruly schedule, sometimes I'll apply to speak -- don't interrupt. She's very sensitive about that and when I first wanted to speak about police brutality against a blind brain injured man who I was helping she was very sensitive about emailing a request to speak. That's fabulous but I was under the understanding from the very noted activist joe Walsh that there was some kind of move where the concept of the open mike at the meeting was in your predecessor Sam Adams, the notorious pedophile who abused that poor fellow who came out on his blog brad breed love when he was under age, the pedophile Sam Adams had removed the possibility of citizens to just come in and speak. So down at county they still have the open mike which I much prefer. Less premeditation, less written in stone. Say the tragedy in Orlando happened you can talk about that, sign up that day. I was highly move that the council in a move towards true democracy moved towards a less exclusive, aristocratic reading centric -- dyslexic people don't understand this, make it more disability friendly so we can get more opinions, more ideas, more communication styles, verbal styles, linguistic styles and get more outreach to all kinds of communities including across age groups so we can have more fun.

Lightning: My name is lightning. I represent lightning watchdog pdx. Again on this is I do like the pilot project being extended. Again I want to commend the work and efforts of Karla and the auditors which I think do exceptional work and why I say that is it's the way that they like and how they deal with the public, and when the speaker by the name of Artist is making statements to you Mr. Rosenbaum and Ms. Watts do not know how to deal with the public, and the reality is when we're talking freedom of speech, freedom of expression, trying to allow people from the public to speak, they get cut off every time they try to do that. They end up getting arrested. They end up getting intimidated. They end up receiving things over the internet of harassment, almost hate speech toward them. The realty is if you do not step in and change that immediately, in my opinion the settlement agreement and I'm hoping federal judge Michael Simon will step in and take that agreement and void it immediately and understand that you're in a position right now that if the public is speaking out against these individuals, I would highly recommend you look at making changes immediately and understand that you are still bound by that settlement agreement on how you treat the public, how you treat people that are mentally ill, how you

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allow people to exercise their freedom of speech and to speak in front of you is part of the settlement agreement itself. If you don't want to follow that, I think that settlement agreement is in jeopardy and I think it will fall apart in this will be an historic situation that takes place and it's going in that direction right now. Thank you.

Johnson: Good morning. Charles Johnson for the record. I'm both sides of these tables I'm sure we have abundant respect and love for everybody in the clerk's office, especially Ms. Karla love Moore. So that heads don't get two swollen, I will say it's tragic there wasn't a sign up sheet for this particular item. You know, there's so much work being done there. It is unfortunate that as commissioner Fritz brought this item forward, this city council has not had a public discussion about the effectiveness of the communications policy regarding democracy. It's great as a control forum for you. Today we had four people sign up for five possible slots. One slot was never filled. The four that signed up one was absent. I try not to be any more dictatorial than the mayor or any of you so I'm not telling people they have to use these spots. If they are not using them the problem maybe is not as bad as I make it sound when we come up here, but I do think on the idea of timely engagement with the public you should construct a working group and think about miss Fritz has addressed the advantage of being able to be abreast of the issues that people raise in their communications. So I don't have a definitive opinion on that, but I do think that to an outside observer, he's going to say the county has a better democratic communication process of engagement with their citizens than the way we handle open communications, so I encourage you with all the other work you have ahead of you as we adjust to this six months trial program to possibly think about that. I do think that mayor Sam Adams and his relationship with a person who was 18 doesn't rise to the level the way some people have described it. I think that was a bigger tragedy with prior marigold smith. [laughter] but we will appreciate your engagement with the public and doing better here, it's just you elected people and us and we're having a saner, less police influenced conversation than what Rosenblum and Watson was able to manage with Kathleen Sadat present, who I deeply respect her earlier work on marriage equality. This is not about demonizing people, this is getting process that works without inflicting trauma.

Hales: Is there a motion to accept the record?

Fish: So moved.

Fritz: Second.

Fish: Thank you for this thoughtful report. For the suggested modification. Karla, you don't hear enough from us how grateful we are for the professional way that you handle your day-to-day work. You have one of the hardest jobs in city hall and you perform your job with grace and with high professionalism. We're the beneficiaries. So thank you. If these modifications work then we should continue them. If in six months you believe we should do another course correction I hope you don't hesitate to come forward with those suggestions. We want to get it right. Thank you, ayes.

Saltzman: I thank the clerk's office for the outstanding job they do. Care and feeding of the city council and the public. Thank you so much. Pleased to support this correction and I hope it will improve the process and I too will be looking with critical eye five or six months from now if these changes still are causing undue problems. Aye.

Novick: Appreciate Commissioner Fritz's desire to make sure that the public has more notice of what we're doing. Actually appreciate myself, my staff knows what we're doing, also very important not to make life hell for the clerk's office. I hope that it works. Aye.

Fritz: Thank you very much to Sarah Landis, Karla Moore-Love, Sue Parsons, your team the clerk's office and auditor's office. Thank you to the auditor for being willing to try this approach to get more time for both public and council offices to see what's on the next week agenda. I particularly am thanking a jasmine Wadsworth who is off doing great work

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with the presumptive democratic nominee. I very much appreciate her three years in our office being our constituent services specialist. She knows better than anyone in my office how important it is to have accurate information going out as quickly as possible. Aye.

Hales: Aye. We're recessed until 2:00.

At 11:49 a.m. council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JUNE 15, 2016 2PM

Hales: Welcome to the June 15th meeting of the Portland city council. Before we call the roll anyone who was there this morning, the city council's been attacked by a spring cold and several of our members are suffering from it, particularly commissioner Fish, who wants to participate by telephone. Commissioner Fish is participating by telephone because of illness. Efforts to inform members of their opportunities to do this have been made. Do any commissioners have a problem? He will be included when you call the roll, please, Karla? [roll call]

Hales: Welcome, everyone, let's take up s-691.

Item S-691.

Hales: Go ahead and read 692, while you're at it, please.

Item 692.

Hales: So, as we get ready to start with the first presentation and then our action this afternoon, I want to first take stock of where we are. We've worked for a long time, as a city, to try to grow intelligently, you know, many ways, I think we wish we didn't have to grow. We certainly understand in the anti-displacement coalition which is downstairs celebrating this comp plan and acknowledge the stresses that come from growth and change. That's what we're trying to do with a comprehensive plan is management. This is a once in a generation opportunity that falls to us, to act on what Portland will be like when we're a city of 850,000 people; which is the population this plan anticipates. It has driven a lot of very hard work by citizens, by activists, by volunteers and by city staff. I mentioned earlier, these groups come to study Portland. There's one here today from Brazil and they've asked, how have you sustained this over time? I said, one, as far as I can see, we have a shared vision of what the city should be like. We disagree on some of the details, but a shared vision about compact, walkable growth, livable, access to nature, equity and a vision we try to put into words and then documents of what we want Portland to be like and we have a very strong tradition of citizen activism that pushes the city, as maybe the bicycle transportation alliance did or the anti-displacement coalition. Not just those of us make these decisions hopefully make them well, but we're being driven and pushed and challenged by citizens who care about planning and know a lot about planning. That's a blessing of being involved in Portland. I want to thank our planning and sustainability commission. The most demanding, time-consuming volunteer job in the city. The hours that these folks put in, the complexity of the work they have to do and sometimes with great controversy. I remember hearing about some propane thing where there were a few people there to talk to you, for example. Thank you, and thank you neighborhood leaders from across the neighborhoods and thinking about the big picture of their part of the city. I want to thank my colleagues because we have, as a council, but in a great deal of time on this plan. It has been worth it because of how carefully we've tried to shape this plan. And most of all, Susan Anderson, and your staff, at the bureau of planning and sustainability, great work. We have the best planners in the country and they happen to work here in the city and they worked very hard on this plan and they care a lot and you can tell by the sometimes passionate discussions we have in our offices or here in this room as we work

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through the plan. It's always a privilege to work with great people and we have them in bps. And so, with that, let me call Susan and Eric forward and others and tell us what we need to do today, to finish the job.

Susan Anderson, Director, Bureau of Planning and Sustainability: Good afternoon. Mayor haies, commissioners. Thank you so much. I want to spend a brief amount of time -- five minutes -- and tell you a little bit about my perspective on the plan. When we first set out to develop a new comprehensive plan from the city of Portland, first thing we did was look around the world and see who has done the best plans? What we found were plans around the world that focused on land use and transportation and housing and streets and sewers and it was at that point that we decided that Portland's plan should be flipped 180 degrees and we should focus first and foremost on people and create a framework to help people thrive from east Portland to the west hills and Portlandia in between. We focused on people in all types of neighborhoods and businesses and people who had not traditionally been part of the discussion before. We totally refreshed our public engagement strategy. We broadened our reach. We began to work with people that had not really been a part or not been inside of this room before, people of all races, all incomes, young people, old people, immigrants, small business owners, people with disabilities and the result is our new comprehensive plan. So, from my perspective, it's a plan that thinks big. And focuses small. It's big. It's big with results, city-wide. Looking at new opportunities for housing, jobs, affordability, environmental protection and more. But it's also small. It's focused down at unique areas and parts of the city. Each unique neighborhood and unique business and each unique area to our prime industrial lands. So as you know, the mayor just mentioned, one of the primary goals of this comprehensive plan is to have 80% of the people, by 2035, being able to live in wonderful, walkable neighborhoods, with a variety of housing types, transportation, strong neighborhood business centers. You know all of that. And we talk about it now, as if it's just something that's -- it's just how we do it here in Portland. But it hasn't always been that way. We took our first steps toward this model back three decades ago, more than three decades ago with the adoption of the 1980 comprehensive plan. It soon became a national and international model. Many of the things we love best about our city were set in motion with that plan and it's amazing, really, the great insight that they had 15 -- 35 years ago. I'm shortening history here. 35 years ago. At that time, you know, the city leaders, the community, we paused and took a look at what was happening in Portland and in so many other u.s. Cities at that time. People were fleeing, heading to the suburbs. Downtown was dead at night. Car was king. It was a different place. Portland created a plan that took us in a different direction and it encouraged housing and more businesses downtown in the central city. Today, it's paid off. It's paid off with a couple hundred thousand more people, thousands and thousands of businesses and dozens and dozens of wonderful neighborhoods. So, it's been a success. It's been such a success that we're now faced with a whole new set of problems and a whole new set of opportunities. We're popular and there's less affordable housing and there's traffic and people are being displaced. That popularity means we also have opportunities. We have highly-educated people starting up companies here. We have creativity and capacity to actually putting resources into protecting the environment and creating a low-carbon economy and we have the capacity to be a world-class city. The new comprehensive plan reflects all of these changes and challenges and opportunities and provides a framework for the next 20 years. It will help us increase housing supply and reduce the need to drive, protect our natural resources, provides for parks and open space and insure there's land for industry and middle-income jobs. And it branches out in new directions. Things like climate change, environmental justice and better access to technology. Things that weren't at all a part of a plan 35 years

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ago. So the plan before you today is the plan for the next generation. It continues our great planning legacy and it literally provides a map to the future that we want to see and if it's for a Portland that's equitable, healthy and prosperous for everyone. That is all the work we have done over many, many, years. Now we go back out. We've been big and now we're down into the details. I want to close by saying a few thank you's. Eric, you have been the master of content. Without a doubt, you are the most knowledgeable planner in the city, perhaps in the United States. Joe, who is on vacation right now. Joe has been the great mediator. Joe brought people to the table. Got them to sit down. Got to see their commonalities and help make good decisions happen. Sally, you always reminded us of the importance of healthy and working rivers. Sandra, you always reminded us about the rules, Tom, you insured we got the demographics and all the facts right. Kevin and mark, your team brought the plan to light with illustrations and maps and graphics and all the wonderful details of the map app. Eden and Julia, you got the word out and what goes into making a great plan. Courtney from pbot and Marie from bes and Deborah. You and your team, the district liaisons, you have been the eyes and the ears on the ground and you have truly be the heart and soul of this plan. So, thank you. And thank you to the rest of my staff, who are now watching this back in the office. I'm not going to name all of you. But, each of you had some specific influence on the shape of the plan and so you truly will have some influence on the shape of the city for the next 20 years. And then I want to thank -- what could be considered our extended staff, Linda nettekoven and others. The couple hundred people who were on committees -- I'm not exaggerating. There were more than 200 to 300 people on committees over the last six to eight years, the community involvement committee and dozens and dozens of neighborhood land use committees. I want to thank all of you, my boss and co-bosses. It's been a long haul and you listened carefully to hundreds of people at hearings, providing testimony. You spent hours working through the issues at the work sessions. Your staff literally spent weeks and weeks with my staff, working on some tough issues and as we all know, there were some tough issues. You often were required to take a really good idea and balance it with a really good idea and have to make a choice and that wasn't always easy. So, I appreciate that in the end, the decisions that you made together, really, will now be the framework for development in the city for the next 20 years and I think that's something we can all be proud of. So, thank you. Especially, to you.

Hales: Thank you.

Anderson: That's it.

Hales: Eric?

Anderson: You might want to tell the details of what we do next.

Eric Engstrom, Bureau of Planning and Sustainability: The technical details today, you're voting on two ordinances. The first adopts the supporting documents, as Karla mentioned. The community involvement committee report, economic opportunities analysis and city-wide system plan. The comp plan is the separate ordinance and that includes the policy document, the land use map and list of significant projects including portions of the tsp, so that's the two votes you're going to have today on the second reading.

Hales: Great. Questions? Concerns? Maybe there aren't any?

Saltzman: So maybe just give us the next big steps in terms of once we do this today, what are those other little pieces that Susan eluded to?

Engstrom: They continue to work through the early implementation of this plan and so that includes a number of changes to the zoning code and the zoning map that we believe are necessary to put the spirit of the new plan into code and make it effective. That includes updates to the mixed use commercial zoning, the campus zoning, the number of residential zoning changes, updates to the community involvement program. And further

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updates to the tsp. We expect them to make a recommend to you this summer and we've scheduled some placeholders on your calendar this fall to start working through holding hearings at your level on those implementation measure

Hales: Talk about some of the other planning projects that are going to be scrolling in, like the residential in-fill project?

Anderson: So, we have -- as Eric mentioned, the institutional zoning project, which is looking at the size of homes. Looking at homes that are on smaller lots and how we should be dealing with that. And looking at opportunities for new kinds of housing types within the residential zones that may provide some more opportunities for smaller buildings, adu's, triplexes in our residential neighborhoods and such to allow more people to take advantage of the many amenities in those neighborhoods. The central city plan is beginning to go through. On Monday, we will release the draft of that plan. So everything's moving now. We've had to wait for this to come through. You can't adopt all the other bits until you have this in place, first. So central city plan and residential in-fill, we also will be starting -- we will be bringing to you mixed use zoning plan, looking at carbon mixed use zones. That's happening in the next six to eight months.

Engstrom: The other two is the residential -- multi-family residential project that is also a metro grant that will be initiated in the next six months to look at our higher density multi-family zones and looking at working with housing bureau to move on the inclusionary housing implementation.

Hales: So no rest yet?

Anderson: Not much. [laughter]

Hales: Great. Okay. Questions before we take our two votes? Let us do that, please. Second reading on adopting the supporting documents 691

Fish: Thank you for allowing me to participate by phone and I'm going to reserve my formal comment for the next vote. Aye.

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

Hales: Aye, 692 on the plan, itself?

Fish: First, I want to thank the mayor and Susan for their earlier comments because they basically said everything I wanted to say but said it more eloquently. This is the first and presumably the last time I will have a chance, as a member of council, to vote on a comprehensive plan unless I set some kind of record for service. And, it has been a wonderful experience. And at the end, I have a number of people to thank, but I've learned a lot. I think it's fair to say that it's brought out the best in Portland. And I'm proud of the final document. And, in terms of the comp plan that we're voting on, I believe that it walks a fine line between preserving the character of our neighborhood and reflects the needs of universities and hospitals and the port of Portland and also reflects the values of our community partners, including housing advocates, older adults, neighborhood leaders and it plans for a growing Portland and an aging Portland, with more options for people to age in place and a focus on neighborhood centers where people can walk, bike and take public transportation. It helps east Portland thoughtfully grow without displacing the long-term residents in Portland and it addresses very thoughtfully two of our most urges challenges, advancing equity and responding to our housing crisis. I want to thank my colleagues for what has been a terrific process. And, after attending all the meetings and listening carefully, particularly to commissioner Fritz and mayor hales, I think I'm ready to get college credit. Obviously, I want to thank the hundreds and hundreds of community members and groups who showed up to testify or who submitted emails or documents and helped to shape the final product. I think we can say without hesitation that this plan was shaped by the community and reflects the community's values. I want to thank elders in action, aarp, age-friendly Portland and others for the -- their thoughtful feedback on a case

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for older adults in connection with middle housing, drive-thru's and a host of other issues. I'm grateful to the passionate neighborhood leaders and environmental voices who helped guide our final decisions on issues ranging from the Broadmoor golf course, open space inventory, our river and holding west Hayden island harmless. I could not, in my last remarks, resist, thanking Joe Rossi. Good stewardship and community-minded approach will make his property an asset for generations to come. As the mayor has done, I'd like to thank the planning and sustainability commission, who work so hard and provided us with an excellent draft. And, that is one of the hardest assignments that we ask volunteers to take up in our community and we're very fortunate to have such a talented group. I want to thank our attorney, who, on a number of occasions, helped us steer the say on the straight and narrow, if you will. And guided some of the final language in this document. Of course, special thanks to Susan and Joe and Eric and all the planners who have done such a wonderful job managing this complicated process. Educating the council about the various policy choices. And I think deserve a ton of credit for their work and I don't remember a more complicated process that we've been a part of. And I've just been amazed at the way they managed it and helped us get to this point. And I hope that Susan and Joe and Eric and Deborah and sally and everyone feels as much pride as we have in their work. And finally, I want to thank Jaime Dunphy on my team, who, in the course of this, has become a minor expert in planning issues. And he's -- if I've ever said or done anything in these hearings that's thoughtful or intelligent, it's a mistake or attributable to material he gave me. I'm proud to be a part of a council that gets to adopt this comprehensive plan and I think it's a very sound vision for a prosperous, equitable future and it's a road map to a future and a city I hope to grow old in. And today, I'm proud to lend my support for this plan by voting aye.

Saltzman: I want to thank our incredibly-engaged community that made this plan what it is today. So many times over the past few years, I've been amazed at the level of knowledge and interest in this plan shown by a diverse array of residents. I'm constantly amazed how many people show up for these hearings and these meetings. The phrase, only in Portland, runs through my mind over and over again. You generate hundreds of people to talk about some very -- at times, very arcane detailed zoning issues but it shows how much Portlanders do care about the city that we all love. That of course falls into thanking all the planning staff, who have just been amazing throughout this process. Susan, Eric, Joe, Deborah and so many other planners involved. Our city attorneys, Catherine, Lauren. Karla and sue has been amazing. And, all the point people in the council offices, who absorbed all the information for us. People like Jaime Dunphy, like Katie, Claire, matt in my office, Camille. Thank you for making us appear smarter. [laughter] and finally -- I also can't let the planning sustainability commission go unthanked, either. The effort they put into this plan is truly astounding. I'm constantly in ah at the amount of time they invest in issues. Special thanks. Mike Houck is in the audience today. I want to set markers down for the coat packages that are making their way through the planning and sustainability commission and soon to come to us, this fall. I think most of you know that I like height. We're a city and we need to plan for incredible growth and the growth we'll see over the next 20 to 30 years and the way to accommodate that is to increase the height of our buildings. It's a very sound strategy. I'm a supporter of height. Perhaps that's why I like to visit New York City in my spare time. We need affordable housing. This is a huge priority for me. And I will be watching closely to see if any of the bonus programs, coming out of the current processes, are watered down. I don't like downzoning. The last thing we need to do is decrease density in Portland. To this end, I strongly support middle housing efforts and the idea of utilizes single-family zoning for more flexible uses, like multiple accessory dwelling units. I hope the effort is fruitful and I will be a strong supporter on the council

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when these ideas come to fruition. So finally, let me just say that when I was just starting out in college, I wanted to be a city planner. I had no idea really what a city planner did, but I kind of thought the city planner was -- it's like going to the second floor of the planning building and you have that wooden model of the city. I kind of thought, I want to do that and take this building and say, this should be over here. [laughter] or we need to make this space here. That's what I thought city planning was. I did a couple internships and I soon found out it's a lot more detailed and a lot more sophisticated than sort of just moving wooden models of buildings around things. This is what the city should look like. All the people in the bureau of planning sustainability have proved that. I was probably never cut out to be a planner, anyway. It helps to have Commissioner Fritz, mayor haes, you guys were cut out to be planners. You have a great level of understanding and detail so it really helped having a couple of colleagues that really helped -- maybe I could speak for the other three of us. I have a lot of respect for the work. I look forward to living in the city I feel I have had some small role to create for the next 20 years and I'm pleased to vote aye.

Novick: You're not always the most talkative member of the council. [laughter] first of all, I want to apologize for the fact that I have a lot to say and I'm rather incoherent. This comprehensive plan reflects an assumption that we are going to have more housing built in different types of housing built in the city and that raises concerns for a lot of people. I'd like to talk a little bit about the advantages. The biggest challenge we face, as a species, along with a lot of other species is climate disruption. And, surprisingly -- counterintuitively, having more compact development helps us reduce our carbon emissions. When you have more people living closer together, for one thing, it makes transit more viable. It makes it easier for people not to drive. The reason the New York City subway system is viable is because there's a bunch of people per stop. It takes 7,000 to support a grocery store. If they are living within walking distance, a grocery store will spring up. A number of people in my neighborhood are worried about people living in Multnomah village. The issue that's on the front of a lot of people's mind -- I think most people's mind's now in Portland is housing affordability. Lots of people want to move here, including a fair number of people with high incomes. If we don't allow for more housing to be built, those people will keep on bidding up the price of existing housing. A lot of people already live here and more moderating people who want to move here. I don't think there's an unlimited amount of number of high-income people that want to move to Portland so I think if we allow enough housing to be built, we should have room for those high-income people and room for the modest-income people. A couple is a upper middle-class income and is moving to Portland and they look at the site and they like to live there. Given the way houses have gone up there, they can't afford it. Even though they have a pretty decent income. If they don't have another option, they might go and buy a house east of 82nd, drive up prices there and contribute to the gentrification of east Portland. If convert buildings to duplexes and triplexes, that same couple might choose to do that and they're not contributed to gentrification in east Portland. We are going to build some affordable housing with tax dollars in this budget. We made a major contribution. We're not going to talk about housing affordability just with taxpayer-funded housing. We're going to have to allow for the market to help. Not incidentally, I'd like to apologize for something I said. Some folks proposed increased lot sizes in east Moreland. I said that would be created a r1 zone. And they took offense and took my remarks that they're in the top 1% and that's not true. The folks proposing that zoning change want to preserve their neighborhood. So, I apologize. East Moreland is already changing because of rising prices. Many of the people who live there would not be able to buy their own homes at current prices. That neighborhood is gradually transitioning from middle class to wealthy. My wife and I make a very good income, but if Zillow is to be believed, the house we bought in Multnomah village would be beyond our

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reach today. The concern I had about the proposed downzoning in east Moreland is that if we increase minimum lot sizes, we're further limited parts of Portland to people who can afford big lots. To some extent, there's a conflict between our desire to preserve the look, in physical look of our neighborhoods, and our desire to preserve Portland as a place where people can live with a wide range. If you walk through the buckman neighborhood, you see a lot of duplexes and triplexes and garden apartments that fit in well with the single-family homes in the neighborhood. With some of them, you have to look closely to see it is a duplex, not a single-family home. That density doesn't have to look ugly. I'm passionate about allowing more middle density housing. As the price of single-family homes goes up, we need to allow for other options that are compatible for neighborhoods. A number of other -- the points that I wanted to address, some of which are duplicative, it is important to insure we keep Portland open to all. Council proposed all of them to the plan. I had an opportunity to represent the spirit of Portland award, to the anti-displacement coalition. We must keep our focus on displacement and implementation will be a true test. I know the folks will come back again and again and to keep the pressure on. I'm glad that we adopted the economic opportunities analysis. I was concerned with the low cargo forecast because the signal that could send to harbor businesses. New analysis by staff showed we could increase capacity on some lands and move low to the cargo forecast. That sets a course for continued investment that is the harbor. I was pleased that we maintained keeping Broadmoor space. I was pleased that we adopted a transportation strategy that prioritizing for bicycles and pedestrians. We're making those investments. We need to make investments in biking and walking, opening up longer trips for transit and car. I'm pleased we prioritized accessibility and disabilities. And of course, the bureau of transportation list identified multi-modal list, the list of investments is needed to maintain existing facilities and makes sure it meets the needs of Portlanders. I have a long list of people to thank. Thanks to all of the advocates and community members who took the time to testify, in many cases, coming to repeated long meetings and waiting until they got a chance to speak. We received a mountain of written testimony. Thanks to my colleagues, their engagement. Commissioner Fish said, we've learned a lot. I remember reading Charlie Hales in Willamette weekly. He said it was important to have people on the council to think about what the city physically looked like and I'm glad that he came back to lend his vision on how a city should look. Thank you, Mayor Hales. Thanks to the planning and sustainability commission, especially Andre Baugh and Chris Smith. And Howard Shapiro and all of the PSC members served on policy expert groups. Thanks so much to BPS staff. Thanks to Susan Anderson, Joe Zehnder, Eric Engstrom and Deborah Stein. If I weren't sick, I'd make a joke about returning to Zender later on. Thanks to Pbot staff for their contribution to the TSP and transportation policy plan. Especially Director Leah Treat, Art Pearce, Courtney Duke, Peter Hurley and Zef Wagner. And thank you so much to Leslie, to make me understand issues that were too complicated for my small brain. Congratulations to everybody and as people have said already, we have a lot of work to do but this is a great milestone. Aye.

Fritz: Our speeches are even longer than usual today because this indeed is a milestone for all of us, it's a huge undertaking. That does as Commissioner Fish says only happens once in a lifetime or career. Thank you to the bureau of planning and sustainability staff for making the most of your career opportunity to shape Portland until 2035. I'm going to start my remarks by thanking Grandma and Grandpa Fritz. 20 years ago, and here is the reason I'm going to thank them is because 20 years ago then Commissioner Hales asked me to be on the planning commission and I would not have been able to do that with children 6, 8 and 10 and if grandma hadn't come over to watch them so I could spend hours and hours at the planning commission. I really appreciate, there are a lot of

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sacrifices that go into the long hours that the staff work both in the bureau and in our offices and in the community. It's not easy to get to public hearings and to take time to send in testimony and trust that it might be read, even though you don't know whether it would be or not. We did read it and we did consider it. One of my former experiences is when the metro president, Judy wires, said there's no point in having a public meeting if no one shows up and certainly when people came and testified and sent in their written comments staff did an amazing job of coordinating it. I think we have done a good job of sifting through it. There are probably some mistakes in this plan. I would think that none of us could be 100% that we got 100% of everything right. One of the reasons I find much joy in planning is for the most part, you can go back and fix things if we discover errors. I want to thank mayor tom potter, for doing the bureau improvement project and the bureau community connect. It is one of the main reasons we had such diversity of people in this plan. All of us at the city were thinking who was at table, who needs to be? Young people, coalition of community of color and all kinds of folks who participated in this plan and the public involvement advisory committee they helped with reshaping of chapter 2, the community engagement chapter, which I'm particularly proud of. I thank Sam Adams for his work on the Portland plan and that was four years hard work. And now mayor hales with his signature, I would like to bring this comp plan home with six months to spare. One of the things that's in it is protecting west Hayden island. And I'm grateful to the voters for having four more years on that. I need to state that I was disappointed that I didn't succeed in one aspect, which is to specify that parking can be a key function of the public right-of-way particularly in street vacations. I understand that additional components of the system development plan, including the glossary and design classifications, which don't currently have parking listed, will be coming to council in the call and I'll be interested in seeing parking be an important part of streets in consideration to street vacations. We have a vision of more biking and more walking less cars in our city and that will be necessary to avoid more congestion and get the climate action plan goals met. There are many people who live far away from public transportation and they don't have bike lanes or sidewalks and they cannot use those modes of transportation. For them, it would be a privilege to be able to walk and bike to work. So in the meantime, we must insure that parking is a consideration because this is an important equity issue. In addition to all the other thank you's, I won't repeat them all, I want to thank our park staff, Brett Horner. Amalia Alarcon Morris public advisory committee and Camille trummer and Jackie Dingfelder on the mayor's staff. They were essential in doing a lot of the work. My staff, Claire Adams and Pooja Bhatt were absolutely phenomenal. I could not have been better-served by my staff and also by two chiefs of staff, tom bizeau and tim Crail, who also have been huge in coordinating all the many changes that we got in this plan so I think -- I believe make it even better. Thank you so much for all of you work. Aye.

Hales: Well, commissioner Fish postulated that he won't be involved in 25 years but I've been outed as somebody who has. I was here in the early 90s when we were adopting big planning documents, sort of, if you will, trial efforts, things like the Albina community plan and southwest community plan and at a time when there's so much negative noise about government, I think it's important to look at our situation here today and realize that progress is possible. You know, there's newspaper editorials that make government look bad. There was one infamous editorial in a local paper quoted me using the word, place maker, in quotes, like it was something I made up. We have political candidates that look government look bad. We have the twitter universe where people expect to have the comprehensive plan explained in 140 characters. And you just can't. I'm not smart enough to do that in 140 characters. Progress really is possible and we've gotten better at this. Better than we were in the outer southeast plan or the Albina plan and the southwest plan.

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We've gotten better at this and we should remember that it sounds conceited for modern Portlanders to say this, but we're the best. The whole world comes here to study us. They come here. We're the only that has a first-stop Portland and the only city that needs one. They say, oh, you're from Portland. They're celebrating what we've done, the ability to take an old rail yard and make it into a neighborhood or take the south waterfront and turn into a medical powerhouse and a neighborhood. The part of Portland that I always try to remind people about -- it was a very big factor in this plan -- and the things we will do like the residential in-fill project. We're the best for old urbanism. Other cities have neighborhoods like Laurelhurst, east Moreland, west Moreland, arbor lodge. We have a fabric of old urbanism that's unmatched. I've had a chance to work all over the country as a consulting transportation planner and nobody's got this. We've got it. We'd be crazy to lose it so the work of historical preservation needs to continue to be at the front of our plan. We need to address density, but we need to preserve the great, old buildings. Perhaps, repurpose them. We're in a house that's too big for us, it could be built into a duplex. Don't lose that craftsmanship, if possible. So we have gotten better at this. We've gotten better at it because things have been good in this process. Neighborhood activists, Linda, Stan. We've had activists like the anti-displacement coalition that have been on us and Mike Houck who never let us forget the environment and between him and Commissioner Fritz, I have no worries about Hayden Island in the future. We have had people that have worked hard to make sure this plan is a good one and it's just in time. They say just in time delivery, I think is just in time delivery. We discovered housing had raised \$400,000. When we have a downtown vacancy rate that's single digits, we're booming. We have 1,000 a month move to Portland. We're doing it just in time and so I'm very, very happy that among the other reasons that I decided to not run for another term, was to be able to pour myself into this work and I have and I'm glad of it. I'm especially glad of not only the other folks that have worked so hard on this, but Jackie Dingfelder, who's possibly awake in New Zealand and watching this on her computer and Camille Trummer who had to succeed Jackie Dingfelder in this work, but having to work of a planner work. You have proven yourself as a great planner and I appreciate your good council every step of the way. Aye. [applause] we're recessing for a few minutes.

At 2:56 council recessed.

Hales: Ok we'll return to order and take up the next two items, so if you could read both of those.

Item 693.

Item 694.

Hales: Thank you. I think the whole afternoon council calendar could be described with this combination of hurray, at last we finished 7 years of work on the comprehensive plan. We're taking up a question that has lingered for some time around our community, so I'm very pleased that we're here at the team people in city government from the auditor's office to the police bureau to Oni and to my office. I want to thank a couple of people, one who's on his honeymoon, Zach Klonoski and there he is Chad Stover from my office who worked very hard on this and Officer Aaron Schmartz from east precinct who is recovering from a very scary accident and he took me for a ride-along, even in 2015, which was a healthy market. Even then, we still had hundreds of houses of this type that are vacant, abandoned and toxic for their neighbors so I'm glad we're focusing on this problem and moving forward on solutions. I had the pleasure of leading a tour last Friday of five vacant and abandoned houses that were within two miles of each other Lents. One is on the list for foreclosure today. It involved the tragic death of a 27 year old female from a heroin overdose. Housing that is not really in proper use can also be a dangerous place for people, including vulnerable people. We're dusting off old tools and creating new ones to

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help move us forward on this. We're committed to solving this problem. The fiscal budget includes new positions in the bureau of development services and a new position in the city attorney's office and now we're going to be acting on new tools, a streamline plan for foreclosures and receivership. We'll be hearing from our auditor and from others on this tools. First is foreclosure. The city has the authority to foreclose on a house for liens. We are bringing today, five houses scheduled for foreclosure. We have the option of receivership which allow the city to petition the court to temporally take over a house. I believe that receivership will complement the foreclosure program and work to make sure that no one is gaming the system, but that instead, we're getting this housing back out to responsible ownership and affordable use. I'm very glad, again, that we have this before us. I want to call on a series of people to come up and talk about this. First, our auditor and her staff, to talk about co-changes. Our auditor's letting her staff go on her behalf. Thank you.

Sarah Landis. City Auditor Office: Okay. Good afternoon. The first item on the --

Hales: Put your name on the record.

Landis: Sorry. Sarah Landis chief deputy city auditor. The first item is to discuss necessary changes to Code 530. The intent of these changes are really housekeeping in nature and to align city code with changes to Oregon revised statute that set foreclosure statutes at the state level. The first substantive change comes in 530.020, which is changes to the sales price definition. City codes only allows a city's foreclosure price to equal of the lien total. That means that a property with liens and associated costs would sell for a fraction of the value of the property. Our code was in compliance with -- with state law, when it was written. It is no longer in compliance with state law and so this change would make it so. The second substantive change -- just to go into detail there, the revision would allow for the sales price to be the greater of the amount of lien principal, penalties and sales cost or 75% of total assessed value. The other major change to the code comes in section 530.170 and is related to the conduct of the foreclosure sale. Again, this change aligns city code with ors. The proposal here would delete the section that covers multiple acceptable bids. It lows for a highest bid so that language is no longer necessary. A new section is added that directs the treasurer to apply proceeds to pay off the costs of conducting the sale and lien interest, penalties and then to the debtor or debtors heirs. It is meant to clarify or correct details in the code. We have this as an emergency item to make sure we're in compliance with statute. I'd be happy to answer any questions or have Marco Maciel who's the foreclosure project manager or Simon Whang who's the attorney answer any questions.

Fritz: I have a clarifying question. In 530.120 purchased property by the city it says the city may purchase any property on the foreclosure list for the amount of the lien principle, plus interest and penalties. We can do that before it goes up for sale to the highest bidder, is that correct?

Landis: Correct

Fritz: And we can sell or give it to a nonprofit, is that correct?

Hales: We could transfer it to a receiver, right?

Landis: I'm not sure of that part of the details of the code. I would ask that maybe Simon -

Hales: Simon, do you want to come address that? How would that particular code provision about city purchase be utilized?

Fritz: Let me be clear, I'm very happy to see it. Since we have such an affordable housing crisis, there is a lot of potentially good uses to rehabbing the properties and putting them back into serviceable uses rather than getting demolished and having mcmansions built on the site.

Simon Whang: Simon whang city attorney office just to be clear, the code change --

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Hales: Coming here. Sorry, Simon. It's not cooperating. [mic problem]

Whang: Just to be clear, the code change contemplates the purchase of the property for the lien amount. The change is silent with respect to what the city does with the property does afterwards and that is something that would still need to be developed. This is about the purchasing of the property and that's also something that aligns with Oregon statute.

Hales: Other questions for Simon or auditor staff or Jennifer cooper's here, our treasurer. Okay. Thank you very much. We'll standby. There's some other folks from city bureaus who have been involved in this issue, both the police bureau and the office of neighborhood involvement want to speak about this and there are folks for public testimony. Come on up, commander. Who'd like to go first?

Dave Hendrie, Portland Police Bureau: Thank you. Commander Dave Hendrie h precinct. I'd like to thank the mayor and council for hearing about this project today. East precinct, as we've talked about, the mayor came out about a year and a half ago and did a ride-along with one of my officers and he saw the homes we have city-wide and they deeply impact the precinct that I oversee. We have property flow that our folks are managing. The ones we are talking about here are the worst of the worst. They are become a constant blight and have turned into a crime hub where we do see spikes -- an increase in property crimes and assaultive behavior that resonate outside of them. I think one of the frustrating is without the ability of knowing who owns the homes, law enforcement officers are unable to work through the solution. This program is exactly what is needed, which is all the city entities working together to make our community safer. When I'm talking with the resident, especially who live right next door, they are thankful for the work that's been done here.

Hales: Thank you.

Stephanie Reynolds, Office of Neighborhood Involvement: Mayor, commissioners, I'm Stephanie, Reynolds, office of neighborhood involvement and I'm really pleased to see this tool come forward. This has been -- vacant and zombie houses have been on our radar. Starting in 2008 with the mortgage crisis, they became overwhelming, the severity of them and the difficulty of getting anything done on them. I'm pleased that we're going to have tools in our toolbox. The stress on neighbors is pretty extreme and they're astonished that more can't be done and can't be done faster. We're pleased to see there will be more options

Hales: Mike, are you going to walk us through the list -- who's going to walk through the list?

Fritz: I have another question for Sarah, if I may. This is again back on the code for purchase of the property by the city and for the foreclosure sale and the -- redemption. Is there something in administrative rules, where it says under b, if any person interested in the property they are given an opportunity to pay the lien in full? Is there someone where we can codify that the note is in different languages?

Landis: Just this week, we received our translation insert to go into those letters, so we will be sending, along with all of our correspondents, a generic, if you need help -- in another language -- this is how to get in touch with us

Fritz: That will go into both the before the sale and after the sale?

Landis: All of our correspondents.

Hales: So, gentlemen, and Sarah, as well, would you like to show us the foreclosure list 2016, number one? It has a ring to it.

Landis: I will start on this. So, again, Sarah Landis, city auditor's office. With me is mike Liefeld and marco Maciel from the auditor's office. We're here with a report for five houses. An affirmed vote will let us do a foreclosure. The first batch have been processed through the mayor's initiative to address vacant and abandoned homes and a waste of housing

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stock in a city that needs more. Because foreclosure is a very time and resource-intensive effort and the decision for a government that can take property is not one that can or should be entered into lightly, it will not be a quick fix, nor appropriate for every blighted property. It must be addressed for blight. I hope it continues to look at other options. Okay. Each of the properties we are presenting today is among the worst of the worst. They are part of the extremely distressed property program. In total, they have 37 liens and owe over \$375,000. Each has had multiple violations and liens that have been open for a long time and each represents an opportunity to make a progress in improving livability. Mike, is there anything else you'd like to say?

Mike Liefeld, Bureau of Development Services: Mike Liefeld enforcement program, we started the extremely distressed property enforcement program in 2011 with a focus on the unmaintained homes that were causes severe livability impacts. Even after the resources we put in, re securing properties, nuisance abatements. We have many of the original properties in the same condition and so we're just really excited about another tool in our enforcement tool chest to try to get action moving on these properties. Thank you.

Landis: Okay. So, the first property is at 7101 northeast Prescott Street. It has eight liens, delinquent. It is \$99,000 in liens. The ownership is listed as David tift, llc with Multnomah County at the time we prepared this list. There was a recent ownership change to fanny may

Hales: What does that mean for the process?

Landis: We sent notification to the legal owner, as listed on the county records. We're fine with that notification. Any ownership issues will be dealt in some detail after the vote -- council vote, the title reports will be pulled and there will be a lot of effort to contact those folks before a foreclosure sale goes through. And there's plenty of notice given, public notice and tracking down the owners.

Hales: So the next step is a commercial title report. We get third-party validation of who the legal owner is?

Fritz: The federal mortgage association, we know where to find them. [laughter]

Landis: The title has not been conveyed to fanny may. It is still listed as David tift.

Fritz: If it has gone over, does that change what we would do?

Landis: I don't believe it should because your vote is just, today, just a vote to send this list to the treasurer for foreclosure. The property owner still has from today until the date of the property sale to pay their liens off. There's still ample time for that to happen. After the sale, the property has that one-year right of redemption to pay the liens off and redeem the property. There's plenty of safeguard there. I believe that it should be -- it shouldn't be a problem for us to vote today -- for you to vote today to send this to the treasurer.

Fritz: The one-year redemption, does it sit like that for another year then?

Hales: It doesn't have to.

Landis: It doesn't have to. Mike might be better-off addressing this since they would be the lien holder. They would have to do basic maintenance on the property. If there's a purchaser, there can be arrangements, the redemption rights can be sold or given up and the purchaser would -- could make improvements on the property but they would do so at their own risks.

Marco Maciel, City Auditors Office: Just to clarify, the fact that we are foreclosing on the property and going through the redemption period does not preclude the two parties, the one holding the certificate and the property owner to reach an agreement between themselves. Okay, there is a redemption period. I'm willing to give you \$2,000 or \$5,000 if you give me the right to work on the property. So the city does not get involved with that, but by law, the parties can make agreement to do that.

Hales: Good. Okay. So, want to keep going?

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Landis: Sure. I'll let mike talk through the details of this property.

Liefeld: Well, this is one of our original cases. This property has been in violation since 2012. On the slide, it notes the magnitude of the violation, over 75 violations cited, sanitation and health violations. When we start working these cases, these homes are occupied, without basic utilities, water electricity, causes significant hazards and I do apologize. These slide cannot replicate the conditions of the property, even a 5,000 square foot lot, slides don't do it justice and I've taken out some of the slides that are really -- you don't want to see those slides. They will be kept in our files. Essentially, we have illegal business operation going on. Illegally-operating thing going on here. We executed to remove folks and secure up the property. What we find with many of these properties is that after we take that action, we secure it up, the problems don't go away. They reoccur so they're almost chronic. The homes become attractive for folks because they know there's not a responsible party. This slide shows the amount of abatements we have completed at the property and they span. Five separate city abatements done by the city of Portland in 2014. Those abatements do amount to some of the lien costs that were in that total figure on the property.

Hales: Is that a swimming pool?

Landis: That is a swimming pool and that swimming pool was filled with trash and garbage and it became worse when the rain started. We had to do a special bid to pump out the water and in this case, we may have actually boarded over the swimming pool to prevent this type of occurrence.

Landis: This property is at 4112 through 4118. It has eight liens and delinquency ranges from June of 2011 to most recently in March of this year. Total amount owed on the liens is \$105,000 and the ownership here is Trang lam and van lam there may be bank involvement or ownership but we could find no records. We had some contacts with folks who said they were representing the bank, the field inspectors did. There's been no title transfer that occurred so the record shows these folks as the owners.

Liefeld: So another original case, cited in 2010. The condition remains, minus most of the nuisance conditions because the city has continually removed those items. 63 violations. Eight health sanitation violations. No contact -- I should say, we did have contact from the property owner in 2011 and a property owner's relative. After that, no contact from the property owner. We have had property of reservation companies beginning in 2012 and continuing -- we pretty much had contact from a property preservation company each year, including 2016, with no action so the violations remain uncorrected. So in this case, another code hearing to secure a vacate order to remove occupants and future occupants. This property is an attractive nuisance. What we found at this property is that after the board-up, there has been heavy transient activity at the property which has forced us to resecure the property repeatedly and this is why we get a lot of calls from neighbors concerned about unauthorized folks on the properties dealings at night and that's kind of the criminal aspect that can enter into these kinds of properties.

Landis: Ok the next property is at 15803 SE Powell Boulevard, it also has 8 liens and had delinquency dates ranging from December 2009 through June of 2014 total amount owed on the liens is 96,000 dollars. US national bank foreclosed on the property on February 1st of this year, but the property title has not been conveyed and may have been sold to another servicing company. The owner on record with Multnomah County is Trevor Brown.

Liefeld: This may be the first adpep case that we've had and this one was ranging dating back to 2009 we had an occupied structure without basic utilities 34 violations sited many fire life safety sanitation concerns. This property did not have working water service which was first hand I can tell you was producing sanitation concerns at the property which was concerning to the adjacent neighbors. We did secure a vacate order from the code

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hearings officer and with commander Henry's assistance of PPD, they did vacate nine individuals from the home, from the illegal attic space, from the R.V.s when we served that vacate order and secured the home. We have had ongoing trespass issues at this property, once Bds secures a vacate we essentially hold control of the property about who can access it. We do that to work with individuals who are interested in making repairs. In this particular case we did provide access agreements to make the necessary repairs. Unfortunately, that access agreement turned into another illegal occupancy, which forced us to revacate the property. We resecured this property a number of times number of abatements the city has had to complete.

Hales: Folks, please don't interrupt. Go ahead.

Landis: The next property on the list is 8515 through 8517 North Portsmouth Avenue. It has 12 liens. Delinquency range from summer of 2009 through February of 2016. Total amount owed is \$66,000. The owner is Norman Yee.

Liefeld: This property owner let me put this in context for you. At last count he owns 12 separate properties in the city of Portland, has outstanding liens over half a million dollars owed to the city of Portland. We have received 127 complaints, a very large number for one property ownership. Bds has completed 29 abatements and that number continues because we have active cases as of today with more nuisance abatements pending. So at this property on North Portsmouth Avenue we essentially have had 18 complaints at the property since 1992. We have an active violation case today. The violations range from exterior structural violations to exterior yard violations, overgrown grass, obstructions of the sidewalk, public right of way, illegal dumping or trash and debris on the property. This property had a buyer at one point so there was damage to the structure that still is uncorrected. This property is also interesting in that Bds took this property to a code hearing in 2012, and the owner did appear with legal counsel. Through that proceeding we were able to enter into a stipulated agreement with the property owner for correction of all the violations and future maintenance of the property with penalty, agreed penalties if the property went back into violation. Unfortunately not soon after that stipulated agreement was signed the property did go back into violation, so the terms of the agreement that the property owner agreed to were not met and Bds has been completing nuisance abatements ever since then at the property.

Landis: The final property on the list is 9120 North Tioga Avenue. It currently has one lien. Dates of delinquency on this was January 2014 and the total amount owed is \$11,000. The owner again is Norman Yee on this property.

Liefeld: This property we have received ten complaint cases since 1994. We have had two active cases, one for property maintenance regarding the conditions of the structure and the other is a nuisance case for conditions of exterior yard area. Again, more of the same with unkept yards, obstructions to right of way. The current citations are more significant in that we have determined that there is a hole in the roof which is accelerating deterioration of the structure. It has essentially been abandoned at this point.

Hales: Some of these houses have been sporadically inhabited but this one is not habitable by terms of the code. Plumbing, that kind of thing.

Liefeld: Yes. All of these with their conditions would have a notice not to occupy. There would be additional penalties for occupying in their current condition.

Hales: You're a building inspector, Mike. Are any of these houses salvageable, these five? Somebody downstream will have to make a judgment call. Is this house too far gone and must be demolished? Some are already subject to demolition order, but are any of these houses salvageable in your opinion?

Liefeld: I think some of them are. On the two last properties we haven't had an interior inspection so we really don't know the condition. We vet those properties for rehab or

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demolition at the time of the code hearing and try to make a determination at that point to secure that demolition order at that time to be efficient with resources. In these cases we have not secured demolition orders. At the time we did the code hearing we did feel that perhaps rehab was an option, but the longer they sit in this condition, the worse that condition gets and the chances of rehab become much more difficult I would imagine.

Hales: Okay.

Landis: So the next steps for these particular properties, first council will vote on whether to foreclose. If that vote is affirmative, then the auditor's office transfers responsibility to the treasurer for the conduct of the foreclosure sale. The property owner can pay the amount owed up to the sale date. After the sale date is conducted the owner has one year of redemption period. I just wanted to briefly bring up what our next steps are for foreclosure on other properties. The auditor's office development services and the treasurer are meeting weekly to prioritize properties for foreclosure to share information and ensure good communication about the properties. It takes a lot of work to bring these files to fruition and to bring these cases to council and we want to make sure that we are current on the best information that bds has and that bds is current on the information we have. To trouble shoot the process and monitor workload. Then our intent is to have the first of many foreclosure list that we will bring to council as files are completed and as sufficient number of unresolved cases are available. It's been the case with this list there were many more properties that we had worked up that Marco had worked up cases for, and we got fairly far along in the process and something came up to either resolve the issues with that property and new owner who was making efforts or the property was going to foreclosure sale through the county or something else. So there are a number of reasons why a property can fall off of what we think as a good candidate for foreclosure and we want to try to minimize the amount of work we put into such properties to be most efficient about bringing properties to you.

Fritz: Am I understanding correctly all five have been to the collections committee?

Landis: All five of these properties have been to the collections committee. That's true.

Fritz: Thank you.

Hales: You don't have to go back. You had a checklist up earlier, but on your slide show, but I want to make sure everybody understands, the properties that will get scrolled up for action by the council on foreclosure are ones that are vacant, abandoned, have a long list of violations and unresponsive property owner.

Landis: That's right.

Hales: If someone has a rundown house that they are living in, we're not talking about them. If they have a run-down house they have bought and are trying to fix up and are some kind of reasonable schedule we're not talking about them. We're talking about houses where it's vacant, abandoned, has a whole bunch of violations and you're not getting letters and phone calls returned from wherever this owner might be.

Landis: That's right.

Hales: We're only focusing on that subset of houses. Great. Anything else you all want to add? Any questions for staff? Great work. Thank you very much. Let's see who is here to speak on this item. Do you have a list? Anyone not on the list is free to join them.

Parsons: We have five on the list.

Hales: Go ahead.

Laura Vanderlyn: I am an artist. And I am using my constitutional right to speak. Sir, you hired a consulting group called Rosenblum and Watson. You brought them here to start a public meeting called the community oversight advisory board. They are selling a product. They are using people, using people that are traumatized, that have been brutalized, brutalized by excessive force. Amanda Fritz, Commissioner Amanda Fritz, you were at a

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meeting on Thursday night where you thanked the coab, where you thanked the chair. You were not there for the people. You failed the people. You, sir, Charlie Hales, mayor, you failed the people, failed them and you continue to fail them with your complicity, with your silent complicity. You are failing the people. You owe a man an apology. You owe the whole city an apology for bringing Rosenblum and Watson, LLP, to brutalize and traumatize a whole group of people. That group reaches out to people that have been brutalized and we entered that meeting and there's lines of police officers outside of that building. Lines of police inside of an office ready to grab people that are traumatized. This is about police brutality. Activists getting arrested because they are speaking up. Using their first amendment right to speak. People being censored because they are saying what they want to say. Stay on subject. Stay on subject. Stay on subject. You're saying this to people that have mental health issues. Shut up. Don't talk. You're about to get excluded. You're about to get excluded, you're about to get excluded, threat after threat after threat for three [bleep] hours.

Hales: Excuse me, you can't use profanity.

Vanderlyn: I'm using my constitutional right to express myself.

Vanderlyn: I'm using my first amendment right to express myself. I am using my first amendment right to express myself. I am using my first amendment right to express myself.

Hales: Thank you very much. Next? Go ahead.

Mary Eng: Hi. My name is Mary Eng. I'm so grateful and honored to be here to speak about on this measure. It's been kind of exciting to me there's a little known thing, don't know about me is that when I was in paralegal school in city college I took the three necessary courses that would get me in the first door of becoming a real estate agent. I haven't taken them up on the offer but another little known fact is I helped in a squatting action at occupy u.s. Bank and occupy London which was thrilling and interesting because I got to meet squatting lawyers. After World War II London was so devastated and so grateful for United States financial aid to help in rebuilding that squatting was liberalized as a measure, as a community response to rebuilding. I think mischaracterizing old squatters as negative or drug addicts or what not kinds of fails to see that if we are on a race to the bottom in a fiscal sense, we might turn our eyes towards alternative modalities of rehabilitating buildings or subsidizing constructive real estate projects. But I have about three main points and then I think I'll be done and I can hit those in all 137 of my seconds, especially if I can find my notes. Okay. We got to deal with the slumlords because these are worst case scenario houses. It took years to get them into this dilapidated condition and I was appalled by the bedbug crisis, the housing management is not done properly and I work with legal defense fund that worked on holocaust reparations for one of my lawsuits against slumlords in California, so you got to understand there are good people who could give us appropriate reaction to Portland's anti--- like anti-peasant attitude toward the peasants. Then we have the Wall Street trading of these properties as they go on the market, whatever it is where they are trading our property values. It's keeping the rents jacked up and we know that, so don't act like we don't know that. Then having neo-Nazi attending an eviction is really hard on Jewish eviction defense type people but I'm enjoying this because I don't like mold or bedbugs and I don't like cockroaches. I heard they weren't allowed in the northwest but I moved into a property where I eventually got the fire chief in on it. My landlord committed suicide because I made a report to the fire chief. She was possibly having her own mental crisis, her own drug addiction and there's a lot going on there before we get to this worst case scenario but I appreciate the legal education. I found it enjoyable. Thank you.

Hales: Thank you, next.

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Jesse Sponberg: Hi, guys. First I -- I'm Jesse Sponberg. You okay, commissioner? You don't look so good. You got a cold. I just want to say thank you, guys, for initiating -- I don't come out here a lot -- for initiating this process to deal with these foreclosures. My only concern is as I was listening I was really excited, a year to give these people -- it's been about 10, 11 months since we sat in these same exact seats and had the declaration of a housing crisis. Within that year you're going to be gone and I just hate to see this awesome promise turn into another toothless tiger. We still don't have a solution to the homeless. You know, we have targeted five houses. While that looks good on paper and in the up in I just really urge you guys, I know you're going to be here for the next 50 years, but the rest of you guys may not be. With that said thank you and I would like to give Laura my last two minutes.

Hales: I think you can't do that. [speaking simultaneously]

Hales: I think we're stuck with the one year. That's not something that we have decided. I think that's -- is that state law or our code? State law. So there's legal structure around us that some of which we can flex, some we can't. I think the one year redemption is in state law. We should check that.

Sponberg: I also noticed that you guys, the nice woman wasn't even sure who owned a couple of the houses, you know? It's good we'll have a vote, symbolically, we do this every once in a while.

Hales: We take them forward into foreclosure and we proceed to foreclose to the treasurer. That is real.

Sponberg: Even the ones that have gone to Fannie mae? [speaking simultaneously]

Hales: They have just another owner as far as the foreclosure. [speaking simultaneously]

Sponberg: I was born that way. [audio not understandable]

Hales: Thank you. You had a question. You bet.

Sponberg: Let me add one thing. I watched the coab video from the other day. That's an embarrassment all around. Everyone who participated in that should be a tiny bit embarrassed. Thank you.

Hales: Next, please.

Parsons: The next two are Robert west and Steve Voiles.

Hales: Mr. West, you're next.

Robert West: Okay. My name is Robert west with 911. Me of course I'm going to use my first amendment rights too, and I'm going to say that the coab thing was a straight joke. It was a straight [bleep]

Hales: Please, not here.

West: That city council as a whole should be ashamed of what happened. They should be ashamed of the coab leadership. And everyone that was there was -- all the leadership in there should be ashamed of themselves. I think Amanda Fritz made it even more [bleep] up --

Hales: I'm going to exclude you if you use profanity again.

Vanderlyn: First amendment right.

Hales: Not when it's on television, lady. [audio not understandable]

West: I look at it this way it's a straight [bleep] --

Hales: You're done. Turn off the microphones. I warned you.

West: I'm going.

Hales: Sir, you're here to speak on this issue. I would like to give you a chance to speak on this issue. Please go ahead. [shouting]

Hales: You're a neighbor of one of these houses, I believe. [audio not understandable] go ahead.

Steve Voiles: Thank you. I'm Steve Voiles. I'm a neighbor of three of the houses that were

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on the tour. I just want to say thanks for starting the process. I too am concerned about the one-year deal where people can receive a house again. Seems like they have had an opportunity. Aside all that, it's been a pugent fact of the neighborhood. My wife and I worked very hard to have the house that we do have. Frankly didn't know I was going to be involved in. [shouting].

Hales: Sorry. Welcome to our world. Anyway.

Voiles: It's been a huge impact. [shouting] my neighbors and I, we believe that community starts local in our own block so we take care of each other. Look out for each other. [shouting] the problem comes into where we can only go so far and where we need to get police involved or bds to take action. Again, I appreciate all the help that we can get. [shouting]

Hales: Thank you. We appreciate you being an advocate for this and we're glad we're finally getting to at least one of the houses on your block. More to come. Thank you very much.

Charles Johnson: Good afternoon, commissioners. I'm Charles Johnson. I was very glad to see that in today's discussion. [shouting] you spoke vigorously about taking care of these properties no matter what the ownership records may indicate because they are sometimes procedural and technical glitches. We know that the county was engaged in a million dollar plus lawsuit related to railroad processing and mortgages and there was settlement there, so maybe there's room for -- intergovernmental agreement. We know this is not limited to within the city limits of Portland. I was glad to see that one of the earlier speakers who was able to abstain from profanity was a participant in one of our recent circuit court cases. 16 lp05254. It was a case against the federal national mortgage association which we as citizens need to continue to pressure that organization to do its primary mission of housing first. Secondly, worry about the technical details of evicting people. First worry about sheltering people. We talked before in this council about how since the Reagan administration our government has not really done what it should do about assisting people in financial distress. I do want to say even though there's been some profanity here, there are important issues about people with mental health and trauma and the police department are subject to hearing the f-word under constitutional rule.

Hales: Children hearing this on television may not want to be subjected to it. Welcome.

Lightning: I'm lightning. I represent lightning watchdog pdx. I'm completely against proceeding forward with the foreclosures. You didn't do a foreclosure since 1971. It was due to sidewalk, maybe 500 bucks. You foreclosed on that property they turned back around you and sued for the value of their house. You with a payout of 18,000. Learn from your mistakes. When you begin to foreclose on these properties you'll get sued. You're going to be challenged based upon the constitution. These property owners have property rights. They own the properties. When you start coming in and saying that you have a right to buy that property before it even goes into the foreclosure process to get fair market value for these property owners, you are not impartial on that sale. You are stepping in, bringing in nuisance fines, fees, violations, garbage. Well, look at the pictures. You're not picking up too much garbage but you sure are fining these property owners who may have mental illness, may have -- may be elderly people. May have numerous problems that we're not bringing this group to attention at this time. You're moving in as a vulture to the most vulnerable people in this city who do not want to lose their homes and whether they are there or not they are in somebody's name, it is their property. Now, again, issue number 2, your main primary focus is to protect the interests of the public to go in there, be reasonable, negotiate with them to help fix these properties up. When you go into these properties, instead of you trying to exercise the right to pull this property out from

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underneath these property owners using nuisance liens which I consider almost unconstitutional and I would love to challenge you on every one of these cases in court and I want to have attorneys lined up to challenge you on these cases because point blank you're talking about people being removed out of their homes, losing their properties, rent control, this and that. What do you think you're doing right now by throwing out fees on these people and then trying to take their home at a discount and they can't do anything about it? Well, guess what. You think you have activists for rent control, you haven't seen anything yet on this foreclosure proceeding as of this evening. You didn't foreclose since 1971. Quit being greedy because you couldn't get your tax pushed through and wanted an extra \$12 million and you calculated on these liens as well as I have. There's 10 to \$20 million worth of valuations on liens on overall properties that you want that money. Guess what. You're not going to get that money. You're not going to get these people to walk away from these properties. You're not going to get these people to just give them to you to exercise first right to purchase these properties based upon nuisance. It's not going to happen. This day and age. Property ownership means something to people and I'll guarantee you when we have conversations with these owners, they are not going to be happy about this process at all. City hall to sit back like vultures waiting to take these properties from the most vulnerable people in this city who are in their homes or want to keep these homes to maybe give to their kids in the future, that's their business what they want to do with these properties but for you to think you can take these properties out from under them, it's for the going to happen. It's going to be challenged by the ACLU and challenged by half of the city that care about the most vulnerable people. Thank you.

Hales: Thank you. [applause] anyone else like to speak? Come on up.

Sally Bowman: I'm Sally Bowman. I have been very involved in this process. I live next door to a home that was considered a zombie home and also there's one next door to that that was also considered a nuisance home. Living near one of these is very distressing to the neighbors. It brings in a lot of crime to your neighborhood and it makes it a lot less safe for the people who live near the home. I tried very desperately to get hold of the owner, somebody who was in charge of the house, and I would like to explain a tiny bit to the person previous to me, it's going to be hard for him to find the owner of these homes. A lot of people have tried to find them. If you can find that person I'm sure that the city would not have a problem with them taking responsibility for these houses. Taking care of the problem. Even if they didn't pay the liens if they were taking care of the problem that's causing the liens then there wouldn't be this issue in the first place. Thank you very much from the bottom of my heart and from all of my neighbors who couldn't be here for doing something about this problem that's just really close to my heart.

Hales: Thanks for being patient.

Fritz: Thanks for taking the time to come down.

Hales: Anyone else? I think we're ready to take action on the first item unless there are questions for staff from council. The first is an emergency, the second is a report.

Saltzman: I have one question. The owners of these properties have all been notified of today's hearing is that correct? Okay. Thank you. I see heads nodding from those who know.

Landis: To the extent that we could find owners they have been notified. [shouting]

Hales: Let's take a vote, please.

Saltzman: This is an emergency ordinance?

Hales: Yes. Code changes.

Saltzman: I want to thank Mayor Hales and the Auditor's office for bringing these code changes forward. They are long overdue. I think the people that think that what we're doing is throwing families out of their houses nothing could be further from the truth. These

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houses are abandoned. They are not in habitable conditions. They have no water. They have no electricity. Garbage piled up. So to evoke the image of a family being thrown out of their house is nothing could be further from the truth. [shouting]

Hales: Don't interrupt, please. Lightning, you know the rules. No interruptions, please.

Saltzman: These are properties that need to be put into the hands of families. They need to be put in the hands of families who are going to work hard to be good neighbors and to be very responsive to their neighbors and restore these homes to family ownership. So I'm very pleased to support this ordinance. Aye.

Novick: Aye.

Fritz: Thank you to auditor Mary hull caballero and Sarah Landis and your whole team. Good work on this. Thank you, mayor, for pushing this issue. As we heard from our last speaker it's really challenging for neighbors. They have a right to their property rights as well. So thank you very much. Aye.

Hales: So this isn't an abstract issue for me. I have walked through some of these houses. I have talked to neighbors like sally that have had to deal with this, and again, to all of you who have had to put up with this while the city got its act together, my apologies for the delay. Of course there's a property right. Of course there are multiple property rights. There's also a responsibility of property ownership to your neighbors. It's elementary. It's obvious that you can't be dumping your problems on your neighbors. Now, let's talk about who our neighbors are in this case. They are absentee owners who don't live in these homes. Who haven't lived in these homes for a long time if they ever did. What they are doing is cynically manipulating the system and the real estate market to enjoy the rise of property values but leave the problems to the city. [shouting] and to their neighbors. [shouting] really a necessity -- lightning, thank you. A necessity that you take care of your property, and in this real estate market it's quite possible to do so. Ma'am, you don't get to interrupt in this chamber. The next time you're here if you interrupt you'll be excluded. So this is the right thing to do and I really appreciate the good work that's gone into this. I want to thank our auditor and her staff. They have really rolled up their sleeves and figured this out. They do good work every day but this is above and beyond. Thank you. Mike Liefeld and the others at bds, out in the field dealing with these houses, I think -- I hope you feel that help is finally on the way for the get work that you do. Commander Hendrie and everyone in the police bureau that ended up being property managers as part of their job, I can sense the relief in them that the city is finally going to act in this case. So again, I want to emphasize what we're not doing. There are no homeowners that are going to be evicted because of this program. There are no renters that are going to be evicted because of this program. There are empty houses with boards over the windows, in some cases boards that have been pried off repeatedly, and toxic situations both for the people that in some cases have squatted in these homes who need better shelter than this and for the neighbors who had to put up with all the side effects. So this is the right thing to do. It's been a long time coming. I'm really proud Portland has gotten to this day and I'm happy to process the first of these changes. Aye. And then a motion, please, on the report.

Saltzman: Move adoption.

Fritz: Second.

Hales: Roll call, please.

Saltzman: I also wanted to thank in addition to the mayor and the auditor owes office Portland police bureau and bureau development services for the great work getting us to this point today. Aye.

Novick: Thank you to the police bureau to bds and the auditor's office. Aye.

Fritz: Thank you to Stephanie Reynolds our team's office of neighborhood crime prevention special lives. You tried to mediate between neighbors and sometimes between

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police and other services, so thank you for. That also thanks to mike Liefeld, who I know from my being in charge of development services cares passionately about this issue and has been working on it for a very long type. Again chance to jasmine Wadsworth on my staff who was on the collections committee and asked very careful questions about whether people truly understood what their property rights are. Good job. Aye.

Hales: I'm going to embarrass someone but there are times when you like to be proven wrong. I haven't asked but I think Simon Whang is happy to be proven wrong. I understand at one point he may have told chad we'll never foreclose on houses. Glad you're wrong. I think you are too. Thank you all very much. We're adjourned until tomorrow.

At 4:08 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.

JUNE 16, 2016 2PM

Hales: Good afternoon everyone and welcome to the June 16th meeting of the Portland city council would you please read the first three items or is it after this time.

[roll call]

Hales: Commissioner Novick is ill and hopes to join us at 3, but will not be here until then. Ok would you please read the first three items for the afternoon time certain.

Item 695.

Item 696.

Item 697.

Hales: Commissioner Fish?

Fish: I'd like to welcome and invite to come forward our honored guest today, Stan Penkin, the arts oversight committee chair Nancy Helmsworth come forward and a member of the committee and public school arts teacher and Craig gibons who is an arts oversight committee member and executive director of the Multnomah county tax supervising and conservation commission. Have you already blessed our budget or is that still in the works?

Craig Gibons: I'm sorry that you weren't there. It was a good session.

Fish: Thank you. And mayor, I have some comments that were prepared and Stan abruptly told me I could dispense with this because he's going to take over at this point and then lead us for it. Stan, welcome.

Stan Penkin: I don't want your job. Honestly. So good afternoon, mayor hales and commissioners. Before we get to the report, we thought we'd have a little bit of fun. Not that the report itself isn't fun but we are going to kick off with a little video that is a sample of the kind of activities going on across school districts across the city. So we have school year over, we have a little video of a music program that's happening in the park rose school district. This is a ukulele concert. Doesn't get any cooler than that. With that said, let's look at that.

[Video played]

Hales: That's great.

Fish: And that was wonderful. The only possible thing that could top that is if there was school kids to give us a live presentation. Well, maybe we can make that happen. We shall see.

Gibons: I was listening to this for an hour, I could give it to you.

Penkin: I just want to say that prior to the art tax, one full-time music teacher serves all four elementary schools in park rose. Now, each school has one full-time teacher. The tax also leveraged additional investment by the school district this past year to affect \$12,500 in district funds were allocated for the purchase of musical instruments. Next year, that amount will double to \$25,000. So the arts tax, as you can see, also serves to leverage additional dollars so that's really great stuff. So now, what you alluded to, commissioner Fish, tried to bring up some school kids from capitol hill elementary, third graders who have a little something to say to you. So kids, come on up. They're going to introduce themselves.

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Hales: Come on up. Welcome.

Penkin: You can come up here. Don't be afraid of them. They don't bite.

Hales: We're not that dangerous. Hi, ladies, how are you? So yeah, you can face that way and that way, it will be on television. Right there.

****: Hi.

****: Hi.

Bobbi: Hi, my name is Bobbi and I go to Capitol Hill school.

Kaylie: my name is kaylie and I go to Capitol Hill school.

Anniah: My name is Anniah and I go to Capitol Hill school and I just completed third grade. We want to give you this. We wanted to give you a gift as a symbol for supporting us. Because of the arts tax, we get to go to arts class 1 1/2 times a week. As a third grader, we study and in arts class, we connect that study to learning how -- [inaudible] thank you. [applause]

Hales: Thank you very much.

Penkin: These are a series of notecards.

Hales: Thank you very much. Beautiful. Give one to Karla, too, our council clerk. Oh, thank you: I didn't know I was getting that. That's really nice. Oh, yes. Thank you. He will really appreciate that.

Penkin: Thank you, guys. Great stuff.

Hales: Nice job, ladies. Appreciate this very much.

Penkin: After that, you don't really want to hear this report, do you? Move on?

Hales: These are great. I appreciate that you chose the bridges of our city as the subject of your artwork. So we -- we actually have an official city gift that we give to people, you know, when we have a ceremonial occasion. Some mayor of our sister city from Sapporo somewhere like that will come visit us. So it's normal protocol to have an official city gift. So we actually have a city tie and a city scarf with the image of the tilikum crossing woven into the fabric so we also believe that our bridges are a great -- a great symbol of our city and great subject for art. So nicely done. Thank you very much. Let's hear it for these young ladies. Wow.

Penkin: Ok. I guess we have to go on.

Hales: Follow that. Good luck with that.

Penkin: So the a.o.c. Is pleased to report, make its third annual report to you guys up there of the arts education and access fund. The aeaf. I just wanted to note that this would be my last presentation as I am stepping down from the committee in December. And I also just wanted to do a shout out to another committee member, mark wubhold whose term had expired after three years last December as mine had but we both kind of made a blood oath that we would stick it out one more year because we wanted to make sure that the committee was moving forward on its work looking at the quality of education, not just the numbers that we will be talking about today. So that's a real focus going forward. I'm also happy to say that we're presenting this report today with the question of the legality of the arts tax lifted after the recent decision by the appeals court. So we're happy to move forward without having to think about that anymore. I'm going to dispense with the history of the arts tax which you will see in your report. I think you all know the history of what the context is. I do want to say a few words, though, about the actual committee and a little bit about our meetings. So we started out with 20 diverse community members in December of 2012, December 19th to be exact. And through 3 1/2 years now, we've had some attrition and we're down to 16 members after one recent resignation. Moving forward with more resignations or term expirations coming up this year, I just want you to be aware that it's important that we look for more people. And I'm kind of concerned about the committee getting too small and not having a diverse representation from across the city. So that's

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something, I think, the committee as well as the city should focus on in this coming year. I do want to recognize our four recent people who joined the committee this year and that's shamika ansley, amy baggio, Neal deponte and dunia jennings. I don't think anyone are here today. Quick word about our meetings. This past year, we -- hi, you did make it. Hi. Great. Thank you.

Fish: Thank you for joining us. Yeah.

Penkin: So this past year, we scheduled three full committee meetings and we've had, I believe, three or four metrics meetings. It will be one more meeting this year coming up in October. In past years, we've spread some meetings around to different parts of the city. This year, we've had all our meetings at the rack conference room as that's convenient for many people. But going forward, we'd like to again get some of our meetings out into the community rather than having them here in the city. I want to say a few words about that. I do want to acknowledge with great appreciation the help, guidance and administrative support provided by the revenue division led by Thomas lanom, terri Williams, Scott Karter, and Megan Fertal. Racc has also been an integral partner in our work and we wish to thank Eloise Damrosch, Jeff Hawthorne, marna stalcup and Maya McFaddin who between them have attended all of our meetings and offered valuable input and guidance and our full meetings and metric meetings as well. Real good shout out to them. Lastly but just as importantly, we appreciate the collaboration with the six school districts that have attended many of our meetings. We will now move on to the nitty-gritty of the report. I will present the revenue information. Nancy will talk about the schools. Craig will talk about racc. And then I will talk about our recommendations and a few closing comments. So first, the revenue division. The revenue division continued to be a major source of information. And provided complete updates on all aspects of the tax at every committee meeting and in between. A little bit about the tax year 2015. While it is still too early in the 2015 filling season to forecast revenues, early indications are that 2015 will be the best year yet in terms of payment compliance. As of May 27, 2016, over 230,000 Portlanders had filed their tax returns and paid over \$8.1 billion. This is more revenue than any other year at the same date in the prior three years. I want to give you a quick snapshot of the data from revenue. So if you look at the slide, the tax collections for 2015 were \$8,149,000 and net revenues were about \$7.6 million and since disbursements have not yet been made, there's a balance in the fund of \$7.5 million. So that's pretty straight forward numbers. I just want to talk a little bit about the revenue's tax year 2015 outreach to taxpayers. They included sending e-mail reminders to over 142,000 taxpayers. Sending paper tax forms to all taxpayers and households that had filed in the previous tax year. They made the arts tax form available in 10 languages in addition to English. The arts tax returns now available with leading tax software preparation products like h&r block and turbo tax and revenue received 850,000 grant from the office of management and finance to enter into agreement with elders in action for assistance and outreach in the elder community. So a quick snapshot of what has happened over the three years of the arts tax. So again, if you looked at the numbers just briefly before revenues through April 30th, 2016, there were total revenues of \$27,500,000 with net revenues amounting to \$24,635,000. Total school disbursements are a little bit over \$20 million. Disbursements to rack were \$4.2 million. So total disbursements, again, as of April 30th 2016 were \$24.5 million. Let's talk a little bit about the expense cap. The tax ordinance stipulates that administrative expenses should average no more than 5% of gross revenues collected over a period of five years. Not including the first year of stored up expenses. The first year expenses were 3.9%. Tax years 2013 and 2014, however, the total expenses were 8.8% and 9.8% respectively. As additional revenues are collected, tax year 2013, 2014 and 2015 percentages are expected to fall somewhat but not likely to hit the 5%. The combined three year average

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cost is currently 7.5%. 2 1/2% above the stipulated level. As we noted in our two previous reports, we cannot know a 5% cap would be maintained as revenue continues implementing new features of the tax, such as receiving taxpayer data directly from the i.r.s, we expect revenues to increase. This will lower the cost percentage over time but we are currently doubtful that the 5% cap can be met. Thomas will speak more to this shortly. But I want to briefly outline some proposed city resolutions addressing that issue. I'm going to outline two resolutions that you'll be hearing definitively about shortly. The revenue division -- first, the revenue division has worked diligently to identify those individuals who are subject to the arts tax and to collect from those who have not paid in various tax years. To fulfill its duties to collect revenues, the division is seeking a city council resolution to engage outside collection agencies to begin a collection process for delinquent taxpayers who are at least one year overdue in the amount of \$100 or more. Final demand letter to be sent allowing the taxpayer at least 30 days to respond. Number 2, in addition, due to the anticipated difficulty in meeting the five-year, 5% administrative cost cap, a figure that we questioned in our first annual report is likely being unrealistic, the division is seeking a city council resolution to direct the revenue department to report on options for the permanent solution to the 5%, five-year average expense cap. It should be noted that the originally conceived 5% cap was based on projected revenues of \$11 to \$12 million. Due to changes made by city council in the first year, related to exemptions and minimum income requirements, revenues have decreased, thus increased the administrative cost percentage. It should be further noted compelling the revenue division to strictly adhere to the 5% cap would be counterproductive. It would reduce staffing and other efforts that would have the consequence of decreasing the ability to maximize revenue corrections. The a.o.c. Recommends that the city council adopt these resolutions. Finally, we wish to note as we have noted previously as with the time frame and the subsequent issues and changes that took place, the revenue division did an excellent job. The division has been open, transparent, and always receptive to questions and concerns from the a.o.c. The division addressed our recommendations to expand outreach in more languages that now number 10 and continuing efforts to fully expand outreach services. Finally, and very importantly, the tax return can now be filed through multiple software products on the market. We will now, Nancy, move on to our school report.

Fish: Welcome, Nancy.

Nancy Helmsworth: Thank you. You have my name or do I need -- Nancy helmsworth, ok.

Fish: Where do you teach?

Helmsworth: I'm at Capitol Hill school.

Hales: That's some good students there.

Helmsworth: I know, they're super students. The metrics committee continues to monitor the arts tax moneys as they are apportioned to each district, auditing how the money is spent for the arts teacher f.t.e. per student. We individually and as a group review the data collected from the district and the narrative and the numbers are in the appendices b7 through b12. To look at a broader snapshot of the Multnomah county wide process, excuse me, but first this looks like -- this is an example of the form that is sent out to each district. And here's an example of what you'll look at when you look at the reports that are in the appendices.

Gibons: This is centennial school district and the -- the three graphs show the ratio of teachers to kids. You can see it dropped precipitously in the first year of the tax. And has remained pretty stable since then. The second chart is grades 6 through 12. And you can see that our work has had an impact there. The arts tax has had an impact there as the ratio has decreased. Then the large chart is just the current year, k-5 student per arts

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teacher and the solid line is 500 and every school one met that standard. So that's what the charts show. And then --

Helmsworth: The countywide chart.

Helmsworth: And the countywide chart which, of course, take a few minutes to really look through all the numbers, we want to point out when you look, we will find from the base -- the base year which is the pre-arts tax year, to this school year, there's been an increase of over 60 teachers. We went from 31 teachers to 91 teachers at the k-5 level. We're also pleased to point out that an additional eight teachers were hired this school year. So as a county, we have it continued to improve our numbers from year to year. And at our base year, the ratio of teacher to student was 1 to 1,000. One teacher to 1,000 students, 997. And this year, it's one teacher to 380 students. Clearly, though, 1 to 500 ratio has been successfully achieved for the past three years. Our primary focus has been to monitor the implementation of the aeaf for the k-5 students but part of the iga agreement specifies that the school districts would support and continue the education begun at the elementary level. This year, our first arts tax, students have completed seventh grade. Next year, as a committee, we'll be looking more closely at the arts f.t.e. Offered in the middle and high schools. In support of that intention of arts offering being available to the students as they progress in school. Now that these mechanics are gathering and monitoring the money data are in place and become routine, we're looking deeper into the impact of the art tax. We know the numbers but what does it look like in the classroom and for the children? In our discussion as a committee, we have suggested that each school district make a state of the arts report annually such as public report would no doubt be an effective internal status taking as well as give us an informative window to review the positive efforts and outcomes relating from the aeaf. Information that's not obvious in our audit form. For instance, in a state of the arts report, we would hear about when the arts tax passed for public resurrected a dormant position of teacher on special assignment, someone who their full assignment is to support the teachers in the arts. Meaning it was an arts subject area tosa and that shows p.p.s. commitment for the arts tax implementation and support the i.g.a. Agreement at the k-12 level. This year, a k-5 visual arts team spent over 200 hours writing the new standards to align with the new national core arts standards in addition to their teaching hours. They defined program mission and goals and develop curricular resources for their fellow arts teachers. This development agenda continues this summer with the k-5 music teacher's standards and with the k-5 dance teachers writing standards in the fall. They are large tasks that take significant time. But a strong example of follow-through on the promise to properly implement the tax. Another example can be found between last year and this year, they have committed -- sent and committed \$37,500 in support of their music program and this is a music program that was jump-started by that aeaf fund. While not reported on our metric data collection form, these are noteworthy indicators of district commitment to their k-5 programs and these are indicators of success. Lastly, the metrics committee has plans to further engage with the east Portland action plan and I will look -- after they voiced questions and concerns about the aeaf money, how it's used in their community. And a subcommittee has been formed and Dunia Jennings is a point person for that. Thank you.

Gibons: We have a couple more slides here that just show how the arts tax has worked. This is the ratio of k-5 students per arts teacher for each district in the area and you can see that except for a couple of the schools they made terrific progress in decreasing that ratio. David Douglas was already ahead of the game, it appears, and so was Riverdale. This chart looks at it from the other direction. These -- this is the f.t.e. of arts teachers. Base year is this blue again. And then the following years, there's an increase every year. The third chart over here is the annual increase which was significant the first year but has

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been steady in the last two years. So now, we want to talk about racc. All the money is distributed -- the money is first distributed to the school districts. And then the remainder is distributed to racc. And we just want to recap racc's distribution of its funding over the last three years. This first slide, slide 16, I have to preface this. We have two data sets here. One is as of April 30th, the other is as of June 6th. So there is some contradiction in the numbers. But we wanted to get you the most recent numbers we could, the June 6th numbers to make the report as up to date as we could. Some of the old numbers still linger. The numbers on the sheet are as of last week. Shows a total distribution and use of funding for the first three fiscal years of \$3.6 million. The second chart shows that some of the funding they have received, racc has received this year, has been programmed for next year. So that's the \$618,000 programmed for next year. Total distribution, \$4.2 million and that ties back to slide number two, receipts for the three years. So \$4.2 million to racc. To break that down a little bit, racc provides two types of grants. Pursuant to the ordinance. One is operations support. And the other is access or underserved communities. The split is 95/5 and this is the money that has been spent annually on those two different grant programs. The middle chart, you can see that the number of grants have stayed pretty steady. The bottom chart, the math from the first and second chart shows the average grant size has increased over a three-year period. Then the next few slides are detailed slides just to show you what's in the annual report. Here is a detailed list of the equity slides or the equity grants that were distributed and they vary from about \$1,000 to about \$5,000. Most of them are one shot grants. So these are the equity grants. And we really want to study this one closely. I'm just advertising that the chart is in the report. This lists all of the general support grants alphabetically. And how much was received each year by the organization. The next chart which is also in the report takes the previous chart and sorts it by total grants over the three years. With the -- with the jurisdiction that got the most grant money over the three years at the top and the top three districts, I'll just tell you, are right here. The symphony, the opera, center stage, Oregon ballet and they all got a total of more than \$100,000 over the three years. So that chart is in there for you to look at, too.

Fish: Each received \$100,000?

Gibons: They received over \$100,000 total. So if you want to look at data, those are interesting charts to look at. Any questions on the data or the numbers? Ok. Ok. Anything else?

Penkin: Nope.

Gibons: General recommendations.

Penkin: Ok each year, we have made some recommendations and what we like to do is review our recommendations with the previous year and see what's happened to them. So a review of our 2015 recommendations. Up on the board, Craig?

Gibons: Yes.

Penkin: We have a slide for that, I think. So number one, recommendation last year was to provide a clear definition of certified arts teachers via an administrative rule procedure. This rule is expected to be completed during 2016. Our second recommendation provide arts tax or other funding for the southwest and ivy charter schools so they equally benefit on a proportionate basis with the other school districts. This was accomplished with Portland public schools providing the funding for 2015-2016 year. City council has now established via definition in city code that allows these two schools to receive funding in the future. Third recommendation, the school district to its education coordinator should collaborate towards creating a model program that will recognize national standards for quality arts education. And which addresses the concern about f.t.e. Allocations. We further recommend that this be undertaken over the course of the following year with a

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report to be submitted to the arts oversight committee by no later than this time in 2016. To the status of that. Through the arts coordinator position, racc has made excellent strides in meeting with the school districts to provide developmental support. The question of aligning with national standards and measuring quality of education and outcomes is and will be an ongoing process in collaboration with the school districts. Racc has provided reports on its progress on a regular basis during the course of the year. Number four. A.o.c. has a request for hours of instruction in each arts discipline in its data submission form. After further discussion following this recommendation, the a.o.c. And racc determined that this information would be better acquired by racc. In its meetings with the school districts and through surveys, this metric is slowly being developed. Number 5, the revenue division should provide projections of revenues and expenses at a time when it becomes viable to do so. The revenue department then known as the department of now revenue division has been providing this information as available. Number six. The legislative intent of the aeaf was to add new resources on top of the city's current levels of funding. We recognize that the city is on track by continuing its general fund investments in racc and should continue to do so. Happily, the city has continued to provide that steady funding to racc. Lastly, from our 2015 recommendations, the a.o.c. to work with racc to create a more comprehensive way to track how different aeaf tax year dollars are used in any given racc fiscal year. This will continue to be an ongoing need as the revenue division becomes even better equipped to collect taxes from late and noncompliant places. The arts tax was a calendar year and racc worked on a fiscal year. There was a lot of reconciling that needed to be done. This has been accomplished but still will be an ongoing effort to simplify reporting to the extent possible. We have come a long way. So on to our recommendations this year. Number one, racc and the a.o.c. Should further develop the measurement of the hours of arts instruction taking place in the schools which is eventually to be included in the school district's yearly data submission to the a.o.c. Two, racc to continue its arts coordination work with an eye to the quality of arts education in the schools and to collaboratively work with the school districts towards developing metrics for the evaluation of outcomes. Three. The a.o.c. should further track arts instruction taking place in middle school and high school by breaking data down into individual schools as it does for k through 5. Four, a suggestion that school districts consider providing an annual state of the arts which Nancy referred to earlier, annual state of the arts report so there can be a better understanding of what takes place in the districts relating to arts education. Five, city councilor should approve the proposed resolution to engage outside collection agencies to begin a collection process with delinquent taxpayers that are at least one year overdue in the amount of \$100 or more with a final demand letter to be sent allowing the taxpayer at least 30 days to respond. Six, city council should approve the proposed resolution to direct the revenue division to report on options for the permanent solution to the 5%, five-year average expense cap on administration of the arts tax. Lastly, the city should continually be messaging the positive results of the arts tax and dispel misinformation as it arises. So few last words moving forward. We've talked about this before but I'm going to repeat this again because it's really important. So qualitative impacts. As we've stated in previous years. One of the committee's charge is to oversee and review the expenditures and outcomes of the arts fund, we continue to strongly believe that our task goes beyond just a quantitative measuring. The word outcome in the code that is not fully defined but we feel it should include a qualitative evaluation as well. We want to look at questions such as, what are the ultimate impacts on children. Are children doing better in school? Are children doing better socially? Do we see an effect on graduation rates and student attendance? Do we have qualified and first art teachers, not just teachers. Has there been an effect on parent involvement in schools. Have arts

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schools been able to open their doors to more underserved communities. Are our multicultural communities more engaged with the arts? Working together with the race school coordination team arts teachers and the school districts, the a.o.c. Will continue to dive deeper into the questions of quality and outcomes. As always, we welcome input and suggestions from all sources. Thank you. And we will entertain any questions or comments.

Hales: Great report. Questions?

Fish: Let me kick it off. This is a superb report and it's a lot to process here. I'd like to go to your recommendations for 2016. And just want to ask you a couple of questions off them. First, the suggestion that districts consider providing an annual state of the arts report. That would be a written report that would be submitted both to your committee and to the city council or how do you envision that being transmitted?

Penkin: I don't think we've thought it through to that extent. There has to be more discussion about it. But what we feel is that certainly to the parents, I think, certainly a report that's public so the a.o.c. And the community can understand what is happening in the schools arts education wise and not just the fact that there are x number of teachers but we as a committee don't really know what is -- what is going on in a day-to-day basis and we're trying to understand that better. I think that's kind of our general sense of it.

Fish: I think it's an excellent suggestion. You know, we do evaluations of bureau directors, we first ask that they draft their own evaluation. And so that we can work off the document. And having the various school districts document what they believe are the successes and celebrate those successes and communicate with parents and teachers and students and then the community, I think, is --

Penkin: I just want to say, commissioner, that it's a suggestion. From day one, we didn't want to be seen as the police over the school district. Everything we've tried to do has been collaborative and we've worked well together. And as we developed our metrics, they were very helpful so we've worked together. So this is a suggestion. It's going to involve more conversation as to how it's actually done going forward.

Fish: Other quick points. Your seventh suggestion is continually message the positive results of the arts tax and dispel misinformation as it arises. I don't think any of us can think of anyone who has been more vigilant in that category than you. Continuously submitting pieces to local newspapers to respond to editorials and to news stories. Thank you for your vigilance. And I think you've done an outstanding job highlighting the successes and I think in some ways because of your position in the community and that you're not an elected official, you probably have in some ways more credibility in making that case than the electeds. I'm not saying that to just puff you up. But your pieces have made a difference and I want to thank you for being so attentive and getting the word out. The final thing I wanted to ask you since this is your last year and you specifically called out that we need to appoint some new members. In our different boards and commissions, we have different rules about how we appoint people. So one of our most -- our newest boards, the Portland utility board, we actually have delegated to them the responsibility of identifying candidates for membership. That's not the typical way we do it because we have lots -- what has been in your tenure, Stan, the most effective way to collaboratively identify and recruit talent for membership?

Penkin: Well, I think in the past year, I've done some recruiting myself just through communications from people that showed an interest and some of the new members that came on this year had contacted me about various questions, sit down and talk about what they're concerned about and I'd say hey, how would you like to raise your hand and be a volunteer? That's not a very good way to do it. That's a small reach out. I feel there has to be a broader reach out and I think there's a process through the city whereby put out a

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request for applications and we haven't done that in the past year or two. I think we did it early in the second year when Jenny was still on your staff. But I think we have to get back to a great, great outreach effort. Otherwise I wouldn't want the committee to be composed of friends of mine or people I happen to know. That's not the way it should be.

Fish: This sounds like something that we could get some guidance from Oni and Commissioner Fritz is something that she's passionate about, identifying new talent in the whole community. And figuring out how we support this goal of recruiting and appointing new members.

Penkin: I just want to say having been on the community involvement committee for the Portland town plan which was adopted yesterday, there will be an ongoing and I'm changing areas here but it's similar. There will be an ongoing community involvement committee and I understand the process for that is going to be done through Oni. As you say, I think that's what we should be looking at for the a.o.c. As well. I mean, I leave that to you guys to figure out.

Hales: Any other questions or comments for this panel?

Fish: We're going to find out if we have people to testify. My question is do you want to vote to accept the report now or continue with the two other items and come back? I don't know what the availability of our panel is.

Hales: I think we should accept the report after testimony and then see if --

Fish: Has anyone signed up, Karla?

Moore-Love: No one has signed up. You have an amendment.

Hales: You do have what?

Moore-Love: Amendment for this. That was submitted in the Tuesday memo.

Hales: Amendment to the report?

Moore-Love: To report.

Fish: I'll move the amendment.

Hales: Is there a second?

Fritz: Second

Hales: Let's take a vote on adopting the amendment and see if there's anyone else that wants to testify.

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

Hales: Does anyone want to speak on this report before we take action on it? If not a motion please to accept the report.

Fish: So Moved.

Fritz: Second

Hales: roll Call

Fish: I didn't want to miss a chance to thank each of you for the work that you do. In prior years, there's a little more karma around this. And we hope the court of appeals decision has decided the question. I don't want to encourage any further appeals but we -- there's at least one more rung up the ladder that theoretically someone can go but we have a perfect record in terms of courts addressing the legal question that was brought about whether it's a poll tax or a head tax. And I think given the resounding and strong decision of the court of appeals, we feel like we're on very strong ground going forward. I was talking to Deborah Kafoury recently, and she expressed sort of irritation about some of the criticisms of the arts tax. And she's very clear about celebrating the benefits of the arts tax to our community. And when you think about it, 40,000 children in our community now experience arts education at a much higher level than they did before. During formative years. And Jeff is here from RACC, and the kind of companion piece of data that we get presented with every year is the enormous, is the wonderful and inspiring data of the Right Brain Initiative which keeps documenting at a very high level the arts education impacts all

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of children's development. The kids exposed to the arts do well on all the disciplines. And there's something about stimulating the right brain that just benefits kids in every discipline. And so we have a funding mechanism that is not perfect. That is providing children with something that is essential and that all of us say over the age of 40 remember a day when it was part of the curriculum and not considered extra like p.e. And other things which now, because of budget cuts, are almost considered luxury items. And the aggregate data in the nation says that children are more successful in schools where there is robust arts education. And that's separate and apart from the possibility that some child exposed to the arts early is going to become a painter, a singer, a musician, a designer is going to have a creative impulse that catapults their life forward. So Stan, you've been really vigilant about defending and celebrating the success of the arts tax. And this is your last year. And I know we'll have another occasion to embarrass you. But this is -- what you've done is real public service. It's not glamorous. Its long hours. It has been controversial but I think a lot of the credibility of this tax and this program is due to the work of you and the committee. So we owe you a great debt for your service. And thank you. And to Stan and excuse me, to Craig and to Nancy, thank you for your presentations today. And thank you for really one of the better reports that we get every year in terms of clarity. I must say on the power point, I have trouble reading the tiny print but it is in a bigger font in the written materials. And it's very thorough. And thanks to all of your committee members for the work you do which has been vital. I want to close by thanking the young people that are here today. We love it when young people come to city hall for lots of reasons. We hope some of you someday think about sitting in these chairs.

Hales: They did before you came in.

Fish: What? Me in particular? Me filling the seat? And, you know, we've got -- we've got a council here, everyone here is slightly over the age of 50 so there will be some vacancies in the next 10 to 15 years maybe when you're about the age? And we hope you consider public service. But to the young people, this entire effort is about giving you exposure to the arts. And when you come to us and you showcase what you've learned so beautifully, and you're so articulate and you're so poised and you're such great ambassadors for what we're doing, you bring it all full circle because at the end of the day, you are the reason that we have an arts tax and you are the people that we have great hope for in the future. So to the young people that were here and the loving, caring adults and their lives that brought them here, congratulations. You really cheered up this room today. And to all of our friends who have supported this effort, thank you. And Stan, we look forward to working with you both on the recommendations and on a more robust recruitment program so you have a full complement. Thank you all for your good work. Aye.

Saltzman: Thank you for the great report and thank you for your service, Stan. It really is a well-organized and it's a very well organized report, put the small font aside. With the information presented. Very clean and easy to follow. So thank you. Aye.

Fritz: Thank you so much for your work and the work that you've done over the past several years to get this organized and off the ground so this routine report is now routine and you've done a lot of work to make sure that citizen oversight of this large amount of money has been diligent and the people of Portland can know that we have spent it appropriately for the promises and kept the promises that we made. Over \$20 million so far disbursed to schools. That is something that we need to remember when people say about how the city doesn't support all of the school districts enough. Well, yes, we do. And maybe we could do more, but we already do a lot and I appreciate both the effort that it took to get this passed and now the implementation of it. And thanks to my neighbors and others who are here and just thanks to the note cards. Very nice of you. I feel like I should make a note card out to say thank you for the note card. But school is out. So I'll just take

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my thanks for that. I understand that you're working on a definition of certified arts teachers and that the intergovernmental agreement may be amended to make sure that charter schools specifically respond to that? Thank you for that detail. My future daughter-in-law works at the ivy school which is one of the two schools that was recently brought in and made clear that they also get coverage. So I have personal knowledge that you certainly look at the details and that warms my heart. Thank you, everybody, that's here. Aye.

Hales: Thank you. This report is a chance for us to see how we are with respect to this particular public policy and where we're going. And look back at where we've been. And I think it says a lot about where we are now. You know, I ran for this office on the same election as the arts tax and campaigned for both. When I first took office, there was still some grumbling from the, what, 35% of Portland voters who didn't vote for the arts tax. But a very large majority who did. And that grumbling with the exception, I think, of the single editorial writer who seems to inhabit his own universe on the subject maybe others, too, you know, the noise -- the negative noise has gone away. But what are we left with? First, do we give the voters what they expected? They expected significant dollars flowing to the arts and particularly to schools. Check. That's what's happened. And then it would be new effort by the school districts not back filling against what they were already doing. Your report demonstrates that that's the case and the ratio of arts teachers is radically changed to the good. Because of this reliable source of funding for a key educational component. The voters expected that a small percentage of the money would go to overhead administration. Check, it's true. Whether it's 5%, 7%, is relatively inconsequential, again, when you look at the overall effort. People expected that the tax collection would be regularized and easy. And that the city council would work out any problems in the tax which over the course a couple of years, we did. And they expected that there would be continued real citizen oversight, not just the elected officials, not just the folks who work for the city but citizens would be looking over the shoulder of government here and saying is this doing what it's supposed to do? And you have done all that. So I think this is a great opportunity to celebrate and as your last recommendation, emphasize keep trying to get the good news out of how much of a success this is. And I think if anybody could hear both the ukulele performance or meet the young women who were here today, I think that would end any further argument among those arguing. Finally, again, ladies, thank you for these. My daughter is 29 and getting married in New York this summer. But the reason she's in New York is that at about your age, she decided that she was going to be an artist. She decided she was going to be a dancer. And so she started dancing and went to college and majored in modern dance and then went off to New York to live her dream of being a modern dancer in New York. So as the parent of at least a couple of artists, but Kaitlyn in particular, I'll send her one these notecards and tell her about you. Thank you for being here today. Aye. Let's take a break.

Penkin: One quick note about this report going national today. So this morning, I was sending the report out to all the respective school board members in the six districts.

Hales: Good.

Penkin: I got one board member sent me back an e-mail and said, hey, I don't think you meant to send this to me. I'm on the board of centennial school district in a town in Minnesota. She added, you're doing some great work in Oregon. I want to leave with that.

Hales: Yes, we are. We'd love to take a photo with our students that are here. Sorry? I know we're going to take a break and take a photo and move on to our other two items, I think, aren't we? They might have to wait.

At 2:59 p.m. council recessed

At 3:00 p.m. council reconvened

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Hales: We're going to move on to the other two resolutions on the subject of the arts. Some of these folks, I think, needed to leave so we will bring up Mr. Lannom to explain these two items. I think we've already heard quite a bit about them so I'll forgo any further introductory remarks and let you take it away, tom.

Tom Lannom, Director, Revenue Division: Great, thank you. Mayor and council, I'm the director of the revenue division of the bureau of revenue and financial services. Before I talk about the resolutions, I'll briefly say that we get a lot of mail from people at the revenue division every year. Thousands and thousands of letters. And this is far and away the nicest thing that I've received from that.

Fish: It's in my notes that you'll be performing? What musical instrument do you want to be?

Lannom: You don't want to see that. So the two resolutions before you today. There's two resolutions before you today, first set is a threshold for referral of delinquent arts tax accounts to a collection agency. And the second directs the revenue division to report back to council in 2017 with options concerning resolving the 5% cost cap issue. As Stan said, the arts tax oversight committee has unanimously recommended passage of both of these resolutions. So I'll speak first to the collection agency resolution and then I'll come back and talk about the cost limitation resolution. Use of collection agencies to ultimately collect unpaid debt has been a key assumption underlying arts tax compliance issues since 2012. Taxpayers have an expectation that those that are not compliant will ultimately be held accountable. Failing to hold noncompliant taxpayers accountable will ultimately lead to increased noncompliance more universally. The revenue division's budget for the arts tax is constrained by the arts tax limitation and does not allow for any additional internal collection efforts. We estimate that compliance rates approaching or exceeding 80% are still attainable with the use of collection agencies. Increased compliance is expected to boost the revenue yield from the current low \$9 million range into the \$10 to \$11 million range and those additional revenues would flow to the regional arts and culture council. Many public agencies use a collection agency to collect debt including the Oregon department of revenue, other tax programs, other revenue division, the water bureau, fire bureau, this is a straight board business decision and should not be controversial. The most common referral threshold used by most public agencies appears to be \$100 of debt owed and that's the threshold that we are recommending that the council approve today. If the council approves this threshold, our next step will be to mail what we call final demand letters to those taxpayers owing \$100 or more beginning with those owing the most. There are approximately 95,000 taxpayers that owe \$100 or more. Of that 95,000, 25,000 owe \$260 which is to say have never paid for any tax year. Taxpayers that are exempt due to low income or poverty can father an exemption and that will clear the debt and will not be referred to a collection agency. Taxpayers that pay the debt or enter into a payment plan with the revenue division within 30 days, again, will not be referred to a collection agency. Prior to any referral to the collection agency, the revenue division will attempt to verify taxable income with the i.r.s. That we can focus our efforts on those that owe rather than those that do not. And finally, the revenue division will retain the ability to freeze collection activity on any account that's incorrectly referred to the collection agency. So there are a range of different tools that safeguards that we have in place to do our best to make sure that the right people are referred to the collection agency. Ultimately, we anticipate following working through those 95,000 accounts that probably 30,000 to 40,000 would be referred to the collection agency. That's about 5% of the adult population and that's very much in line with what the county referred following the personal income tax that they administered from 2003, 2004 and 2005. They referred 32,000 accounts in 2011. There is no cost to the city or arts tax fund for referring accounts to the collection agency. The

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agency will add 23% fee on top of the amount referred and that is the amount the taxpayer will owe and that is how the collection agency is compensated for their efforts. And lastly, I would note that the city is not selling or permanently consigning these accounts. We contain full authority and control to bring them back at any time we choose. So those are my remarks with respect to the collection agency. I'll just move on to the cost limitation resolution and then entertain questions at the end, if you have any. Recall, again, as Stan said the 5% cost limitations. 5% of the revenues collected over a five-year period. For the first three years, for which we have complete information, expenses are at about 7.5% of collections. If this trend continues and we expect that it will, we will be in violation of the city code as of January 2018. The cost limitation has absolutely no relationship to the workload or revenue yield maximization for the arts tax. The arts tax is less than five authorized positions for 450,000 taxpayer accounts. That's a collector to account ratio of 1 to 100,000. Every other city of Portland revenue collection program that we're aware of including those within revenue, water bureau, anyone else you may choose to look have ratios that are well below 1 to 10,000. In other words, we have 10 times the number of accounts. That those other programs do. The cost limitation also works against efforts to maximize the revenue yield. Because it limits the amount we can spend to 5 cents for every dollar collected. Spending 10 cents to collect the next dollar makes perfectly good business sense but is discouraged by the current city code. We cannot cut the budget to meet the 5% cost limitation without losing revenue and setting up a negative feedback loop because it's that same revenue that drives the limitation in the first place. The close of the first five year window will be December 31, 2017. And this will be the last date the city can act to collect the 5% cost limitation. So the first and best option for partially closing the gap between the allowable and actual expenses is to raise increased revenues so that that cap is also raised. And we believe taking this step will move the current cost between 7 1/2% to around 6% range leaving a relatively small figure for us to look at in 2017 when a correction may be necessary. So the resolution, the second resolution for you today directs the revenue division to close the gap by collecting additional revenues and it also directs revenue to report back to the city council with options to finally and fully resolve this issue in 2017. So that's all I have.

Hales: Thank you, Thomas. Questions?

Saltzman: I continue to be, as you know, concerned by the threshold of which we're referring past due collections to a collection agency. Just over concerns about peoples credit history and things like that. So when we refer these accounts, past due accounts to a credit agency, the credit agency will add a 23% surcharge?

Lannom: That's correct.

Saltzman: Ok. Can they sell the debt to another collection agency?

Lannom: No.

Saltzman: They cannot? Ok. So it stays with the agency unless we, the city decide to take the debt back?

Lannom: That's right. There's no selling. There's no consigning. We retain 100% control over every account that we refer.

Saltzman: Ok. And the \$100 past due, is that the past due balance on the arts tax itself or is that the past -- does that include the arts tax, \$35 plus any penalty for not paying it on time?

Lannom: its \$100 all in. So it's the tax and the penalty so a person who only owes for one year would be \$35 plus \$35 in penalty, \$70. They're not going to go to the collection agency over \$70. They will get a letter encouraging them to pay. The following year, they continue not to pay the tax, at that point would be subject to referral.

Saltzman: Thanks.

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Hales: So really it only takes one year.

Lannom: That's correct. So it's one year plus not being in compliance the following year.

Hales: And the next year comes around another \$35, you're \$5 over the threshold.

Fish: Thomas, did you give any consideration in terms of going to the next step of building in any kind of amnesty program to seek better voluntary compliance?

Lannom: It's an excellent question, commissioner, glad you raised it.

Fish: You did not prompt me to ask it.

Lannom: You requested in 2014, we did exactly that. After the second year of the tax when we didn't see compliance figures, that we were hoping to see, we offered to waive all penalties for anyone that came forward and paid the tax at that point. So the deal was people with penalties and tax all in owed \$120 at that point in time in 2014, we waived the \$50 in penalties and just made the amount due \$70 and tens of thousands of people took us up on that. Since that time, we've collected about \$1.3 million in penalties from people who ultimately did the right thing and straightened out their account. So if we were to now offer a second amnesty that would create a problem in terms of the equity of those that have paid the penalties and puts us in a position of determining, well, do we need to refund those penalties before we can do that? So the answer is we've done that and I wouldn't recommend doing it again.

Fish: Just to be clear, the measure that was referred to voters included language which would authorize the use of collection agencies, correct?

Lannom: That's correct.

Fish: And the benefit here, if we're successful, is at least three fold. It will help us get closer to the 5% administrative cap by expanding the pie. It will achieve more tax fairness by spreading the burden over a larger group of people and reinforcing that, it's not a discretionary tax and the additional money will flow to racc, regional arts and culture council and will be used for things like general operating support of organizations that when the -- at least based on the original forecast numbers expected to get a more robust contribution from the city.

Lannom: That's all correct.

Fish: Thank you.

Hales: Ok. Any other questions for Thomas? And anything else you need to say on the second resolution while you're here?

Lannom: I spoke to both.

Hales: I know you did. We're asking you questions about the first. So covered on both?

Fish: Thank you.

Hales: We'll take testimony on both and act on them together. Thank you, Thomas. Does anyone want to speak on either of these two resolutions?

Moore: No one signed up.

Hales: Ok. So let's take a vote, please, first on 696.

Fish: I want to thank the revenue bureau, Thomas Lannom and the whole team. For bringing forward two very thoughtful proposals. It's obviously not our intent to use strong arm tactics with taxpayers to collect. But when the voters adopted this, it was the expectation that the tax would be taken by all. We don't get to pick and choose what taxes we pay. The money that we have not collected is money that hasn't been dedicated to the purpose that the taxpayers intended which is the amount above fully funding arts in the schools was intended to go to support community arts organizations. And to provide both access funds and general operating support and as we know, Portland historically has been on the low end of public general operating support for arts organizations. And that was a companion piece, the vision embraced by the voters. So thanks for bringing this forward. And I support 696. Aye.

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Saltzman: Well, this is a very close call for me. I appreciate all the work that the revenue division has done on this issue, but I continue to be troubled by referring \$100 past due collections to collection agencies because I do think it ultimately will mess with poor people's credit histories and it is the poor people because I note in this council, we had the opportunity to elect to publish the names of those who didn't pay the tax. And we chose not to. And I think that's the most effective way out to people who can afford the people that can pay the tax. This is only to go on the people that are in the margins of life and I don't believe that's what we should be doing here. And therefore, I vote no.

Fritz: I have a -- I have someone in my family who doesn't make very much money, and who believe that this is a very important tax that they and everybody else should pay. So knowing the length that the revenue bureau goes to give people every opportunity to pay and that sets up all kinds of assistance and knowing that notices are going to go out in different languages, I'm supporting this. I do believe we need to do another round of education about the arts tax to make sure that everybody understands that it's each person in a household, not one per household. Each person over 18 who makes over \$1,000 is responsible for the tax. And yes, indeed, everybody needs to pay it and we need to have consequences for those who don't. Aye.

Hales: It may sound somewhat strange, but not too much in comparison to what we did yesterday. That is government has to use the power to collect money or send something to collection or foreclose on a lien very carefully. We have to do the right way and we have to have administrators we trust that are thinking about the human impact of what we do. And I know that we have that. In the revenue bureau. But in both cases, if we fail to act, then not only does the programmatic function of funding art programs start to suffer but so does the credibility of government. Can't get people to maintain their houses that they've boarded up or if we can't get people to pay their taxes, then why should I bother? So I think that the credibility of what we do is at stake. If we don't do this, have to do it very carefully. Have to make sure there are lots of safeguards because you're talking about the power of government over people's lives and in this case, their credit rating. But again, I have a lot of confidence in Thomas and Terry and their staff for the way they will do this and that will matter a lot. So thank you for thinking this through.

Fish: This is a self-contained record. I want to respectfully respond to something Dan mentioned. There were two reasons why this council rejected the idea of publishing the names of taxpayers that don't pay. The first is we as a majority did not believe in publicly shaming people and second, we got a legal opinion from the city's attorney, city attorney's office it was not lawful. So while I respect and appreciate Dan's view that would be an alternative, the council rejected that based on legal advice. And I think shaming people by publicly giving out that information sets us on a bad path.

Hales: There's a time and place for that. Maybe if you let your house get to the point that it's falling on your neighbor's, we would look at that. In this case, right, not so much. So again, I want to appreciate the good work that's being done. And look forward to getting -- we should get, obviously, the council should get a report of how this works out in practice but it makes sense to give this good idea a try. Aye. And now, on the second of the two resolutions, again, no one here to testify, I don't believe, on the second of those. Let's take a vote, please, on 697.

Fish: Aye.

Saltzman: Aye.

Fritz: I appreciate this direction. It's clear to me that we should cover the cost of administering it. They do very good work. I hope I'm going to indicate it when I come back, my preference would be to remove the caps and take that -- have the funds pay for the administrative cost rather than the general fund. Aye.

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Hales: One of the functions of city government that maybe not a lot of people get to see is the work of the revenue bureau because I'm the commissioner in charge of finance administration, I've been over there and seen their staff at work at the peak times when tax payments come in and let me tell you, these people work hard and the taxpayers are getting their money's worth. Aye. Thank you both very much. Ok, let's move on to our time certain remaining item. Time certain for 3:00. 698.

Moore-Love: Before we read that, we have a lost pair of keys. If you've lost your keys, they're up here.

Hales: Ok. 698, please.

Item 698.

Hales: Mr. Saltzman?

Saltzman: Thank you, mayor. As all of my colleagues know, lack of affordable housing is the greatest crisis facing our city right now. And the current market conditions are increasing the crisis. We have thousands of people literally living on our streets. We have unprecedented rent increases. More than 15% on average year over year. The highest in the nation. The rising rents coupled with extremely low vacancy rates have made affordable housing options scarce for low and middle income Portlanders. And quite frankly, new development both residential and commercial is continuing to put more stressors on the need for affordable housing. We have worked hard in this city to ensure that jobs are located close to where people live. And I think that was one of our corner stones of the plan that we adopted yesterday is people need to be able to live near where they work. And we have been succeeding. But we need to ensure that more people can actually afford to live in our city near to our jobs. We need to ensure that people who comprise our work force have places to live and raise their families. We need to ensure that seniors who have lived their whole lives in the city can afford to stay here near their support systems, their family and their places of worship. We have a documented need right now for 24,000 units of affordable housing. And that need is growing as the city continues to grow. In the comprehensive plan that we adopted yesterday, we acknowledge the need for an additional 10,000 units of affordable housing on top of that 24,000 units of need right now over the next 20 years. New commercial and residential developments in the city must pay their freight towards supporting affordable housing both commercial and residential development. And that's what we're presenting to you today to you is a proposal to do exactly that. We are proposing to establish a 1% commercial excise tax on residential construction and on commercial construction. This was -- this is not the solution to our housing crisis. But it is an important corner stone of funding new, affordable housing in the city of Portland. Some of the other things this council has done is last year, we increased the amount of urban renewal money dedicated to the housing by nearly \$67 million. For affordable housing. Before the end of this year, the council will consider an inclusionary zoning program for adoption which will include some increases for developers and sentence for developers, excuse me, which this construction excise tax will provide some funding for. And I will be bringing to council a referral to the voters in a couple of weeks to ask them to help solve this affordable housing crisis even more. By supporting a general obligation bond for affordable housing development. Our city's workers, our families, our seniors, are struggling to stay in this city. It will take all of us stepping up to help stem the tide. To help turn the tide. And I'd now like to introduce our housing bureau director Kurt Creager and our equity and Matthew Tschabold policy manager that will run us through the proposal in more detail and we have one panel, invited panel that I'll bring up after the power point and the presentation by Matthew and Kurt. And that is dyke dame, a member of the Portland housing advisory committee and who is instrumental in the city's lobbying effort regarding the tax and inclusionary zoning. Vivian Satterfield of opal who

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also helped lead the charge and say getting an inclusionary zoning ban lifted so we'll start with Matthew and Kurt and then the power point.

Kurt Creager, Director, Portland Housing Bureau: Thank you very much. Mayor hailes and members of council, Portland housing bureau and it's my pleasure to be here today with Matthew Tschabold and I want to frame this today, today we come to you standing on the shoulders of giants and that's our legislative leaders brought us to where we are today. You as a council made the passage of an inclusionary housing program a mandatory inclusionary housing program your top legislative priority in the 2016 session. And in 32 days, we were able to get that passed. Due in large part to your energy, your enthusiasm and your commitment. And although one is on leave, Martha Pellingrino, I know, worked 12 hours a day on this because I got calls from her after 8:00 p.m. And on weekends. But specifically, senator Alan dembrow is the prime sponsor of senate bill 1533, representative alyssa kenny guyer, chair of the house and human services committee and the speaker are all directly involved in the details of this bill. And the creation of the construction excise tax option for all cities and all counties in the state of Oregon. The underlying purpose was to tap the hydraulics of the private sector to deliver a wider spectrum of affordable housing that we could do with direct public financing. To summarize, the senate bill 1533 provides for mandatory inclusionary zoning above 80% of the median family income and allows for and recognizes that the use of voluntary inclusionary zoning below 80% of m.f.i. Is statutorily permitted. At the same time, they lifted a pre-emption on the levying of excise taxes for affordable housing. This authorized all city and counties except for bend that had previously enacted a construction excise tax prior to the pre-emption. And I think it's noteworthy to say that with Portland's leadership, every city and every county was benefited from this action. With respect to the recommendations of the housing commissioner and the bureau, we're bringing forward to you the residential tax of 1% of the permanent valuation on all new residential development. That is the maximum rate set by statute. We're also bringing forward a recommendation that simultaneously, that a tax on commercial and industrial property be levied at the rate of 1% of permanent valuation for all new commercial development and I would add to that it's authorized by statute but not so limited. As far as how the funds would be used, we have broken this down into a couple of program themes. One is the legislature allowed for a 4% allowance for administration. That would be administered by the bureau of development services as they are the transaction counter for all building permits. The remaining sum would be divided as follows. 15% of the residential tax would be sent to Oregon housing and community services for purposes of down payment assistance. In the state of Oregon. I've already began talking with those ochs about how that might be used in Portland. If the council levies the tax, we'd like to see that spent within the city of Portland. We have many culturally specific nonprofits doing this work already. Of the remaining sum, 50% would be set aside for inclusionary zoning incentives which are meant to be offset to the cost of private development compliance with mandatory inclusionary zoning. And the remaining 35% would be available for affordable housing for households under 60% of the m.f.i. The commercial tax revenue we're recommending that 100% be allocated to housing for households under 60% of the m.f.i.

Fritz: Just to clarify on the previous slide for the residential, those percentages are set in state law.

Creager: Those are statutory requirements.

Fritz: What's the statutory requirements for the commercial?

Creager: That 50% has to be spent on housing and the other 50% is not so governed by statute.

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Fritz: Does the state legislation speak to the issue that the city budget office has raised about commercial -- whether multifamily housing is commercial or residential?

Creager: Well, the issue for those of you that are not so well familiar with b.d.s. As commissioner Fritz would be is that multifamily permits in the city of Portland are classified as commercial. Permits for mixed use buildings are classified as commercial and that is how they treat them in the context of building permit approval. The legislative intent to us seems quite clear that the drafters, senator dembrough and the Alyssa that were directly involved in the creation of the bill had focused on use of the property. So there are at least three references in the bill that we believe uphold the allocation of funds according to use. Not permit classification. The other thing that's important to realize is this is a statewide bill. Different cities, different counties, process permits differently. And were we to take a standard to which worked in Portland, would actually be the more liberal construction. This might sound counterintuitive but by focusing on residential, we are indicating that -- that the more conservative definition would apply. So if there was a court challenge later on, we don't have to refund anybody for funds that may have been misallocated.

Fritz: I was just clarifying. I know you have the rest of your presentation. I just wanted to know if it was in statute we can come back to this later.

Creager: There is a line of, so you know, a single family residential is exempt from mandatory inclusionary zoning. But in this context, we are recommending that the c.e.t. Apply to it. And because the home builders were at the table with the realtors, there was quite a lot of intensive negotiation around the residential portion of this bill. So we're very confident with that legislative interpretation. With respect to exemptions, these -- the first category of required state exemptions, affordable housing at or below 80% of the median family income. Public improvements under public contracting codes. Public or private schools or hospitals. Worship, agriculture or nonprofit care facilities are all exempt. We are proposing at least two well in this case three additional. One is a affordable for-sale housing as a council you're providing incentives for contractors to provide affordable housing it's the holte program we think that this should work in concert with the holte program. I would recommend that housing that is affordable for sale be exempt from the excise tax, in addition as a council you've also provided a waiver to the system development charge for accessory dwelling units and we think that these should work in tandem and we're recommending that accessory dwelling units be exempt for a period of two years which is the same period of time that you have exempted them from sdc's. We've gave a lot of thought to the minor home improvements that households make the statute speaks to increase square footage. So if someone encloses a porch or finishes out their attic we don't think it's necessarily appropriate to be taxing that use and we would that improvements that have a value of less than 100,000 be exempt from the cet. We looked at both 10 and five-year historic trends, and the next chart, slide 6, goes into the detail of both commercial and residential revenue trends. We selected in our modeling a five-year trend because it included the worst of the recessionary period of 2010, 2011, so I must add this is permit value by use, not by permit class. In the historic estimates the next slide imputes what that raises. The five-year annual average for residential would be about \$2 million. Of that 15% would be provided to the Oregon housing community services. 50% would be made available for inclusionary zoning incentives, and 35% remaining for other affordable housing programs. As you can see of the commercial revenue, 100% would be allocated to affordable housing programs. So that's about 8 million per an up. I think it's important to focus on per an up because some of the press have taken this slide to mean it means 8 million over five years, which is incorrect. To put this in context, in the bureau's budget of \$150 million this would constitute about 7% of the total budget going forward. The other thing I would like to say is with council's prior action doing short term

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rentals, airbnb, vrbo, taxing tourists for affordable housing, your efforts to harness the tax increment financing for affordable housing, now with this construction excise tax everyone is paying. That is private developers of both housing and commercial and industrial property would be contributing. The next two slides gives specific case studies working with the bureau of development services, we were able to pull specific single family permits, specific multi-family permits, industrial, and -- excuse me, big box retail and commercial permits. It's useful I think on slide 8 to note that the housing commercial excise tax would total about \$3700. It's in context with the other fees charged by the city of Portland. It's less than many of the other fees and sdc waivers. With multi-family new construction, the example would raise about \$114,000. Again, compared with other sdc's, that is a smaller sum than both the schools and parks amounts. Big box retail, again, new construction would generate in this instance about 111,000. You can see sdc's for transportation are obviously much higher. In the case of commercial construction, about \$60,000 would be raised with the instant example in context with the other fees and sdc charges. So to put this into context, I know you've seen these numbers in different forms before. But to frame the need, we have at present in the housing bureau portfolio about 14,000 housing units. We're adding to this all the time. Last time we met, commissioner Fish, you asked about the branna residents are moving back into the branna. It's basically preserved as an affordable property, part of your 11 by 13 portfolio. This has grown since last time we met because we're completing projects as we speak and we have about 1500 new affordable units in the production pipeline, up about 50% due to the fall supernova we processed in October. So we have a remaining deficit a shortage of some 24,000 units which was stated in the consolidated plan before you last week. In addition the comprehensive plan you enacted yesterday identifies an additional need of 10,000 affordable units by 2035. So that's the universe of need. We pair that with these various funding sources as commissioner Saltzman mentioned, the recalibration of so-called tif lift increased the amount of tif money from 30 to 45%, generating 1 a a -- 15050 -- 155 million, about 150 units. Short term rental funds thanks to your approval of our 2017 budget we're going forward with a revenue bond with the finance office this summer. That would generate over the period of 2016 to 2035 with 18 million. With respect to the residential inclusionary zoning incentives using the trend analysis the map you prepared and we have just summarized we would generate between 47 and \$57 million ago offsets, additional 31 to \$41 million in affordable housing for residential only, then the commercial sector would contribute between 45 and \$55 million. So each of these are important parts of the solution to affordable housing. The mandatory inclusionary zoning was contemplated in 2035 comprehensive plan. For some folks this might sound new but it was really framed in the context of your 20-year vision so we are now implementing the day after you enacted the plan moving to implement the plan, wasting no time. Developer offsets are stipulated requirements to mitigate or partially compensate developers for cost of compliance and the proposal before you today begins to accumulate the funds necessary to provide the necessary offsets, so by the time we come back to you in the fall with a mandatory inclusionary zoning program we'll have money accumulating to provide the developer offsets. It's important to mention that the threshold income of 80% of the median family income and above contained in senate bill 1533 as enacted in and of itself does not help Portland fulfill our equity goal. We have were seriously concerned about the bill as drafted but cet, residential and commercial excise tax, will be instrumental in helping us buy down affordability for households at 60% of ami, and below. Finally, in conclusion, perhaps most importantly these funds can be used anywhere within the city of Portland. We're not confined to a specific geographic area as the open urban renewal area as is often the case

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with tif. This is a momentous day. We're here to answer questions and of course the panel behind us will further elaborate.

Fish: Let me have some questions. Three members of the panel are fighting some kind of flu or cold, so we'll all struggle through this.

Hales: We're surrounded.

Fish: I believe we traced the original source as being Dan Saltzman.

Saltzman: Always my fault.

Novick: Also known as patient zero,

Fish: I think that's a hipa violation. [laughter]

Fish: I think this is a momentous day and I wanna drill down to a couple of the details and I'm tempted to off a couple of friend amendments of the 24,000 units in one of your slides that were short, what does the housing bureau estimate are the number of units for people who have either no money or up to 30% of median family income are we short? I just want to -- I think we talked about numbers and they seemed abstract. Zero to 30 mfi means full-time minimum wage worker means an older adult on disability. It puts a human face on it. It's a lot of people in our community now completely priced out. Of the 24,000 units that we need, how many of those do you estimate are for people at zero to 30 median family income?

Creager: Specifically 17,530.

Fish: So a majority of those units.

Creager: Indeed.

Fish: That's important because I think we are going to have to -- in order to make a dent where the greatest need is we're going to have to be very clear about where the money is directed. That's helpful. The ordinance in I guess it's the recitals understand section 1 says the city of Portland has a critical need for housing earning at or below 40% of the median household income. The statement says the purpose is to authorize construction excise tax on residential and commercial development to fund the production and preservation of affordable housing at or below 60% mfi. I want to avoid confusion here because the ordinance talks about 80 and below, the impact statement makes clear we're talking about 60 and below. Is there a reason we don't amend recital 1 to make clear the need is at 60 and below?

Creager: The need is at 60 and below but since the statute is driving us towards assisting households at 80 that we encompassed 80 in the recital.

Fish: One thing I want to avoid is a general statement of 80 and below that conflicts with our specific intent to go 60 and below with heavy emphasis on 30 and below. I don't want there to be a compute council that gets confused.

Matthew Tschabold, Portland Housing Bureau: For the record, Matthew Tschabold with the housing bureau. What I would offer on the first recital is that further -- for the revenue that is sourced that the bureau would be able to use for housing production and preservation the intent would be 60 and below but the incentive fund associated with the mandatory inclusionary zoning program would be at both 80% and below 80% levels.

Fish: Maybe at some point could you see if there's a friendly amendment that's acceptable to the sponsor that takes the very clear statement and the impact statement about the purpose of the legislation and incorporate it into the ordinance? We don't generally use impact statements as being legislative history.

Saltzman: Yes. This is the first reading today. We have a week here to perfect any desired changes that my colleagues have. I would also say we will bring back to council this fall a proposal on how we should allocate funding below 60% median family income and commit to not spending any of these resources until the council has approved that policy other than potentially spending some of these funds on the purchase of the oak leaf mobile

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home park.

Fish: That was telepathic. Thank you, commissioner Saltzman, for putting that on the record. To be clear, the additional revenue sources that we're going to be debating, all of these funds in the aggregate would come back to council for discussion about how the money is targeted. What percentage goes to the poorest of the poor, what goes up the ladder, so we don't -- I think what Dan is suggesting is we don't need a to have that debate now, we can have that discussion when we know the total amount of money available and council can weigh in on how it's spent.

Creager: We agree.

Fish: Okay. I would like to ask a question about the so-called inclusionary zoning incentives. It's under your residential improvement proposal where 50% of the net revenue would be dedicated. Could you remind us what exactly the legislature provided in terms of opportunity to buy down from 80% and how flexible was the legislation? Is our only recourse to buy it down with money or are there other ways at our discretion that we can offer benefit that has the effect of buying down the rent?

Creager: Well, the statute basically contains a list of tools that we must provide, then an optional list of items that we may provide. For example, we must provide developers with the opportunity for whole or partial fee reductions, whole or partial fee waivers of system development charges or impact fees, finance based incentives or full or partial exemption from ad valorem property taxes. It's important to know this is not meant to be a dollar for dollar offset. We spent a lot of time, probably two weeks, in Salem on this very point. We're not underwriting their projects. Therefore there's not a dollar for dollar offset but there's a good faith effort. In addition, in order to provide for affordability at or below 60% of median income we can provide optional additional services including density adjustments, expedited service for local permit processing, modification of high floor or other site specific requirements. And additional financial incentives which would either allow us to increase the number of affordable housing, decrease sale or rental price of affordable housing within the unit or build affordable so they have given us a menu of choices. We have the a-list if you will of mandatory requirements and the b-list of optional requirements. The cet offsets the compliance with the a-list and helps provide the necessary capital to buy down rents below 80% of ami on the b-list.

Fish: That's an incredibly comprehensive, clear answer. My recollection is while the city would have preferred a lower ceiling on inclusionary housing, that is the original proposal said 60% and below, the legislature adopted the 80% and below and so the fallback position was to create as much flexibility as possible and what constitutes a buy-down. At what point in the process do you come back to us with your interpretation of that language and recommendations of what meets our good faith requirement?

Creager: Well, Matthew is co-chairing the panel of experts for inclusionary zoning. Some of the speakers later today are on that panel and we thank them for their time and talent. By the end of September, the basic construction of the inclusionary housing program will be complete so we'll be coming back I believe after September 30th. Is that right, Matthew?

Tschabold: I believe that as a land use action there will have to be some hearings at the planning and sustainability commission in advance of coming back to council and council couldn't take action on the program before the ends of November.

Saltzman: It's our hope to have something before council in early December.

Fish: This proposal anticipates that all the revenue would go into a new fund, the housing bureau, inclusionary housing fund. What was the thinking behinds creating a new dedicated funds and putting all these revenues rather than using a portion of these revenues in the existing housing investment fund which you have established as a flexible

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fund for lots of purposes?

Creager: Well, I think we wanted to compartmentalize the funding because the hif, as you know it, includes program income from sale of real estate, it includes other revenue and we didn't want to co-mingle that.

Fish: More of an accounting thing?

Creager: Yes.

Fish: Making that decision does it bind you, limit you in any way or is it more of an accounting --

Creager: It's an accounting segregation issue if you will for internal cost control.

Fish: My final question is you mentioned in response to Commissioner Fritz that the allocations for the residential cet are guided in part by the legislative requirements. But my understanding is the 15% for the Oregon department of housing community services was prescribed but the 50%-35% split was not legislatively required, was it?

Creager: Yes, it is.

Fish: Both?

Creager: Yes.

Fish: So that we can't alter.

Creager: Correct.

Fish: We have the discretion of how we spends that 50% and how we interpret the legislation then on the 35% that goes to affordable housing under residential improvements and 100% of the commercial improvements commissioner Saltzman would be coming back with a recommendation how those are allocated. Final question. There's a proposal that's been floated to create one or more exemptions for otherwise laudable purposes. The one that caught my attention is brownfields. Have you had a chance to evaluate that and do you have a view on it?

Creager: It was discussed as we were preparing this for your review. We had conversations with planning and sustainability, with the Portland development commission, and frankly even when we did the study tour to Denver I had conversations with central east side business owners about how this would factor into their work in the industrial sanctuary area. We decided to leave those out and let them make their own case to be exempted from it. One of our concerns was that while there was a great deal of interest in exempting all of the economic development sites from the city was that many of those sites are being occupied by global corporations for which 1% construction excise tax is negligible issue. For example, the cascade station property would have included Ikea. I'm not sure that 1% makes a difference to Ikea. We felt that the policy choice needed to be yours after you hear the testimony.

Fish: So do we have the option if the council -- the reason I mention brownfields, it's the centerpiece of our industrial land strategy and comprehensive plan we just adopted and one of the principal barriers is the cost of reclaiming brownfields. The difficulty mixing together the financing necessary to convert brownfields to productive use. Could the council do this exercise decide to carve out a discretionary exemption unlike the ones on the chart where there are certain categories that are exempt by class? Could we come up with a brownfield exemption that has some discretionary component where on a case-by-case basis if you meet certain criteria you might be eligible?

Creager: I think the answer is probably yes. The city attorney would probably want to tell you for sure. There's nothing in the statute that would prevent you from exempting indigenous small business -- I think you might want to look at the wage instruct your of some of the businesses that go here so we're not inadvertently exempting businesses that are perhaps -- unaffected.

Fish: We have people waiting to testify. I would like to have a follow-up conversation about

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options for a brownfields exemption in order to advance the city's industrial lands strategy. Thank you.

Hales: Other questions?

Fritz: I share that desire. In fact I have the city attorneys working on a brownfields potential amendment which would need to bring when we have the second hearing. I want to go back to the issue of classifying commercial and multi-family as commercial or residential and I want to start by saying unless somebody has some reason for not dedicating 100% of the commercial to affordable housing, that's where I start from. I do believe that taxes work best when there's a nexus between the purpose of the tax and what we use it for and what's taxed. So given that, and I haven't heard anyone else on council say we shouldn't have 100% of commercial going to affordable housing although I think we had some discussion about what purposes that might be, given that, why would we want to classify multi-family as residential when we know that that means 15% of the taxes collected in Portland will go to the state and may never come back?

Creager: Well, we do think that the drafters intended that residential use be treated as residential property. Frankly, we didn't explain to the senator Dembrow in drafting this bill and some of the drafting occurred in this building, that the city of Portland processes every multi-family commercial permit as commercial rather than residential. So as they work through the details of the bill in the 32 days of the short session, I think the residential use was always intended. There's at least three references to it in the bill which we think upholds that interpretation. The city attorney has looked at it on behalf of the council budget office and I think the recommendation is that your legislative intent in this deliberation be made clear as part of the record so if a future council wants to discuss it they have that background.

Fritz: I think we should have more discussion about that right now. We know last time I checked 40% of Portland property taxes never come back to the Portland area. I for one am not happy about three-quarters of a million dollars a year going to do affordable housing in other parts of the state. If there's a possibility that by classifying multi-family as residential that means that if we can keep it as commercial that means all the money stays in Portland and that can be used for affordable housing. The other concern I have is that the ordinance says that it's for production, preservation of affordable housing, that a 50% of commercial that's allowed that's not dedicated specifically by statute. I'm wondering if there's an interest from the community and on the council for including operations as a potential use, operations of affordable housing if we pass the general obligation bond to build a lot of publicly owned affordable housing, we're going to need money to operate it from. So I would be interested in allowing future councils to decide how to use that money for affordable housing and broadening it just slightly.

Creager: I understand the point. All I would point to is that volatility of this fund source is such that in bad years if we're funding operations, it will put pressure on the general fund. If the money declines and we know it will because it's tied to cyclical construction, there will come a time when you have to hedge that with general fund which would be the same time the general fund is under extra pressure due to business losses.

Fritz: That also goes all of it puts pressure on the general fund. I would suggest there's especially when it's not mandatory which percentages are going for what purposes future councils might be given that option.

Creager: I think you would want to be judicious in how you apply. You didn't create a bow wave on the general fund at a later date.

Saltzman: I think there's nothing that prevents a future council from coming back at any point and saying we want to revisit how we allocate the commercial excise tax between operations and capital, but I would also argue right now the most urgent, imperative need

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is capital. We need to get more units on the ground either preserved or new. So I would argue that we -- save the operations argument for a later date and focus on new, affordable housing production 100%.

Hales: Okay.

Fritz: Presumably since this is a dedicated fund, the budget advisory committee of the housing bureau will be making a recommendation to future councils as to the allocation of the money.

Saltzman: Portland housing budget committee? Yes. Sure.

Creager: We'll be reporting on this in the context of the annual state of housing. As the funding is accumulated and disbursed we'll be counting those units and reporting in a robust manner so you can see how we're fulfilling our geographic and equity goals.

Fritz: New affordable housing that might be funded by a bond we haven't passed yet wouldn't be online for a couple of years. I would like us to consider that at least.

Hales: More questions for Kurt and Matthew, if any. Thank you both. You have a panel to call?

Saltzman: Dyke Dane of the Portland housing advisory commission, Vivian Satterfield, who works for opl, Jess Larson of welcome home coalition, and as Matthew said both Vivian and dyke also serve on the panel of experts advising the bureau and myself in the inclusionary zoning policies that we'll be bringing forward in the near future. Welcome.

Dyke Dane: Can I borrow a Kleenex from one of you guys? [laughter]

Hales: I got three people with colds.

Fish: Waiting for this?

Dane: I have not had a cold for ten years. I don't know whether it's the subject matter or you guys.

Hales: Blame us. Blame us.

Fish: We have nailed this scientific inquiry down. [laughter]

Dane: Thank you very much for the opportunity to speak about this very important issue. I think some of us that have worked on this are pretty passionate about this. I'm going to limit my comments to the commercial excise tax component. I think the other side of it is pretty well set in stone. Is not going to be interpreted much differently than what you see before you. The key thing for me is that 96% of this commercial excise tax revenue be devoted to the production of affordable housing. The city did a great job. They worked hard with the state legislature to get inclusionary zoning. Those efforts produced the bipartisan support from the state legislature, and that 96% is going to be critical in order to make inclusionary zoning work. It's our job, city's job, all of us, to make it work. I know from my trips to Salem we're not going to get another shot at this. We did a pretty good job of getting this approved. Now it's up to us to make it work. We can't make it work unless we got enough money. So unless we devote all of these funds to accomplish this, we won't get the job done and we don't have another chance to go back and ask. We're certainly not going to be able to ask some of the bipartisan support that we got on this deal. That will be the end of it.

Hales: Thank you.

Fritz: Excuse me. I'm catching it already. Do you have feedback on whether multi-family should be commercial or residential?

Dane: I think if the city has already processed this multi-family projects as commercial, then I guess it's commercial. I wouldn't parse it that way. I'm not looking at that side of it, just looking at the resolution on the left -- I guess it would be the right hand side, where does the money go. I hope it all goes to where I think it should go, that's too affordable housing.

Fritz: I think we're all agreed on that. I'm just trying to get more to go to affordable housing

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in Portland.

Fish: We got a couple letters from trade associations objecting to this proposal on different grounds. You've done commercial and residential development. What is your reaction to some of the push-back we're getting?

Dane: I don't know what it is. But I'll just -- if there is some I would speak to it this way. We all live here. We all have an obligation to help our community, continue to be a good place for everybody to live. If we're going to push people out of the city because we're unwilling or unable to all collaborate and work together and try to make things pencil and do the job, then we're not really doing our job as citizens if you will. Tim I'm not real interested in listening to people gripe about well we shouldn't do this, we shouldn't do that. We got a problem. I'm going to be 75 years old, get kicked out of an apartment and have no place to go? No.

Fish: On the commercial side you have been in the real estate business for how long?

Dane: 40-plus years probably.

Fish: In the last 40 years has there been a period of time in Portland's history where the commercial market has been hotter and there have been more aggressive rents and profits?

Dane: Well, I'm no expert, but you know, I think your statement is probably accurate. I think your statement is that it's as good as it has ever been right now. We also know there's a business cycle and nothing lasts forever. So I don't know if I'm answering your question.

Fish: Thank you.

Hales: Thanks very much. Vivian?

Vivian Satterfield: Mayor, council, good afternoon. Vivian Satterfield, deputy director of opal environment justice Oregon. Opal builds power for environmental justice and civil rights in our low income communities and our communities of color we work at the intersection of transportation, housing and health, fighting for equal protection, access to opportunity where we live, work, play and pray. I want to give a little context for how we got here today. It's been described as a momentous day. In the late '90s metro initiated a process to ensure adequate supply and equity distribution for affordable housing. They identified inclusionary zoning as one potential tool. However in 1999 a state prohibition prevented jurisdictions from adopting policies that require housing set-asides in private development at target income levels. In 15 years with rising rent and housing crisis across the Portland metro region and other markets across the state low and moderate income families have been increasingly pushed out to the fringes from good jobs, good schools and healthy community centers. At the time we were seeking a clean lift along community alliance of tenants and central for cultural organizing, now known as night Oregon. We have let efforts through three legislative sessions building a large, diverse coalition that brought barns to the cause as lack of access to affordable, stable housing in areas of high opportunity increasingly became the number one issue across the state. Sv5133 Passed recently by the Oregon legislature cracked open both inclusionary zoning and construction excise tax. I believe the intent all along was the cet be used towards affordable housing. We're still far short of where we should be and where most other places are. To the statutory limits make it weak as well. There's an ever increasing urgency both in the city of Portland to address housing needs as there is across the state and I appreciate the deliberate intention to implement the cet tool as soon as possible to capture revenue. Many essential systems are supported through impact fees by way of sdc's, but affordable housing doesn't have one. Collecting a construction excise tax in the midst of a booming housing market and reinvesting in our greatest need. As a member of the inclusionary housing panel of experts working to provide input. [reading from prepared text] it's good

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that we are maximizing the residential side of the tax as allowed under state statute. We're supportive of the city's efforts. On the commercial side, however, also being capped at 1% having no such limitation in state statute I remain unconvinced we're truly maximizing this revenue source. I look forward to the findings in the upcoming studies to see if there's a basis for higher tax rate. It many of opal's numbers are low wage workers are forced to live far from their jobs because of lack of affordable housing. The impact of these developments and a hot housing market needs to be captured and maximized and quickly. Thank you, commissioner Saltzman, and the team. I recognize these conversations have moved quickly and we appreciate your leadership in a crisis time. Over all I would like to impress upon council we need a comprehensive strategy to address housing affordability. We need a variety of policy tools working in concert to address the full spectrum of housing needs from ending homelessness to ensuring that fair housing laws are upheld, that housing discrimination ends now in our lifetimes isn't passed on to future generations. It includes construction excise tax, general obligation bonds, inclusionary zoning policies and legal challenges. All the pieces need to go together for a comprehensive housing strategy. Everyone deserves a safe, affordable play to call home in the city of Portland. Thank you.

Hales: Thank you.

Jess Larson: Good afternoon. Thank you for having us here today. It really is a momentous and exciting day to be able to talk to you about this first impact fee for affordable housing essentially. Usually I'm Jess Larson with the welcome home coalition, a coalition of over 140 organizations. All the usual suspects like front line workers in homeless services and the developers of affordable housing but we're also neighborhood associations, health care workers, educators and small businesses. As you know our housing crisis is impacting all of us. At welcome home we're working to address the historic affordable housing crisis that has been before us and with our community members with the lowest incomes. The lowest incomes. In order to address this part of the housing crisis we know that the only solution to getting rents down to two and three and \$400 a month, which is what is affordable to a senior on social security or a mom raising a couple of kids on a minimum wage job, the only way we can get rent at the this level of affordable is by investing in the public infrastructure of affordable housing. That's what's very exciting about this day is we're for the first time saying affordable housing is part of our public infrastructure and like the infrastructure systems of parks and schools and roads we're going to make add affordable housing to that list and give it its impact fee because we value it as part of the infrastructure that makes our community great for everyone. That's how we need to start building our city and I believe this is the right step. So we at welcome home are calling for you to keep it 100 with the excise tax that means dedicating to all 100% of this revenue to affordable housing. We know this won't go the full distance. We know we have thousands of more homes that we need to be able to build and we're going to have to ask Portland voters to support a bond measure next. We will be calling upon you to help lead and support that effort. When we do we have to show violence and Portlanders that we're doing all we can with all the tools that we have and this is the next step we need to do in making sure that the booming market is a part of the solution as well as Portland property taxpayers. Thank you for your support. Thank you for keeping it 100. We look forward to continuing this work for building back our city's infrastructure of affordable homes.

Hales: One more question before you leave. You not only have done a lot of development do you think there should be an exemption for brownfields development?

Dane: No.

Hales: Why not?

Dane: There's brownfields and there's brownfields. At some point I would love to have a

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discussion with you, but I could cite you some illustrations of something that might be called a brownfield but because of circumstances it probably should not be treated any differently than anything else.

Hales: Having developed projects on brownfields I'll put these words in your mouth, you must not think this will make a difference in their feasibility, this 1% tax would make them --

Dane: Maybe I answered your question the wrong way or something

Hales: Obviously not. You think it is not going to make the difference as to whether they are developable or not.

Dane: I don't think so but again, having difficulty getting on the same page with your question. I guess I'm trying to answer in a different way. Let me use an illustration.

Hales: Please.

Dane: If a Portland development commission piece of property is going to be sold to somebody and we know that it's contaminated, but the property cannot be excavated, right, so you can't have underground parking. And the only thing that is going to come off there is from auger cast piling and it's going to get hauled to Hillsboro and then you're going to submit your bill to pdc, who pays it, they will submit their invoice to the railroad -- do you give that a break?

Hales: Yeah.

Dane: I say no. That's why I said no. Because there's so many circumstances regarding these things. Hang on. Let's go back to over a decade to south waterfront. People wanted to call the land that we bought a brownfield. Kept saying, why do you want to do that? Well, we can get a \$70,000 grant if we call it a brownfield. Okay, we're going to build a mega million dollar project and hang a bad name on the dirt for you to get \$70,000? That didn't make sense to me then, it still doesn't make sense to me. You have to be very careful about spreading this thing widely over everything and say this gets a break because somehow there's a tag of brownfield on it.

Hales: That's very helpful. Thank you. [audio not understandable]

Fish: I haven't seen an analysis of what the impact is. So I appreciate trying to get to a yes or no. What I would settle for is looking at the sites that metro has identified as brownfields by some agreed upon definition, recognizing that in our comprehensive plan we have just committed to an extraordinarily ambitious plan of remediated those brownfields, many of which are in areas served by under-represented communities. Also understanding that we have been told by everybody including the legislators leading this effort like representatives from inner northeast, that the only way that this is ever going to work is if we come up with a financing scheme which creates adequate incentives. That's what the legislature has been hung up trying to figure out what that is. My only interest is if we're adding an additional cost is that going to be a barrier, and if not are we going to end up picking up through the back door to an incentive plan. I don't know the answers.

Dane: I don't either.

Fish: Your point about brownfields and brownfields is perfectly valid. We have the benefit, though, of metro identifies lots of brownfields that we have in turn said are brownfields and we're proposing over a period of time they will be remediated. It may be that there's not enough of a cost barrier through this tax. My question was has anyone done an analysis so we can evaluate that.

Dane: If they have I don't know about it. We all know that you don't want to hear my speech again. The world runs on arithmetic. Unless this pencils none of this works.

Hales: Thank you all very much.

Novick: First, as a Larry Wilmore fan I appreciate the phrase keeping the 100. [Laughter] I just wanted to get the panel's reaction to something that Portland business alliance said in a letter they state, increasing the cost of development has the potential to further

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exacerbate the affordable problem facing the city to be used for additional affordable units doing so at the expense of driving market rates up will not lead to a sustainable solution. I want your take on that argument.

Dane: Well, we only have slightly different opinion that somebody is going to pay. Right? It's the person that can pay \$3.10 a square foot for an apartment instead of \$3 if that's what it takes to help someone in need, then they can afford to pay \$3.10 a square foot for their apartment is there an impact? There's bound to be. If it doesn't pencil they will raise rents someplace else.

Larson: I would just add that it doesn't all trickle down. We're -- the market is not building deeply affordable housing. We can't leave it up to the market to stand aside and expect the market to be able to build these two, three, \$400 apartments. We have to find the resources to invest in this public infrastructure and this is one of them.

Satterfield: The idea there's going to be a chilling effect on the market is a lot of fluff, quite frankly.

Hales: Thank you all very much. Let's move to the signup sheet, please. I think we have quite a few people signed up. Let's take them in turn.

Moore-Love: We have 15 people signed up.

Hales: Go use some hand sanitizer now that you've had contact with us, dike. If you can try to keep it to two minutes that would be helpful. Let's move swiftly through this list. Go ahead.

Moore-Love: First three please come up.

Hales: Good afternoon. Welcome.

Felisa Hagins: Thank you. Mayor, commissioners, I'm Felisa Hagins, I'm the political director of the service employees international union 49. Seiu worked diligently on this legislation in the last session and we're very excited to be here supporting the outcome of that legislation including the construction excise tax and we look forward to the proposal on inclusionary zoning, affordable housing for our members who sit in that middle income range between 50% to 80% of mfi is absolutely critical. Those are hospital workers, state workers, janitors, security officers. As we have seen there's been a migration of them to the outer edges of the city. The city continues to become more and more unaffordable for those folks and the transportation infrastructure to get them in and out of the cities have not kept up with the unaffordability. We now operate a 24-7 city where folks come in at 7:00 p.m., they leave at 3:00 a.m. And there's no transportation out of the city. Many of them are here for hours sleeping on benches and around the city because they can't get out. Casille I've spent some time with her recently she works at the port of Portland. She was homeless for six months because her landlord evicted her so that he could increase her rent. She was unable to pay so now she lives in a two-bedroom apartment on the edge of the city with six people. We think that the thousands of development, millions of dollars in development that has come up around the city isn't keeping the jobs that can afford frankly the rents that have gone up, so although we're larger and larger commercial office space which we obviously support, the janitors and security officers who clean and secure those buildings are not making the income to afford \$70,000 in rent. Sandra McDonough that summed it up in the Oregonian where she said that when the Portland business alliance said middle income jobs in Portland are declining at the same time housing has become more expensive. Where are the workers going to be? I think the pba and seiu may not agree on the solution but we definitely agree on the problem. We hope council can support this coming in the fall.

Hales: Thanks very much.

Novick: You talked about members being between 50 and 80% of mfi. Would you argue we should be comfortable allocating some of the money to that range?

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Hagins: I think I would be comfortable with the zero to 60 but I also feel like the buy-downs that were discussed earlier on the inclusionary zoning work was very critical piece of the legislation for us because what's happening is if you don't bring enough market on that lower income range then higher income folks are also consuming those units, and then you have that 60 to 80 group who is buying -- the -- I'm sorry, the 30 to 50 group who is stretching their income to buy into that 60 to 80 range because there's not enough apartments there. Then you have the above, 60 to 80 stretching their incomes buying into the 80s. It puts continuous pressure on the entire market. We feel if you bring any units on some of that pressure will be lifted and all of those income ranges. So that more workers can move back to closer to where they work.

Hales: Thank you. Welcome.

Ruth Adkins: Good afternoon, mayor, commissioners. I'm Ruth Adkins, policy director at Oregon opportunity network. We're a statewide network of nonprofits along with housing authorities, and advocates all working towards equitable, affordable communities across the entire state. Really want to commend this entire council for the bold steps you've taken to address the housing crisis here in the city of Portland. We're here to ask you to continue that by supporting this proposed construction excise tax and by committing to dedicating 100% of the funds to affordable housing. In regard to further exemptions we would ask that you keep with the proposal from the housing bureau and limit further exemptions on this proposal. It already includes more than the current schools cet. We feel it's appropriate where it's at. It's long overdue for the parties that are seeing their profits soar due to the increase in development, historic, unprecedented boom in our city, as the crisis continues to worsen that those folks who can will pay into a new funding source for affordable housing. We know strong, equitable communities have to begin with a staunch commitment to providing affordable housing opportunities. We know that you are also going to be leading with the new general obligation bond. We're excited to support you in that. Commissioner Saltzman, thank you for your fearless leadership in continuing bring fort innovative policy solutions. Commissioner Fish, thank you for your continuing commitment to housing, ensuring the most vulnerable members have a chance. Mayor hales, thank you for your continued leadership. We believe this and every vote between now and the end of your term in office will be the centerpiece of your legacy. Thank you all. We urge you a yes vote.

Hales: Thank you. Good afternoon.

Anny Chiao: Good afternoon, commissioners and mayor. I'm Anny Chiao. I work at the immigrant and refugee committee organization at Asian family center. At irco we currently provide different kinds of housing related direct services to immigrant and refugee families, individuals and the community at large. Some housing services include mobile housing programs where the team works with other agencies to try to house those who are currently homeless. We have a school-based housing assistance program at Earl Boyle elementary school and we have a rental assistance program where we help families pay their rent and help them achieve stability through different means. In the last reporting year we have served 84 families in this program alone. But we know this demand is much, much higher. Each time our rental assistance hotline opens within ten minutes we receive at least 50 unique messages from families and individuals in need of assistance. We just don't have enough resources to help everyone who needs it. We simply have to turn them away. Because we are a wrap-around service agency over our 160 plus staff helping resources as needed and we have seen a huge need for affordable housing from our staff interaction with thousands of community members in the immigrant refugee community. We appreciate the efforts by the city and county through home for everyone's initiative to house the homeless. Adding hundreds of emergency beds in the past month so that

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people have a safe place to sleep at night. Still what we continue to see and hear every day is families doubling up and couch surfing because they can't find affordable housing. Families have to move far away to find affordable housing. That causes them to be far away from their established network and their kids have to change schools. We need a more permanent solution, systemic long term strategy to create more affordable housing through the construction excise tax and dedicating 100% to affordable housing so that our vulnerable refugee communities can find a place to call home and do not have to be removed from their communities again and again. That as Portland becomes a thriving city our immigrant and refugee communities can thrive with the city. Thank you for your support in keeping it 100.

Hales: Thank you all.

Hales: Good afternoon. Welcome.

******:** Good afternoon.

Hales: Who would like to go first?

Julie Massa: I'm going first.

Hales: You're on.

Julie Massa: Thank you, mayor Hales, councilors, for the opportunity to speak. I'm Julie Massa. For the past five and a half years as a developer I have worked with nine groups of ambitious, hardworking, determined homeowners with a shared vision. Very similar to the Oak Leaf residents here today. They sought to purchase land under their homes and they wanted to own and take control of their collective futures as a nonprofit cooperative. Those cooperative communities thrive in nine Oregon towns and cities. McMinnville, Redmond, Gold Beach, Leeburg, Clackamas, Bend, Boardman, nears Roseburg and Dexter near Eugene. Notice that Portland is not on that list. I started when only two cooperatives existed so I personally worked to transform the communities into successful owned manufactured home communities. They are a cooperative business together. I mentioned Oak Leaf residents have a shared vision for their community. Experienced cooperative developer I also see a tremendous cadre of leadership skills, courage within the existing group of Oak Leaf residents. Although that vision is still forming in the normal stages of community development they have come so very far from the threat of losing their homes to coming to you today to request \$1.5 million. So I think in their shared vision they see stability, cooperation, affordable space rent, pride in their community and accomplishments, structural improvements to their home and community and the ability to have very local control of what they collectively own. While Oak Leaf is unique these are the same things that the nine other communities that I have worked with saw in their vision. I'm here to ask you to grant their request for 1.5 million so they can put their vision into action. Like the other manufactured home communities have done, additionally I request that the funds come from a source that contains the maximum amount of flexibility and at least amount of restriction. There are other communities that face the same threat. I want the council to be aware of that and hopefully this request can filter out into the communities. Please adopt commissioner Saltzman's proposal and these funds will help spark vision to action in these communities.

Hales: Thank you. Well come.

Fritz: Could you just give us a brief update on what's happening with the Oak Leaf, please?

Saltzman: Well, the owner has agreed to entertain an offer from the residents and Casa is playing a key role in that. We would propose that -- we would not spend any of the construction excise tax until there's an approved plan by council except the Oak Leaf mobile home park. I recommend we move forward on that as soon as possible.

Fish: Do we have to have the construction excise tax or could we use the funds in the hip?

Saltzman: One way or another we'll get it done. [applause]

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****: Thank you.

Tara Prince: Good afternoon, city council. I'm Tara prince. I'm one of the 30 families living at oak leaf. Since January of this year we, the residents, have been fighting to keep our homes. That's why I'm here. If city council approves this new tax, oak leaf residents have an opportunity to save their homes. In December of last year I bought my home in oak leaf Mobile Park. I'm a single mom. I moved here to Portland to the oak leaf residence to build a foundation for myself and my boys. Which is something I never had. After a month after purchasing my home I what was -- we were told we were about ready to lose our homes. Most people facing this kind of loss would give up. We oak leaf residents are not giving up. They are hard working families, senior, vets and people with disabilities. The threat of losing our homes along with our daily struggling would bring chaos. I have seen it so. Our community has formed a bond that I feel is empowering and growing daily. I have seen my neighbors take pride in our park and now have a new confidence. I recently obtained my first management position and now I feel like I can give my children a better life. Having a stable home means I can succeed. That's why I'm here. We, the oak leaf residents, are fighting for our homes and you have an opportunity to help us do that. Thank you.

Hales: Thank you. Welcome.

Rhonda Polk: I'm Rhonda Polk. I'm a resident --

Fish: Just move the mike a little closer. Thank you.

Polk: I'm a resident at the oak leaf. A single mother as well. We're just appreciative that you have taken time to support us as much as you have. We want to show the community that we as a community in itself want to be show better than what has been in the past of the oak leaf. We want to make it look like the images that we have as far as trailer parks go people have a negative opinion of them in general. We want the opportunity to show the community that we're not that negative. We have a beautiful image of what we want to share with the community. So we just want to say thank you again for your support in this.

Hales: Thank you. You have as a group done an amazing job of organizing. The fact that you are at this place with support here at the city and a lot of other folks behind you because you've done such a great job of coming together as a community no. One can fail to be impressed by what you've done. I'm certainly impressed. We appreciate you as Portlanders.

Fish: Quick question? 30 families? 30 families, how many children total?

****: 12.

****: I have two.

Fish: 12 kids. They are all school age kids?

****: I have a two-year-old.

****: I have two teenagers.

Fish: Mostly school age kids. What we know is that kids that have to move a lot, it's very disruptive to their education. So compelling reason to provide some stability so kids can continue to go to school and have that continuity.

****: [audio not understandable]

Fish: One other point, mayor, you've pushed the envelope on sustainability during your tenure. Laid out a vision of a green and sustainable Portland. I hope when this trailer park community is saved and preserved the city can look at this holistically perhaps as a test case of how we could bring a whole tool kit to bear to help create a healthier, more sustainability community within a trailer park community.

Hales: Good work. I bet we haven't seen the last of this group. [cheers and applause]

****: [audio not understandable]

Hales: Good point. Thank you. Thanks very much, everybody.

****: Bless you guys. Amen.

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****: I was so happy to see all you guys here because all of you are angels in your own rights I've watched what you guys have been doing in your work here and there. Bless you guys.

Fish: Would you consider coming back on a weekly basis? [laughter]

Hales: It doesn't usually get this good. We appreciate that. I'm not sure who wants to follow that. Three people get to do that. [laughter]

Brennen Meinke: Members of the council, thank you for the opportunity to speak here today. My name is Brennen meinke. I'm co-chair of the affordable housing research action team with the metropolitan alliance for common good. It's made up of more than two dozen labor, faith, nonprofit and health equity institutions that work together to bring about change in our community. Members and leaders will you please stand? It's not oak leaf but we brought some people. [laughter]

Saltzman: Good turnout.

Meinke: Our members hail from all across Portland, as diverse as our city. The one thing we have heard again and again as you have, across geographic and social boundaries the cost of housing in Portland is too high. You know this as well as anyone you declared a state of emergency and we thank you for the commitment you've shown. Despite the gains made in the past year, both locally with the increase in tif funding which we thank you for your support on, and at the state level with the inclusionary zoning restriction loosening, the water is still rising. The state of emergency continues. There are other needs beyond housing and we recognize that but in a crisis one must address the most critical needs first. In Portland we strongly support commissioner Saltzman's proposal to allocate 1% of the money to housing. The money generated by the cet can't make up the difference as noted but it can help fill in gaps. Many Portlanders cannot afford the work force housing that inclusionary zoning is designed to provide and most Portlanders do not live in an urban renewal area eligible for tif funding. Everyone the construction excise tax will help with that. We must continue to explore the innovative approach like we have seen with the oak leaf community here. We look forward to working with you in the future.

Brian Park: Members of the council thank you for having us. I'm Brian Park, a family medicine and preventive medicine -- sorry to hear you're sick. I wish I could help. I work and trained at ohsu Richmond clinic which serves as a safety net clinic for the southeast Portland neighborhood. We have treat all patients regardless of insurance, income and background. I really love what I do. The relationships I get to form with my patient's over the weeks and months, now years, the privilege to work with them through some of the most troubling parts of their lives. As I progress in my residency training I'm struck by how health does not occur solely within the walls of the clinic or the exam room but largely outside the clinic walls. I saw this just last week when I saw a patient of mine, David, at Richmond. I met David during my first month of residency two years ago now. In that time David has been to the emergency room 14 times for a bad skin infection in his foot that he's predisposed to because of his diabetes. I'm a little embarrassed to reveal to you it wasn't until after his fourth emergency department visit I thought to ask him point blank what you're wondering already, David, why all these infections? Brian, he said, you keep asking me to take my leg elevated. How am I supposed do that when -- keep my insulin refrigerated and my leg up when I'm on the streets? David is special and unique to me but I have many patients like David whose life circumstances preclude them from living happy, healthy lives. The circumstances are so entangled with what we do in medicine we call them the social determinants of health that a college at the clinic and I started an initiative to organize patients and community partners to better identify and address these. In organizing meetings with over 60 patients this past year we quick lip found the most prevalent and significant influence in the health and lives of our patients is lack of secure

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and affordable housing. This overwhelming need resonated with us so much so we asked our department of family medicine at ohsu to join us as a member institution so that we residents could better understand social determinants that affect our patients here in Portland. I'm glad to say the department quickly agreed to that. I understand the irony of me as a medical provider sitting in front of you today asking individuals outside the healthcare sector to keep our patients healthy. I hope you'll also see that your policy decisions directly impact the social determinants of how for many Portlanders. I want to empower you with that truth. You shape policies that can forge and uphold a just society. In a truly just society, we can all pursue health, wellness and happiness. So here I sit in front of you asking you to help us help David, help Portland by maximizing the funds for affordable housing. Thank you.

Hales: Thank you. Welcome.

Nick Sauvie: Mayor Hales, city council, thank you for what you've done and what you will do for affordable housing in Portland. I'm Nick SoBe, director of community development. I'm the co-chair of Portland action plan housing subcommittee. At our meeting this week we voted to support 100% of the construction excise tax going to affordable housing and hope you'll pass that today. Important part of east Portland's anti-displacement strategy. Doing a project called baby booster to support pregnant women and families with young children because that helps them in their lifelong health and when we talk to parents in the neighborhood, what they tell us is we need more affordable housing. That's what we can do to promote healthy babies. If you need another reason to vote for this, just reading a book called evicted. It's just a horror story of what happens when we don't have affordable housing in our city. So I hope you'll vote today to adopt the construction excise tax and devote 1% of that to affordable housing. Thanks.

Fritz: Do you have any comments about whether multi-family should be commercial or residential?

Sauvie: I mean, it's your call. I understand the argument that we could keep the money here in Portland and I think that's a really compelling argument.

Fritz: Thank you.

Fish: Two other points, Nick. We have never liked to disappoint you. But today is a first reading so it goes to second reading. We're not withholding the vote.

Sauvie: Rome wasn't built in a day.

Fish: I don't want to speak for my colleagues, but there has been a tremendous amount of effective lobbying advocacy on this. My sense is that there's now strong support up here for the 100% dedication, so I know you want to reinforce that and make sure we don't back track but my sense is that that now enjoys strong support on this side. Thank you for all your good work.

Hales: Thank you all very much.

Hales: Good afternoon.

Lightning: Good afternoon. I'm Lightning with Lightning Watchdog PDX. I was a little hesitant on this at the beginning but after listening to Mr. Dane also know Homer Williams, I give it a yes in support. A couple disagreements I have with Mr. Dane is I would like to also see the brownfield exemption put into place. We do need to offer more incentives on these type of more challenging properties. Again, why I was hesitant on this at the beginning is I prefer to have more incentives to the developers. I'm always hesitant on anything mandatory, exclusionary zoning, but again, I have changed my mind if Mr. Dane agrees with that and the developers don't have an issue then why not? Absolutely. Another commitment I hope they will stand by is their proposal on the \$100 million homeless campus. I hope that the city will also understand that they need to step forward on that northwest front avenue property, be reasonable, don't sell it to them like your PDC director wanted to buy the

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property out of the Troutdale. Be reasonable on your assessment of values and use the public taxpayer dollars reasonably. Do not take advantage of them. The only other issue again like I say is that Mr. Saltzman, don't get too aggressive on that obligation bond. Stay around 100 million. Do not get overly aggressive. Commissioner Novick understood what happens when you do that. Thank you.

Fish: I would point out that as the commissioner charge of the bureau that owns what we call t1, terminal 1 north, I want to be clear, I'm issuing a memo tomorrow that will be a public record stating more clearly I fully support the vision that Homer Williams has put out there. Joining with a lot of other people in the community who applauded him for his leadership and willingness to bring private dollars to support this effort. This would be a sea change in the amount of private investment. I'm going to lay out in a memo what are the legal and practical obstacles to using t-1, so for purposes of letting people like you and others make their own judgment I want it to be as transparent as possible. If there's a path I would like to know what it is. I think when you see the full array of challenges at that site including the zoning and the comp plan, ownership, some other legal issues, it will give you a full picture which you can make your own judgment as to whether that's an appropriate location.

Lightning: If I might add real fast, Mr. Dane and Mr. Williams have the potential to do deals that very few people can do in the city. I have the utmost confidence if that's the direction they want to go. I hope city hall will work with them and understand this is important to see this happen.

Hales: Thank you. Welcome.

Beverly Logan: Good afternoon. Thank you, council members for your support and a chance to speak today. I'm Beverly Logan, leader with metropolitan alliance for common good. We have testified about our position on the issues before you today and some of the reasons why we believe 100% of the commercial construction excise tax should be devoted to affordable housing. I want to speak more directly, though, to why the construction excise rates should be established at no less than 1%. More if possible for both residential and commercial construction. Let anyone suggest a lesser rate. It sounds like industry folks have already offered some resistance to that idea. For 17 years a ban on inclusionary zoning prevented construction of affordable housing on any meaningful scale in any city in our state. That ban has a large share of responsibility for the housing crisis we stagger under today. It was put in place in the interests of industry lobbies at the expense of our communities. This year our legislature considered a bill to lift the ban. We testified in support as did the city of Portland and every other jurisdiction in Oregon who testified along with a broad spectrum of community nonprofits all of whom feel the crushing effects. It's important here to recognize that some developers we heard from one responsible developers also went out of their way to testify in support of lifting that ban the bill in its original form so we were distressed to see a decent bill loaded up with amendments, constrained from accomplishing the good it was intended for originally. The final legislation and question from senate finance committee members the bill seemed to have in its final form been shaped largely again in the interests of industry lobbies and strong arm deals without the presence of virtually any community voice. Groups like ours were forced to hold our noses and urge passage anyway in favor of getting the chance for a little more affordable housing rather than no improvement at all. The bright spot in the compromises was the ability to institute a construction excise tax and have some way to pay for affordable units for people earning below 80% of median family income for which the final legislation made no provision at all. We urge you to ensure here in Portland no powerful industry interests will bring the rates to any level below 1%. Homebuilders and realtors lobbies already had their way with the state legislation, hampering our ability to

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begin closing the gap of dire need for more affordable housing. We hope you'll draw a line for Portlanders and provide courage to other communities by establishing residential and commercial rates at the maximum possible and with no additional exemptions. Thank you.

Hales: Thanks very much.

Logan: Keep the 100.

Hales: Thank you.

Hales: Good afternoon.

Marion Haynes: Thank you. Good afternoon, mayor Hales, council members, I'm Marion Haynes with the Portland business alliance. We represent nearly 1900 businesses in the region. We couldn't agree more that housing affordability is an absolutely critical issue facing the city right now. It's a challenge as you heard not only for individuals and families but it is a growing challenge for businesses as well who need to attract and retain a qualified work force for whom having to live so far from where you work can be majorly difficult. So couldn't agree more this is something we need to address. We did work on and support the inclusionary zoning bill which the construction excise tax is part of. Our main effort there was to ensure that there are incentives that relate to the requirement for inclusionary zoning. Wasn't so much to achieve absolute proportionality but we know if the balance is not struck correctly that it could limit the amount of development that would actually go forward. It's as simple as math. It doesn't have to be all financial incentives. That was one of the pieces of the bill. There's different incentives that can be brought to bear but those pieces are important to making those developments pencil and move forward so that we don't inadvertently exacerbate our situation because a lot of what we have is a supply problem. We do not object to the construction excise tax per se. We would prefer we looked at it more closely and took the time to do so in conjunction with some other things being proposed like the inclusionary zoning program, like transportation management fees and all of these things are interrelated and come into play when doing that math equation looking at your development. So that is our preference. There are when you look at some of these things together if the inclusionary doesn't have the appropriate incentives without an incentive you could see rents go up 15%. More people forced into needing and affordable home that needs support rather than just being able to afford the market rate on their own. That is our preference. We do also would be very interested in the brownfield discussion that you are having. I think converting those lands back into productive use often industrial use and things that do contribute to family wage jobs so people can afford a home. Thank you.

Fish: Can I follow up with one question? I understand the reservations you've identified. Do you, though, support the focus of Dan's legislation that says the money should be targeted at 60% and below? Putting aside the question of whether you think it will have an unintended consequence in terms of exacerbating market conditions, do you support the focus of taking the revenue and applying it to where the greatest need is at 60 and below?

Haynes: I think the answer is a little bit complicated. I think that part of our preference in looking at this more broadly with the inclusionary zoning is whether the 50% of the residential component of the construction excise tax is sufficient in order to make the inclusionary program successful. So I think that's one piece that needs to be looked at. Generally I recognize there's a large need there. We have always been concerned about the middle income portion, that there's a need for as well. So it's something that we haven't had the time or the ability or the data to look at in a comprehensive way. That's really our point that we don't object to this. We would like to spend more time structuring and understanding how the different components fit together.

Hales: Appreciate you raising the question of context. In my due diligence I was looking at

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a group McKenzie report on total development costs. You know, we're in a good place with or without this additional cost given the data that they found. For example, an 11 million dollar warehouse project in Hillsboro would pay \$1 million in fees appeared Tualatin a million four. Wilsonville over a million 800,000. 573,000 in Portland so we have an enormous cost advantage, 2.80 a square foot against 5.25, similar numbers for multi-tenant mixed use project we're at 11.52 a square foot versus 18 in Beaverton, 19 in Sherwood. So the total cost of development in the city really reflecting the fact that we're more compact and we don't have to build miles of roads into fields is really starting to manifest itself which is maybe one of the reasons our vacancy rates are so low. It's certainly an environment which we can bear this cost and still be market competitive. It's good you raised the context question.

Fish: I got an email from a gentleman critical of the fact we sent him a notice of his opportunity to get a water quality report from the water bureau. In his notice back he said he was outraged that we would waste taxpayer money because he no longer lives in Portland. In order to escape the outrageously high water rates he had moved to Lake Oswego.

Hales: Woops:

Fish: I said thank you for bringing to our attention that we may have sent the notice to the wrong address although we do have people in Lake Oswego who are part of our service district. I said, I'm sure there are many good reasons to live in Lake Oswego but I regret to inform you you're paying more for your water in Lake Oswego than you are in Portland. [laughter]

Hales: Thanks.

Novick: In the letter to commissioner Saltzman it says that alliance urges an overall dollar cap be added to the overall cet what that would mean potentially is that whereas we would have 1% tax on residential development it's a humongous development it may be a half percent tax. I wanted to ask you if you were asked how would you justify giving special treatment to humongous projects.

Haynes: Commissioner novick every other construction excise tax that has been enacted in this area, Portland public schools construction excise tax and metro construction excise tax, has adopted a dollar tap on the nonresidential component. I think that is an acknowledgment that we continue to want to create jobs and that some of the commercial developments that do that and bring good, high paying jobs into the area are substantial amounts of money for those developments. Far more than you would see in any typical residential or mixed use kind of environment. So I wouldn't suggest that that cap is tapped at the same place where they did for the schools or for the metro construction tax but I think that was the acknowledgment that there's some value to exploring that and being able to if we had the full context and knew some of the costs of the developments potential that we're coming here we could better understand that and discuss it.

Novick: Is the argument that biggest projects are more effective in terms of job creation? Like on a dollar for dollar basis? Not necessarily. I think we suggested this should be explored. It sort of goes to the other pieces of my testimony that I think all of these things need to be looked at in totality. I appreciate what mayor hales said. I have seen that report from group McKenzie myself. I think there's other costs and fees associated with the city of Portland that drive up the costs. I think there's other benefits and amenities to developing and located in the city of Portland that make it beneficial for people that want to do that. Ultimately when you're looking at these issues they are very complicated. The property tax bond, the inclusionary zoning, construction excise tax, demand management fees, changes to far bonus systems, changes in height and things like that that were contained in the comprehensive plan are complicated. They come together when somebody is

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looking at a potential development. Wanting to just fully understand that is really -- was our objective in our comments, not that we have any fundamental opposition to a support for affordable housing which we agree is a tremendous need in the city.

Hales: Thank you. Welcome.

Emerald Bogue: Hello. Good afternoon, mayor, commissioners. I'm emerald bogue with the port of Portland. I think all of you received a letter from our deputy director applauding your leadership on the topic and asking for a couple of considerations. I'm not going to spend time going through that today. I want to call out specifically appreciation for the desire to take a deeper look at brownfields. And call out a little bit of confusion that I felt was illustrated earlier around industrial land and brownfields. Coming out of the comp plan process I can understand the gray area there. Certainly the city is looking to brownfields as a big part of the industrial land supply but for the sake of a consideration as an exemption here these are pretty different things. Brownfields right now are polluted pieces of property doing nothing for your tax rolls. Nothing at all. Just from the 30,000 foot level there's a couple types. There's a brownfield where the cost of the cleanup greatly exceeds the market value or maybe you're at a breakeven point, then there's brownfield where the market value may be more than the cost of a cleanup. In that case the private market tends to pick it up. But where government has to work really hard is in the first example where we have to really look hard at incentives toward developing these properties. These properties are not -- they don't tend to be prime real estate. They tend to be in neighborhoods that need it the most. I encourage you to take a closer look at this and we're happy to offer some of our technical experts who have a lot of experience in this.

Fish: I heard dyke essentially say there's good and bad brownfields. Overly generalize. To be clear, I don't know what commissioner Fritz is planning but I would like to get our heads together, what I'm interested in is on the good brownfields where there is compelling public interest in providing an array of subsidies to jump-start the development so that let's say a brownfield that's in representative now state senator Frederick's district that has been an environmental justice issue for too long and could be converted to productive use creating economic opportunity, that we not inadvertently put another barrier in the way of accomplishing that goal. We set big goals in our comp plan about brownfields. I'm interested in the good brownfields, the ones which the barrier to moving on this has been the inability to come up with a package of incentives in Salem that can get by it. One objection is some of our friends believe polluters should pay but if we're now essentially on the clock to get these brownfields into product of use to comply with the comp plan I want to make sure on the good brownfields this doesn't become another obstacle.

Bogue: We share that interest. The legislature has given us a couple of tools that we can use tax abatement, land banking and I think there's a coalition working on how to apply these things. How does that work and there's certainly no shortage of brownfields one particular challenge that the city will need to look at in this scenario is defining and brownfield appropriately to make sure that not anyone can say "hey I'm a brownfield' you know I'm exempt. You want to look really carefully at a definition and our attorney who works on this really closely in house crafted some language that he thinks gets you there. Because what you don't want to do, you want to reward the people who are doing something with brownfields we're cleaning them up, right? So we want an incentive action here.

Fish: That's why I'm also I would be open to the idea that we set some criteria and provide some opportunity for someone to seek and exemption if they meet the criteria rather than trying to get into the more as defining every possible contingency.

Haynes: That's great we'd be happy to help.

Fritz: Yes if you could send us your proposed language that'd be really helpful.

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Haynes: Of course thank you for your time.

Hales: Thank you very much any questions? If not, get some questions for staff, and then we'll bring this hearing to a close. This comes back for a vote next week.

Fritz: A week after this?

Hales: I think its next week, right?

Saltzman: Is it next week?

Hales: Whatever your presence is. Come on up, Kurt how may I help?

Fish: You've provided a really clear framework for our consideration and outstanding testimony so thank you for that. What I want to better understand is if there was interest in exploring let's say some kind of discretionary exemption for brownfields, what's the timeline for us to bring that forward? Does it have to be done by next week when this comes up for a second reading? Can that be carved out for further consideration and brought back later? What advice do you have for us?

Creager: It's probably an attorney question. This is scheduled to go into effect on august 1st. So transactions at the bds counter would start to take effect on august 1st. If someone were to apply for a construction permit, not a grading permit because we parsed out grading permits and demolition permits but if someone were investing and applying for an actual construction permit, this would apply august 1st. If they were applying for a grading permit or demolition permit, it wouldn't apply so it depends where they are in that process. The exemption would have to be in place upon enactment for it to apply financial you were in some way -- unless you were in some way able to consider a rebate or something like that.

Fritz: Why did you pick august 1st rather than July 1st?

Creager: I think -- I think -- well, Matthew is approaching us.

Tschabold: It was a timing issue with all of the changes that are happening to the track system in advance of the sdc increases, bds needed additional time, roughly four to five weeks, to make the adjustments to the system and from a transactional standpoint, the preference of bds is that new fees, taxes or increases occur on the 1st of the month.

Fritz: Right that makes sense thank you.

Fish: It's like a sick ward looking down here with all these Kleenexes. Can I make a suggestion? Perhaps in the next couple of days, curt, you and Dan can determine whether there's a strong enough sense at the council for this issue. And what are the options for either seeking to get the language now or a placeholder and then thinking it through? My guess is there aren't a lot of people in the queue right now, I mean the last project des did took ten years. These things are few and far between and there's enormous obstacles. If we could get a sense of whether there's an appetite for such an exemption and the other thing I want to preview is while I really appreciate that at the appropriate time, the bureau is going to come forward with a menu of options for how to spend the new money, I hope that in the preparation of a recommendation to council, we go back to the very stark number you gave us earlier that of the 24,000 units that we're short that you've identified, that's not including the additional 10,000 over the life of the comp plan and the growing number annually that we're short. I hope we take into account that 17,530 of those or more than three quarters are for households that are really struggling at the very low end and so I'll be looking for if not a strict proportional allocation, a substantial investment in meeting those needs and I understand that the challenge you face is that that housing should serve people who are very poor, it requires subsidies through services in addition to the additional costs of developing and I know that's a trade-off in terms of units built and the cost structure but because the need is so graphic, I want to make sure that these new dollars which you and Dan should be congratulated for leading us to this point and achieving new funds goes to where the greatest need is.

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Creager: I pulled the chart of incomes and for those people that don't live with this data on a regular basis I think it's worth mentioning that, you know, a couple at 30% of median income has an income of \$17,600. A family of four, \$22,000. So these folks have income. In fact, a single person at 30% of ami would have \$15,400.

Fish: That's a full-time minimum wage worker.

Creager: It is and if you're on social security you're going to be more like 13% of the area median. So when we talk about this classification, it encompasses a lot of real people who are struggling. Obviously, not just to pay rent but to cover other daily expenses so we are mindful of that and we'll take that into consideration.

Hales: Okay. And next week still make sense for you? Sorry go ahead.

Fritz: I want to come back to this issue of classifying multi-family as residential commercial because the \$778,000 on the line that I would prefer to keep in Portland rather than to go back to the state, unless -- I would like to be able to have the opportunity to talk with speaker kotek and the sponsors of the resolution. My understanding is the industry standard is multi-family is commercial and that gives us not only \$778,000 a year more to spend in Portland, it's more flexible than the dollars in the residential bucket. So I don't know why we would not want to do that.

Saltzman: Well, I guess -- I mean, that's a legitimate point of view to pursue and, you know, we can seek more clarity from the legislative leaders but I also want to harken back to the legislative debate and remind us that at any time, Portland could have billed out of this statewide solution and gotten a Portland only solution and I resisted that because I feel like this crisis is truly statewide. I feel like there's -- I don't feel bad about 15% of the 1% of the residential going to statewide affordability because it truly is. You know, we're all in this together so that's just my own perspective on it.

Fritz: And 40% of our taxes already go outside of Portland and don't come back. So I would just like the opportunity to come back next week after having had some conversation to see -- and if other jurisdictions are making their multi-family commercial rather than residential, probably we should do what everybody else is doing.

Saltzman: They're all waiting for us.

Creager: I would also mention that the schools are -- the schools, the construction excise tax do permit use. That precedent has been established.

Tschabold: The permit is by permit category, but the occupancy is how the schools levy their tax, by occupancy type, residential versus commercial.

Novick: A question I would like to ask the city attorney is does it matter to the interpretation of state law what characterization we put on it? State law is what state law is and whatever we call multi-family housing here shouldn't have an effect. What I would guess is that we can call it whatever we want, and then we can ask for clarification of legally what we're required to do and do we have to pay that 15% or we might decide we choose to send the state 15% if that makes sense I guess but I wonder whether it really makes a difference.

Hales: Let's research that question.

Fritz: A lot of money on the line.

Hales: We're going to return to those questions as well next week and bring this back for second reading and potential amendment next week. All right. Thank you all very much. We conclude this item and we're adjourned until next week. [gavel]

At 5:15 p.m. council Adjourned