



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **4<sup>TH</sup> DAY OF JANUARY, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish, Fritz and Saltzman, 5.

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

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

Item Nos. 6 and 8 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>		<b>Disposition:</b>
<b>1</b>	Request of Terry Parker to address Council regarding transportation funding and equity (Communication)	<b>PLACED ON FILE</b>
<b>2</b>	Request of Jeff Cole to address Council regarding Washington High School Community Center (Communication)	<b>PLACED ON FILE</b>
<b>3</b>	Request of Linda Nettekoven to address Council regarding Washington High School Community Center property (Communication)	<b>PLACED ON FILE</b>
<b>4</b>	Request of Mary Ann Schwab to address Council regarding Washington High School Community Center Memorandum of Understanding between Portland Parks and Portland Public Schools (Communication)	<b>PLACED ON FILE</b>
<b>5</b>	Request of Roberta Palmer to address Council regarding new revenue sources specifically a food-and-beverage tax and switch from corporate income tax to a gross receipts tax (Communication)	<b>PLACED ON FILE</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>		
<b>MAYOR TED WHEELER</b>		

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<b>Bureau of Planning &amp; Sustainability</b>		
*6	Authorize grant agreement with Earth Advantage for \$61,000 to fund a Deconstruction Technician Training (Ordinance) (Y-5)	<b>188186</b>
7	Authorize an Intergovernmental Agreement with Portland State University in the amount of \$83,482 for the Single Family Weight Study 2017-2019 to determine weight of garbage for ratemaking purposes (Second Reading Agenda 1425) (Y-5)	<b>188181</b>
<b>Bureau of Police</b>		
*8	Accept and appropriate an additional \$91,412 from the Oregon Department of Transportation FY 2015-17 Work Zone Enforcement Grant program for sworn personnel overtime reimbursement (Ordinance) (Y-5)	<b>188187</b>
<b>Office of Management and Finance</b>		
*9	Authorize an Intergovernmental Agreement with Portland State University through Oregon Solutions, a unit in the Hatfield School of Government at Portland State University in an amount not to exceed \$310,000 for process facilitation of the Lents Stabilization and Job Creation Collaborative (Ordinance) (Y-5)	<b>188182</b>
*10	Authorize a Special Appropriation grant agreement with Oregon BRAVO Youth Orchestras in an amount not to exceed \$50,000 to expand their intensive orchestral program in Portland (Ordinance) (Y-5)	<b>188183</b>
*11	Authorize a Special Appropriation grant agreement with Cascade AIDS Project in an amount not to exceed \$100,000 to defray capital costs related to the start-up of an LGBTQ—lesbian, gay, bisexual and transgender—Health Center (Ordinance) (Y-5)	<b>188184</b>
<b>COMMISSIONER DAN SALTZMAN</b>		
*12	Approve recommendations made of Children’s Levy Allocation Committee for Supporting System Partners Grants (Ordinance) (Y-5)	<b>188185</b>
<b>REGULAR AGENDA</b>		
<b>COMMISSIONER NICK FISH</b>		
<b>Bureau of Environmental Services</b>		
13	Authorize a contract with the lowest responsible bidder for construction of the Safeway Pump Station Upgrade Project No. E10292 for an estimated cost of \$1,090,000 (Second Reading Agenda 1447) (Y-5)	<b>188188</b>

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<b>14</b>	Authorize a contract with the lowest responsible bidder for the Airport Way 1 Pump Station Improvements and AW03 Forcemain Repair Project No. E10529 for an estimated construction cost of \$2,374,000 (Second Reading Agenda 1448) (Y-5)	<b>188189</b>
<b>COMMISSIONER DAN SALTZMAN</b> <b>Portland Housing Bureau</b>		
<b>*15</b>	Authorize Portland Housing Bureau to assume certain contracts that will be assigned to the Bureau in connection with the acquisition of the Ellington Apartments (Ordinance) (Y-5)	<b>188190</b>
<b>EXECUTIVE ORDER</b>		
<b>16</b>	Reassign City offices and bureaus to the Commissioners in Charge (Ordinance; Executive Order)	<b>188180</b>

At 2:56 p.m., Council adjourned.

**MARY HULL CABALLERO**  
Auditor of the City of Portland



By **Karla Moore-Love**  
Clerk of the Council

<p><b><u>2:00 PM, JANUARY 5, 2017</u></b></p> <p><b>DUE TO LACK OF AGENDA THERE WAS NO THURSDAY AFTERNOON SESSION</b></p>	
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For a discussion of agenda items, please consult the following Closed Caption File.

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

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

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

**JANUARY 4, 2017 2PM**

**Wheeler:** Good afternoon. This is the regularly scheduled Wednesday, January 4, 2017 meeting of the Portland city council. It's now called to order. The first order of business is an exciting one. Call the roll?

**Fritz: Here Fish: Here Saltzman: Here Eudaly: Here Wheeler: Here**

**Wheeler:** Now can I do it? Oh, for god's sake. Now can you hear me?

**Wheeler:** Now we're here and we're seriously ready to go. The first order of business is to elect commissioner Eudaly president of the Portland city council. She will serve through June of 2017.

**Fritz:** Second.

**Wheeler:** We already have a second. Do we have a motion?

**Fish:** I have a nominating speech I would like to read.

**Wheeler:** Please. A long one, I hope.

**Fish:** I think he just nominated her, mayor.

**Wheeler:** Perfect. Call the roll.

**Fritz:** Aye.

**Fish:** I have not seen such a brazen power grab in my eight years. I think she's in the first minute of service she is now the deputy of the disaster policy council. That's fast work.

Aye. Proudly.

**Saltzman:** Aye.

**Eudaly:** Do I have a choice? Aye.

**Wheeler:** Aye. Karla I understand we have a new voting order.

**Moore-Love:** First quarter we start with position 1, commissioner Fritz.

**Wheeler:** Thank you. Our next order of business is communications. Karla, before you call up the first resident for communications, I want to say a few words regarding council proceedings and maintaining decorum. This is council policy. The purpose of the council meetings is to engage with and hear the recommendations from the community on the public's business in order for us to hear from everyone and give due consideration to matters before the council we must all endeavor to preserve the order and decorum of these meetings. To make sure the process is clear for everyone, both those here and those watching on the computers or tvs, we want to review some of the public testimony guidelines. My hope is that these details help everyone to feel comfortable and included in our proceedings and also ensure the decorum is maintained. During the meeting there are two opportunities for public participation. The first is the communications part of the agenda which we're on right now. Communication items are an opportunity to briefly speak about any subject. These items must be scheduled in advance with the council clerk's office. The second opportunity is the first reading of reports, resolutions and ordinances. Public testimony of these items must address the matter being considered at the time. Please state your name for the record. We do not require your address. If you're a lobbyist, please disclose that information at the start of your testimony. If you're here representing an organization, please disclose that as well. Individuals have three minutes to testify unless otherwise stated at the meeting. When you have 30 seconds left you'll hear a beep

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and a yellow light will flash on the box before you. When your time is up you'll hear four beeps and the red light will flash. I'll need you to conclude your testimony at that time. I'll help you wind your way through that. If you have handouts for us, please give them to the council clerk and she will distribute them to the council members. Conduct that disrupts the meeting, for example shouting or interrupting people's testimony or during council deliberations will obviously not be allowed. If that behavior is seen this guidance serves as warning that anyone disrupting this proceeding may be escorted from the council chambers and excluded from city hall. If folks would like to show your support or displeasure for a particular item or comment please do so with a simple thumbs up, exactly, or a thumbs down so that no one is disrupted but we can still see your expression of either approval or disapproval. Karla, could you please call up the first person for communications today.

**Item 1.**

**Wheeler:** Thank you for attending. If you could give your name for the record, please. You have three minutes.

**Terry Parker:** Terry parker, northeast Portland. Congratulations to the new members. I'm going to start with some facts that are often less than transparent. Public transit on average uses more energy per passenger mile as measured in btu and creates more emissions per passenger mile as measured in co2 than driving an average car. One two axle trimet bus does as much damage to streets as 1200 cars, damage paid for by motorists. Transit fares only covers 25% of the operating cost. At over 60 cents per passenger mile transit subsidies are second only to real passenger service. In Portland it's 20-year transportation system plan there's well over 800 million of infrastructure cost to accommodate bicycling with no assessed user fees. In addition to state and local gas taxes federal funding for transit and bicycle infrastructure is siphoned off from the highway trust fund primarily supported by federal user taxes that motor vehicles pay. Over the next 20 years' car trips are expected to increase by 49% regardless of how much mass transit service is added. Congestion is already a well-known problem in Portland and growing yet pbots continues to promote road diets to accommodate bike lanes and add curb extensions to require buses to stop for passengers in passenger's lanes therefore adding more congestion, more emissions, more cut-through traffic and more safety issues. This has a choking effect on Portland's economy and livability. Modification of direction is needed. Primary financial stakeholders pay for tsp projects. Voters who are overwhelmingly under-represented on pbots advisory committees need a proportionate number of seats at the table. At bps homeowners need better representation to support parking minimums with new multi-unit residential units filled with parked cars can be avoided. Motorists must no longer be viewed as cash cow ATMs. Bicyclists must pay for the system they utilize. The city council needs to lobby the state legislature to establish a bicycle user fee or the authority to establish one locally. The tax is the proposal I developed a couple of years ago could be used as discussion starting point. Mass transit needs to become financially self-sustainable. Picking up on what you said this morning, Mayor Wheeler, the city needs to work for everybody. That includes motorists and people that own cars in both homeowners and apartments. I'm still would like to meet with you individually that I have been trying to do for the last year and get sidestepped by staff. I look forward to doing. That you too, Mr. Saltzman, as the new transportation commissioner.

**Wheeler:** Thank you.

**Item 3.**

**Wheeler:** If you could state your name for the record.

**Linda Nettekoven:** Welcome to you also, those of you returning and those of you new. Very nice to see you all. I'm Linda Nettekoven, a community advocate. I'm here speaking

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for myself simply as a resident but I'm also trying to channel Mary Ann Schwab. We had a carefully orchestrated presentation for nine minutes, Mary Ann has a family emergency so I tried to combine our two presentations into one, which will run a little bit longer if that's okay. Longer than my one would have done. I'm here because I care about kids and cities that don't have enough grass and space and places to go. We have been looking at needs in our city for a long time in that regard. We built our communities through our kids, both present and future and when we play together grow healthier bodies and minds together. This is a universal truth demonstrated in the slides above me. These truths about the importance of community centers and spaces and connectedness apply to all of us. This is about community. We're all in this, all here together. So I want to remind you about an important piece of park infrastructure that is in danger of being forgotten as the year's march on. That is the long planned Washington high school community center. It's a critical piece of this access puzzle. We needed this community center 20 years ago. Now with thousands of new residents moving into the so-called shotgun apartments on the inner east side we need it now more than ever. I talked with members of the ceic industrial council at our land use meeting last week and got their latest stats. They estimate that there have been 910 new units built in the last two to three years in that area. 693 units under construction. 1005 units either in the planning or the bds permitting fees. This does not include any of the new development that you see along Burnside or Stark or Hawthorne or Belmont or Division or other east side corridors. This is the area that would be served if we had an inner east side community center. So we feel that the need is great. I want to go back for a moment to reorient ourselves in terms of the history of this project in 2004 the city of Portland purchased from Portland public schools 4.5 acres, a portion of the Washington high school property at southeast Stark and 12th, as a site for a community center and park. This purchase was a key milestone yet just one step of many. Our project advisory committee spent the years wrestling with many aspects of the project trying to get it right, extensive community involvement. Toward the end of 2009 the pac settled on a recommended option and from there in 2012 parks applied for and received a 10-year conditional use permit for the community center's master plan. So that's where we are. It's permitted. It's planned. It's waiting. Although the exact timeline was contingent on available funding we were talking about phase 1 to begin between 2012 and 2015 and phase 2 to be completed by 2022.

**Wheeler:** I'll need you to start wrapping up.

**Nettekoven:** We're halfway through the ten-year time frame. As Mary Ann says it's time to bring the shovel to the dirt. We're very concerned also about the additional piece of property shown up here, a 1.31 acres, that there's an option to purchase and we're asking that council consider that this mou, which expires this May, be renegotiated with Portland public schools so we could have a longer time frame to perhaps exercise it. The thing we're very interested in asking it's a please consider what we're going to do about bonding or funding or what sources we could use to make this project a reality and please remember that we're the folks from the inner east side that tend to support those levies and bond measures. We're ready to work but we need a path forward. Thank you very much.

**Wheeler:** Thank you. State your name for the record.

## **Item 2.**

**Jeff Cole:** I'm Jeff Cole. This would be the hard part. I'm Jeff Cole, I live in Sunnyside. My ask is \$60 million to build a community center. I know given pending cuts to our parks budget this may seem like asking for the Taj Mahal or even the moon. We should be asking why, why when Portland is building and booming like crazy are we cutting budgets and services? While we grow and grow, our police force shrinks, our roads crumble. Our

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livability erodes. The fix to this requires a statewide lift and though Portland may not have the Taj mahal, we do have big pink. Now worth one-third of \$1 billion. This massive appreciation does absolutely nothing for our community's tax base thanks to measure 47 the maximum assessed value of big pink is capped at 3% increase per year based on its 1995 value. If big pink had been reassessed fully last year close to \$4 million in new annual revenue would have been generated while still complying with don McIntyre's measure 5 property tax limits. Even in California properties are fully assessed when sold Oregon is the only state not to reassess property when it is sold. The impact on Portland's general budget is huge. Only new construction escapes the 1995 based cap. Local governments cash in big when demolitions are followed by new million dollar homes. The big pink shadow effect throws a long shadow. Bonding is complex. We borrow \$60 million to fund Washington high school community center at 3% interest over 20 years, annual payments would bring near 4 million, commiserate with foregone big pink tax revenues. We, the public, invested heavily in downtown. Private interests built big pink. Appreciation resulted from this partnership. The community's ability to capture a small share of this windfall to reinvest in future improvements is critical. Without a new pool this nice young woman is down for a very hard landing. The big pink effect is widespread. Portland's real estate market is so hot this phenomenon now happens over months instead of years. At different scales this is playing itself out in just about every Portland neighborhood. So how to fix this. First we need a detailed analysis of property tax assessment reform then with these results in hand design incentives to foster support. Portland today relies on an ever growing list of supplementary taxes and rising fees. New property tax revenues could allow us to repeal or reduce niche taxes or fees or lower system development charges.

**Wheeler:** I'm sorry, I'll ask you to wrap up.

**Cole:** 20 more seconds. Or lower system development charges which contribute to higher housing costs. Or support local entrepreneurs by reducing business tax rates. Property tax reform needs to be a top priority for Portland's business and community leaders alike.

Thank you very much.

**Wheeler:** Thank you for coming.

**Fritz:** I appreciate that you not only identified the challenge but also suggested how to get there so that's very kind and thank you.

**Wheeler:** Welcome.

#### **Item 5.**

**Roberta Palmer:** Congratulations to all of you. I'm Roberta palmer. City's face new demands that can only be met with new revenue. Portland's taxes are already skewed toward the property tax and our federal and state governments rely heavily on the income tax. So consider two new sales taxes. First a tax on served food and beverages. Portland's food scene is a major tourist draw. Ashland and Yachats levies 5%, New Hampshire levies 9%. A restaurant bill in I.a. or Seattle contains about a 10% sales tax. Even at 3%, a tax that is broad based including food carts and other venues can derive serious revenue. The restaurant business is challenging but this tax is trivial. Still leaving room for price increases not to mention the huge cost of tipping and it will also be paid by tourists who did not travel to Portland because we have no sales tax. Number 2, a tax on gross business sales receipts. Or a gross profit tax, slightly smaller. In place of the Portland business tax at least the city's portion. A u.s. business census of 2012 estimated Portland business sales at \$76 billion. That's a long time ago. Even at a 0.3% rate this tax could double or triple the revenue derived from the present business income tax. No business can operate in Portland without the support that government provides. If business helps devise this tax it could be a win-win change for the advocates of public services and for business. Thank you.

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**Wheeler:** Thank you. Appreciate it.

**Fish:** Could we make sure we're actually broadcasting? We're required to do that. It's blank on our screens but doesn't necessarily mean it's not being broadcast.

**Moore-Love:** I'll try to find out.

**Wheeler:** Frankly that's the best I have looked all day. All right, that is the end of communications. We'll now move on to the consent agenda. These are typically items that don't require any discussion. It's my understanding Karla when you get off the phone there are two items pulled, item 6 and item 8.

**Moore-Love:** Correct.

**Wheeler:** So then we will take up the other items when Karla is off the phone.

**Moore-Love:** The tv is working.

**Wheeler:** So six and eight have been pulled we'll take those up at the end of our regular agenda. The beginning? That works for me. Then with the others can you call the roll.

**Fritz:** Aye.

**Fish:** I want to call out two special appropriations. We'll be having discussion with the new mayor about whether to keep the special appropriation process which this last year was \$1 million and a separate committee that reviewed I think a total of \$6 million of asks. There are two organizations that are getting special appropriations in our consent agenda. One is bravo youth orchestra, expanding their programs to the middle school. The second is the cascade aids project which is building an lgbtq health clinic called the prism health center and I join with my colleagues in saying what pride I feel that the city is making a contribution towards this important effort. Aye.

**Saltzman:** Aye. **Eudaly:** Aye.

**Wheeler:** Aye. We'll take up the regular agenda. Please read the first item. I assume it will be number 6 from the consent.

**Item 6.**

**Moore-Love:** Charles Johnson pulled this.

**Wheeler:** Good afternoon, if you could state your name for the record.

**Charles Bridgecrane Johnson:** As was once heard in the city of Keizer, Charles bridge crane Johnson. We should begin this year with a request that indeed this item talks about deconstruction means stop demolishing Portland. Portland is full of wonderful, usable homes that do not need to be ambushed and attacked. This particular agenda item is probably inadequate considering the way the market has been working. We need to have a broader reach to back up our policy supporting deconstruction. I would love to see you all vote unanimously in favor of 6. I want you to all look more seriously at how we're going to keep quality single family homes that are affordable, could be affordable, available to average working renters. The other question of course if we're going to spend \$61,000 to improve what we do with deconstruction we have to have a serious public process about how we're going to make deconstruction the preferred option for more and more sites in this city. Thank you.

**Wheeler:** Thank you. Any further council discussion? Any further testimony on this item? Carla, could you call the roll?

**Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Eudaly:** Aye. **Wheeler:** Aye.

**Item 8.**

**Moore-Love:** There is someone representing the police bureau here if you have questions.

**Wheeler:** Good afternoon.

**Fritz:** I'm wondering if we know who pulled this item.

**Moore-Love:** Mr. Walsh did.



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**Erin Smith, Portland Police Bureau:** Sergeant Erin Smith. Portland traffic division.

Essentially this is extra money for the 2015-2017 biennium. It goes towards extra patrol in and around the work zone areas. It's specifically targeted for the driving that happens around those areas to help protect the workers specifically the construction workers, engineers, flaggers that are working in that area.

**Wheeler:** I further council discussion or questions? Karla, please call the roll.

**Moore-Love:** Mr. Walsh --

**Wheeler:** I apologize. Did you want to testify?

**Joe Walsh:** I do.

**Wheeler:** Thank you.

**Wheeler:** If you could please state your name for the record.

**Walsh:** I'm Joe Walsh. I represent individuals for justice. Please forgive my voice. I'm just out of breath. I have been running most of the day and I don't run really well any more. The objection to this and the reason I pulled it is because city overtime. We have a great deal of problems with the police getting overtime. If they go to the bathroom we seem to pay them overtime. Two years ago I testified at this council that there were 600 people making over \$100,000 working for the city and everybody looked at me like I was nuts. Now it's up to 1180 people that make over \$100,000. When we pulled the information up, we found out that the first 15 out of the 25 highest paid people are cops and fire people. We have one police officer that makes more than the chief of police. How is that possible? He makes \$180,000 a year. Base pay. He must be working here for a thousand years to get that kind of money. I mean if you base it on tenure, how the hell long does he have to work to make more than all of you not put together but all of you individually. Because let me read this. This is a police officer, not a sergeant. 180,000 then he made \$24,000 in overtime. Okay? Think about that. \$24,000 in overtime and he makes \$180,000 a year. A police officer. Not a sergeant, not a lieutenant, not a detective. A cop. Just a cop. Makes more than the chief of police. I want you to investigate why we are paying 1180 people over 100,000 a year. I would really like to see someone do that. I know I'm over time. I appreciate your patience on this. That's our objection. We really got upset when you put it on the consent agenda because that's sliding in underneath the table. No discussion. We're going to stop that and we're going to challenge every one of them. We did that with Charlie at the last meeting. We challenged almost every one.

**Wheeler:** Thank you, sir.

**Walsh:** Be careful.

**Johnson:** Good afternoon. Again, extremely appropriately on this item, Charles bridge crane Johnson, the reason this is important is because before back on Yom Kippur when armed police were throwing people out of the building and pepper spraying them at the back entrance, pushing people out, after basic rights Oregon, after the American civil liberties union, after even the Sierra Club had said don't rush into a police contract, we came to the unfortunate situation where we approved the police contract over six months in advance of its expiration. So when Mr. Walsh talks about overtime, this gentleman with the police department who is making over \$200,000 a year might be greatly -- I think that money over time funds include when the police association pays Portland police to stand around with their bicycles inside the Apple store or at City Target. I believe those monies come under the overtime umbrella. The umbrella covers the \$500,000 we spent on policing after the Trump election but the police didn't prevent what first was a million dollars' damage assessed by outgoing chief marshman. We can't have people pulling a million dollars in damage out of their hat. Even more critical than this is the fact that just last month we were talking about two of our fellow Portlanders dying on division. There's no division in the west. It's only an east side issue. This grant which of course you need to

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accept so we can do everything possible to improve traffic safety, not for the workers only but for everybody. Obviously we want you to approve it but make sure when we think about work zone safety, how can we creatively yet legally use, especially for commissioner Saltzman, transportation commissioner, use work zone and work zone funding to address the most lethal areas where pedestrians or fellow citizens are dying. While we want to respect workers doing the hard work on the street maintenance, they lately have not been the ones that we found dead in the city of Portland. Of course we would all be remiss talking about the streets if we didn't mention that within the last 72 hours' mark e. Johnson died on Burnside, neglected under a blanket, about four blocks from the 102<sup>nd</sup> max station as I understand, within 19 blocks of the east precinct office, where there may be being paid \$200,000 a year to drive by the dead body that's not protecting and serving.

**Walsh:** He was 52, by the way. That's 22 years younger than I am.

**Wheeler:** Thank you, sir. Thank you for your testimony. Any further council discussion? Carla, please call the roll.

**Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Eudaly:** Aye. **Wheeler:** Aye.

**Wheeler:** Now back to the throws of the regular agenda if we can get Karla to call out the next item.

### **Item 13.**

**Wheeler:** Are there any further questions from council at this point? Any further public testimony on this item? We don't do testimony on second reading. That makes it even easier. Call the roll, please.

**Fritz:** Aye.

**Fish:** This pump station is responsible for moving sewage and storm water runoff from Hayden island to the Columbia boulevard wastewater treatment plant. The construction authorized under this ordinance its anticipated to begin in the summer of 2018. I want to thank Scott Gibson and Dan Hebert for their good work. Aye.

**Eudaly:** Aye. **Wheeler:** Aye.

### **Item 14.**

**Wheeler:** Any further council discussion? Call the roll.

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

**Wheeler:** Aye. A point of clarification. Am I supposed to be banging the gavel and celebrating at the end --

**Fritz:** I would prefer you don't.

**Wheeler:** Good. We can be even more efficient then. We have one more item. If Karla could please read it.

### **Item 15.**

**Wheeler:** Commissioner Saltzman.

**Saltzman:** There's no presentation unless you have questions. Last month council did authorize the first acquisition under the affordable housing bond measure the Ellington apartments. So this item basically allows the housing bureau to assume all miscellaneous contracts associated with that acquisition, everything from landscaping services to -- well, smoke detectors, all those services. Kurt Creager is here if there are questions.

**Fish:** This is more in the nature of a housekeeping matter.

**Saltzman:** Yes.

**Fish:** There are no liabilities we're being asked to take on that wasn't part of the original ordinance? The director is nodding his head saying no?

**Fritz:** I have a question about the contract is there a requirement for using minority, women, emerging small businesses and trying to use local people? Since we're just giving broad authority to do it, would all of the city's purchases contracting rules come into play?

**Saltzman:** I'll turn it over to director Creager.

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**Kurt Creager, Director, Portland Housing Bureau:** Mayor, members of council, Kurt Creager, housing director. As framed by commissioner Saltzman, the Ellington apartments is 263 units. The seller is a Palo alto limited liability company and we're scheduled to close February 4th. When the seller purchased this property ten years ago, they entered into a relationship with guardian management, llc, an Oregon limited liability company owned by Thomas b. Breneke. That agreement has been amended and extended for ten years. The guardian receives 3% of the effective gross income, which is within industry standards. The purpose of this assignment is for the housing bureau to ensure that this purchase is a seamless event for the tenants in place at the Ellington. After a period of approximately six months, the property management services will be rebid and the city's procurement rules including social equity expectations will be part of that procurement. We don't have sufficient time between now and February 4 to do that so we would extend temporarily guardian management. Guardian would be welcome to bid on the new contract but we will have women and minority, disadvantaged, small businesses expectations going forward.

**Fritz:** Will you bring that bidding process back to council?

**Creager:** It will be handled by procurement in the normal and customary fashion.

**Fritz:** So normal and customary is it comes back to council.

**Creager:** Yes.

**Fritz:** It seems this ordinance looks like we're just assigning the housing bureau the authority to do it.

**Creager:** But we will rebid it working with Christine moody at procurement. It will come back to you in due time.

**Fritz:** Thank you.

**Creager:** We talked with several -- I'm meeting Friday with Nate Washington, tony jones about the participation of minority contractors in both the landscape maintenance, the units of course are turned monthly on vacancies so there's painting, minor electrical, plumbing to be done. We think there's quite a lot of opportunity here to engage small businesses going forward.

**Fish:** This is just a bridge to get to.

**Creager:** That's correct. We want to make sure the tenants in place see this as a seams experience.

**Fish:** Can I also mayor acknowledge it's not directly related to this item but I read this week that the housing bureau took action with the owners of the yards. The net effect of your intervention is the entire floor that was to be set aside for short term rentals that in your judgment conflicted with the terms of the financing that public financing for that development, has now been reversed. I think we are all taken aback by the idea that a publicly financed building with affordable unit would have short term rentals baked into it in the way proposed. I was pleased to see that you and Dan not only followed up but were able to reverse that decision and recapture the affordable units. I thank you both for that.

**Fritz:** I have one additional detail. It says in the findings that Portland housing bureau is going to complete participation process, but in the direction it doesn't say anything about coming back to council.

**Creager:** But it is -- it will be handled in the normal fashion. It's not an emergency. We will go through city procurement to procure the services of a new property management entity. So what we're using the city procurement officer for that service and they will use the normal customary procedure.

**Fritz:** Would you be comfortable adding a direction D that the housing bureau will perform a solicitation and return to council --

**Fish:** Can I speak to that for a second? I'm going to throw a cautionary flag on that because I remember during my tenure as commissioner in charge of the housing bureau

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large number of properties that we invested in, either had direct control over or were passive investors there were a ton of these kinds of contracts that came up for all kinds of services. There were rules and guidelines established. I don't recall most coming back to council. If they did, we would be inundated with those kinds of things. We contract with lots of people to do property management stuff. If the council's desire is to have more oversight over that, maybe upon learning that we are or are not hitting mvesb goals, I think we should take that up more holistically. Maybe we can do this piecemeal but I suspect there would be a lot of smaller contracting issues which typically don't come to council but go through procurement which might come back to council if we make that an official policy.

**Fritz:** I appreciate that clarification. This is the first of the bond measure which we are going to own as well as hiring people to operate. It takes almost a fifth of the bond measure money. I would be concerned if it's going to be setting a precedent that whoever the property manager when we buy it gets to continue to manage it. They could by all means but there should be a bidding process.

**Fish:** Would my friend be willing to hold off making a friendly amendment for a couple of weeks? This is a bridge to February.

**Creager:** Correct.

**Fish:** So we could have a further briefing bipartisan council as to whether this needs to be an across the board policy or just applicable to the housing bond or for any items above a certain amount? I understand the spirit of what you're saying. My only cautionary flag is I would not want to start having all kinds of routine contracts for property management services that change all the time and have sometimes had very small dollar amounts coming to council unnecessarily.

**Fritz:** I share that concern. This is a very big purchase and I heard the housing bureau director say that's their intent anyway.

**Creager:** Because the administrative portion of the bond allows for administrative costs to be covered we have already begun working with Ms. Moody on how we will compensate her for her staff time because we envision later contracts for other procurement services including new construction and development purposes.

**Fritz:** I heard you say director Creager for this one you will come back to council having done the procurement bid and such.

**Creager:** That was my intent. But I don't have signature authority for these. They go to the city procurement officer, just so you know. The ultimate procurement contracts are all approved by Ms. Moody.

**Fritz:** Then to clarify, does this ordinance say housing bureau and procurement can amend the guardian contract just have it run for the next ten years without coming back to council?

**Creager:** We won't extend the guardian contract for ten years. I see this as a six-month bridge. We have lots of stakeholders that are interested in the social equity implications of the housing general obligation bond, which is the largest bond approved by Portland voters. We're cognizant of that.

**Fritz:** Your word is good for me. Thank you.

**Wheeler:** Before we take public testimony are there other council questions while we have the director here?

**Fish:** I would just say that because I think commissioner Fritz raises an excellent point, Kurt, at some point you may want to prompt us with what's the floor above which you would routinely do and procurement would come to council? I agree as part of the oversight and accountability of the bond we should have council involvement. I also know there's lots of more routine matters that I would not necessarily think should come to council. Perhaps you could give us some guidance.

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**Creager:** I would be happy to. It would be part of our annual report to you about social equity participation of women, minority and disadvantaged small business.

**Wheeler:** I appreciate what my colleagues have said. As the new guy I would like some clarification too. Seems like we need a more rigorous standard, particularly for the bond. Further council questions? This is the first reading so we'll take -- it's an emergency? We take public testimony?

**Fritz:** Yes.

**Wheeler:** Good. Do we have anyone signed up?

**Moore-Love:** Terry parker and joe Walsh.

**Wheeler:** Very good.

**Wheeler:** Thank you, colleagues, for helping me walk through the rules of order today. I appreciate it.

**Fritz:** It's always necessary.

**Wheeler:** I'm grateful for it.

**Terry Parker:** I was here on December 7 --

**Wheeler:** Could you --

**Parker:** Terry parker. I'm sorry. Northeast Portland. I was here on December 7th and testified because there's a couple of new council members I just wanted to recap that testimony. I actually have a couple of copies for you that I will give to Karla. My house faces houses that back up to the Ellington on the street right next to it. The neighbors were very concerned with as fast as this came up. I knocked on some doors, spoke with my neighbors and there are four points I want to go over. The first was we want to make sure that the apartments have zero tolerance for drug, gang affiliation and a firearm policy in place. The second, we want to make sure that the Ellington property is maintained in the current fashion that it's maintained with the landscaping and the parking lots and that sort of thing. In the past there have been problems with both maintenance and with the people that are living there including shootings that were there. I have lived in my house longer than I care to say and there have been a lot of problems there. Thirdly we recommended some sort of security system possibly a security guard or cameras, and finally, there was a recommendation to have a public meeting with the neighborhood people that surround the Ellington apartments so the neighbors can express their concerns personally and we recommend that that take place at Charles rice school. Basically that's all in here. I'll give these two copies to Karla. One for you, mayor, one for you council woman Eudaly.

**Wheeler:** Thank you, sir.

**Parker:** You bet.

**Walsh:** My name is joe Walsh. I represent individuals for justice. We had some questions about when housing bureau goes out and does contracts, we're concerned about that. We're getting emails about the organization is it tpi? That runs most of the homeless on the housing? Well, apparently we're being requested to talk to you about people selling coats. People coming in that need coats and they can't get them unless they buy them. There's also a bonus system going on about showers and using the washrooms. They have to do some work and they get credit like we do in community service. We call it slave labor. You call it a good deal. We sent letters to housing. We sent letters to tpi. We sent emails to tpi, because I don't mind getting egg on my face on this stuff because when I hear it, it gets me so angry because I just spent two hours, that's why I was late, handing out hand warmers because it's freezing out there. And somebody is selling coats? Somebody is saying you have to have so many hours of barter because you can't use the washrooms? You can't use doing your laundry? We donate that stuff. People are out there right now collecting coats and donating and somebody is selling it and we don't know? So I'm asking you to do an audit on cc and tpi. I hate these initials. I get confused with all

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these initials. But the contractors that deal with the homeless people, if they are selling stuff, I want them in jail. I want them hung. I really do. I would waive my opposition to capital punishment. I really would. I get so angry when people take advantage of these things. When you do these contracts, don't just do them and let them lapse and just go on forever. You have to find out what they are doing. People are dying. We're all broken hearted about this. People are selling coats for god's sakes. I know if you don't get angry over that I give up. I really give up. Because there's only this much left of light that we fight.

**Wheeler:** Thank you, sir.

**Johnson:** Good afternoon, commissioners. For the record I'm Charles bridge crane Johnson. We're in a very interesting situation with the Ellington apartments. In some ways it's a 180 degree turn-around, prior practice was that people on long term subsidized stuff that started in the '60s are in northwest towers and stuff. It's under what was the housing authority, not the bureau, now home forward, so we're going to have two different avenues now of providing what's essentially public housing. Whether the Ellington apartments are going to be financed through people receiving section 8 or whether the feds hate the people owning housing the municipalities owning housing so much they can't get section 8 there. It's an interesting question. The most important thing I think is that Dante James and officers of equity and human rights is here because what I'm doing is I'm talking to only one of you in the last year has made less than \$70,000. Madam president of the council has a much more recent affinity for the kind of living that the people in the Ellington apartments are facing day-to-day. When we talk about equity lens in the city of Portland, that means empowering the Ellington residents and not creating a two-tiered system where Ellington residents are different than northwest towers residents and others and having them engage in the quality of their own community. So I hope since you were bold or foolish enough to take on the portfolio of the housing bureau, Mr. Mayor, we'll find money and space for that to happen so that even though the city is technically not responsible for the quality of life in northwest towers and where police killed somebody near good Sam hospital about 13 months ago that in Portland we'll have the most empowered, most caring low income tenants, thus the best neighborhoods and we'll make sure that adequate and reasonable money is available to make that happen. But you know, this particular agenda item needs to pass but there needs to be in that time broad multi-channel discussions, not just our own city housing bureau but home forward and all the people who cannot find the income level jobs to live in unsubsidized apartments which is getting to be more and more people in the city of Portland. Of course you certainly should not rule out what the Oregon revised statutes allow you to do and see the emergency and work on rent control and let the 40 city attorneys defend that important and necessary idea thank you.

**Wheeler:** Thank you. Yes, sir.

**Shedrick Wilkins:** Shedrick Wilkins. I wish to argue against joe Walsh. I was homeless for a year and I was taken in by the tpi. The bud Clark commons. I found it was very resourceful place. You do barter for laundry money. It's hard to find a job if you don't take a shower, have clean laundry. If anyone walked into Portland said they were homeless need help I would refer them to the bud Clark commons and I have. I know the resources, sisters of the road cafe is another place. So if people are trying to do things I'm just making a reference like these apartments people are trying to do something whether they are selling coats or something, they are just attempting to do something. We are working forward in Portland, especially when the bud Clark commons started I spent six months in the basement homeless. They got me an apartment under hud. Luckily I'm over 55. But these are good things. I'm sorry, joe, I tend to disagree with you. Joe Walsh.

**Wheeler:** Thank you. Is there any further public testimony on this matter? Any further council question or discussion? Karla, please call the roll.

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**Fritz:** It's exciting to be moving forward. Congratulations. Aye.

**Fish:** Good discussion. Since mayor you have now announced the new bureau assignments I want to take this opportunity to thank commissioner Saltzman and director Creager for a hell of a run last year. We ended the year with a housing bond that was supported by a strong majority of Portland voters and inclusionary housing policy which kicks in in February which is historic and the first acquisition and innovative acquisition given the timing but one that I think suggests great things to come of the Ellington, next door neighbor of Avel Gordly. I appreciate what Charles said about the different entities but I'll close by saying a person in our community that's desperately seeking an affordable home actually doesn't care whether it's home forward, the city, nonprofit provider or anyone else. The only thing they care about is that it is a clean, safe unit and is affordable. The housing in a perfect world we would not have five different pots of money for these things. We wouldn't have multiple entities. We would have a basic right to housing and we would meet it. We don't live in a perfect world so we do our best and I think, Dan, I particularly appreciate the strong way we closed out last year on the housing agenda. Appreciate your leadership. Aye.

**Saltzman:** Aye.

**Eudaly:** I would also like to thank Mr. Johnson for his comments and I agree that it would be wonderful if residents felt an ownership and felt that they were a part of the community and not a problem to be managed within that community. Aye.

**Wheeler:** Aye. There being no further business before us we're adjourned. Thank you, everybody.

**At 2:56 p.m. Council adjourned.**