



February 25, 2025 Homelessness and Housing Committee Agenda

City Hall, Council Chambers, 2nd Floor – 1221 SW Fourth Avenue, Portland, OR 97204

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Tuesday, February 25, 2025 12:00 pm

Session Status: Adjourned

Committee in Attendance:

Councilor Jamie Dunphy, Vice Chair

Councilor Dan Ryan

Councilor Angelita Morillo

Councilor Eric Zimmerman

Councilor Candace Avalos, Chair

Councilor Avalos presided.

Officers in attendance: Diego Barriga, Acting Council Clerk

Committee adjourned at 2:07 p.m.

Regular Agenda

1

[Homelessness response system Steering and Oversight Committee](#) (Presentation)

Document number: 2025-042

Introduced by: Councilor Candace Avalos

Time requested: 15 minutes

Council action: Placed on File

2

[Committee calendar and priorities](#) (Presentation)

Document number: 2025-043

Introduced by: Councilor Candace Avalos

Time requested: 30 minutes

Council action: Placed on File

3

[Inclusionary zoning: State legislative proposal](#) (Presentation)

Document number: 2025-044

Introduced by: Councilor Candace Avalos

City department: Government Relations; Housing Bureau

Time requested: 30 minutes

Council action: Placed on File

4

[Amend Affordable Housing Code to add prohibition of anti-competitive rental practices including the sale and use of algorithmic devices \(add Code Section 30.01.088\)](#) (Ordinance)

Document number: 2025-045

Introduced by: Councilor Angelita Morillo; Council Vice President Tiffany Koyama Lane; Councilor Mitch Green

Time requested: 45 minutes

Council action: Continued

Speaker List - Homelessness and Housing

	Name	Title	Document Number	Meeting Date
1	Candace Avalos	Councilor, Committee Chair		02/25/25
2	Diego Barriga	Acting Council Clerk		02/25/25
3	Jamie Dunphy	Councilor, Vice Committee Chair		02/25/25
4	Dan Ryan	Councilor		02/25/25
5	Angelita Morillo	Councilor		02/25/25
6	Eric Zimmerman	Councilor		02/25/25
7	Claire Adamsick	Council Policy Analyst		02/25/25
8	Michael Andersen	cities and towns director	2025-044	02/25/25
9	Sarah Radcliffe	Gov relations H4H	2025-044	02/25/25
10	Ianda Allen	Tenant engagement and advocacy director, Community Alliance of Tenants	2025-045	02/25/25
11	Leeor Schweitzer	Portland Tenants United	2025-045	02/25/25
12	Andrea Haverkamp	Board Member, Portland Neighbors Welcome	2025-045	02/25/25
13	Beth Deitchman	Member, Portland Neighbors Welcom	2025-045	02/25/25
14	Meg Bender-Stephanski	(Testimony)	2025-045	02/25/25
15	Jeff Baertsch	(Testimony)	2025-045	02/25/25
16	Laura Hanson	(Testimony)	2025-045	02/25/25
17	Kim McCarty	(Testimony)	2025-045	02/25/25
18	Kimberly Kimble	(Testimony)	2025-045	02/25/25

Portland City Council Committee Meeting Closed Caption File

February 25, 2025 – 12:00 p.m.

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Speaker: Good afternoon. I'm going to call the meeting of the homelessness and housing committee to order at 12:02 p.m. Diego, can you please call the roll?

Speaker: Oops.

Speaker: Apologies. Dunphy.

Speaker: Here.

Speaker: Ryan. Here. Morillo here. Zimmerman here.

Speaker: Avalos here. Claire, please read the statement of conduct for council committee meetings.

Speaker: Good afternoon, and welcome to the meeting of the homelessness and housing committee. To testify before this committee in person or virtually. You must sign up in advance on the committee agenda at Portland. Council agenda. Homelessness and housing committee, or by calling 311. Registration for virtual testimony closes one hour prior to the meeting. In person. Testifiers must sign up before the agenda item is heard. If public testimony will be taken on an item, individuals may testify for three minutes unless the chair states otherwise, your microphone will be muted when your time is over. The chair preserves order disruptive conduct such as shouting, refusing to conclude your testimony when your time is up, or interrupting others testimony or committee deliberations will not be allowed. If you cause a disruption, a warning will be given. Further disruption

will result in ejection from the meeting. Anyone who fails to leave once ejected is subject to arrest for trespass. Additionally, the committee may take a short recess and reconvene virtually. Your testimony should address the matter being considered. When testifying, please state your name for the record. An address is not necessary. If you are a lobbyist, identify the organization you represent and virtual testifier should unmute themselves when the clerk calls your name. Thank you.

Speaker: All right. I also realized I wasn't logged in to zoom. And are you guys still logging into that? Okay, let's take a quick second to do that real quick. Okay. So. All right so today we have a tight agenda, including a report from councilor zimmerman about the soc review of our discussion about our priorities that we had last time, a briefing on inclusionary zoning and councilor morillo bill on i. I wrote it is that is it right to say I rental price fixing. Yes. Okay. Cool. Accompanied by invited and public testimony, I'm going to need to be strict to keep us on schedule, but i'll also try to give you the estimated time ahead so you can also help me manage the time. So diego, could you please read the first item?

Speaker: Agenda item one homelessness response system steering and oversight committee.

Speaker: Okay, so we've got this item until 1215. We are going to use this meeting once a month to have a report from councilor zimmerman, who, as we know, is our representative on the soc. And so today we're going to have him give a brief update on the first meeting, offer some general info about the relationship and expectations. And then I wanted to have a quick discussion amongst the committee about what we should expect from councilor zimmerman or what we are asking from councilor zimmerman in these reports, as well as how we want to, in general, share our voice and agenda from our committee to the soc and vice versa. This will

no doubt be a work in progress, as both of these committees kind of get their feet under them. So the report and the expectations can evolve over time. So with that, councilor zimmerman.

Speaker: Thanks, chair. So I appreciate the time. This is something I find important as that that liaison role to the soc for that oversight with the county. So I've got a few bullet points here. I just want to make sure I hit them. So if I look a little reedy, bear with me because I'm trying not to miss things. The grand bulk of that, we've only had one steering oversight committee of the system. That's the meeting between the city and county, and the next one will be March 11th. So I'm really only reporting on the first one. And the bulk of it was the mayor's presentation to the to the committee regarding his ending of, of street camping and the shelter program that we have already heard about. And so that was the grand majority of the presentation. And the county fielded or he fielded questions from the county for the majority of the meeting. I think that the questions were quite similar to ours from a council perspective. They, I think, questioned some assumptions. They they expanded on some of his, on some of his goals. And I think it generally went favorable and wanting to know more information. That was the vibe I got anyway. Couple of notes that i, I noticed is that already and I think I mentioned this last meeting already, the county had backed off on some of its about 100 of its committed shelter beds that were originally in its sheltering plan. So that was concerning. And it came down to, I think, their assessment of what was available and budgetary. But for me, that was notable given that this last year was the first time the county had adopted such an aggressive sheltering model. And then to see in the very first sock backing off of about 100. And what does 100 mean? 100 generally is about another site. So it means they have some site that fell out of their out of their plan. And so I look at that and if, if we're going to achieve the mayor's

goal, that means one more site that we would have to stand up if not two. So that remains out there. And I'm hoping that we get some more information about if they can close that gap moving forward. You'll also see and I just because it's been in the in. I think it's been covered that the county released its homeless response action plan quarterly report. And while we didn't discuss much of that at the soc meeting, it's timely and I think we'll get into it. But positive piece there is the goal of maintaining 75% retention in permanent supportive housing for at least 24 months. Following placement continues to be exceeded over 80%. And so I think that that was notable. And it's important to highlight. The one point of where we could use the word fail, if that is appropriate, would be in the transitioning of adults from shelter to housing. I think that got a little bit of attention depending on what groups folks are running in or what media they're reading, that people transitioning away from shelter are not always going to housing, right? And that's always the goal of shelter is to be a conduit to housing. And so that is an area where the goal of transitioning 41% of all exits from shelter into housing by the end of 2025. And it looks like they were at about 20%. So about 50% of their goal. And that's actually a decline from the previous year. And so I think that's notable and something we'll want to be hearing more about as we look at what makes, I think the questions that exist out there, and the ones I'll be asking at the committee will be what types of shelter are showing? The strongest transitions? Are there? Are there trends among certain types of shelters or certain locations of shelter, or certain populations at shelter that make differences here? Because this is just a broad number, and I think that's hard to draw a lot of conclusion from. So I think that you can expect that that's where some of my questions at the next wrap will go. So what can we learn from that decline. And at a 50% rate of what we expected. The county is looking at a couple of some additional placement dollars. And right now it's not quite clear from

that quarterly report. And it's something I expect in the next soc. We can where they looking for those placement dollars. How will they be different than the one that's we just noted is failing. And then given the press release from the county regarding \$100 million gap, if it was discussed at a soc, I didn't hear it. And so that was a bit of a news flash to me as well as it was the public and I think members of the board over there and the go ahead, please. I think you have a question.

Speaker: When was the meeting again, the date?

Speaker: Well.

Speaker: Was it like two days before the press release or.

Speaker: No, no, our our last soc meeting was on councilor. I got to check some calendars here, but it was at least three weeks ago or it was several weeks ago.

Speaker: I'm less angry than it was two days.

Speaker: Yeah, the county had a press event the other day where they asked metro and the governor at the state level to help them fill \$100 million gap in their in homeless dollars. I imagine that the next soc will circle around that topic, most of all, because that that's not something that I had heard discussed previously, that they were facing that much of a gap. And in the in the overall world. That's if you think about a year ago, we were, as a community, really pressuring the county to spend its \$100 million excess. And now we're looking at it with \$100 million gap. And so I think we've got a lot to figure out in terms of where will the county's priorities go in terms of which programs are the ones worth saving, which ones? You know, I think I saw that the governor is looking at statewide sheltering strategy and what does that look like? But she was certainly critical of the ask. And I think that that's worth the criticism. Right. And so that's that's really where my eyes and ears will go for our March 11th meeting, which is the next convening of that of that oversight meeting. And that's all I have. Chair.

Speaker: Okay. Thank you for that report. Let's start with councilor dunphy.

Speaker: Yeah, that. Thank you, madam chair. Councilor zimmerman, everything you just said was deeply disturbing to me. In a lot of ways, the fact that the soc didn't get an advanced heads up about a \$100 million budget hole in the. Programs that that is supposed to be overseeing. Do you get the impression that the mayor's plan is giving the county permission to take the foot off the gas? Everything you just described functionally said that the county is doing less and doing it less well.

Speaker: It's an important question. I think. You know, I was around when the original iga was authored, and part of that had to do with which government is going to be in the line of which business. And I've talked with each of you at some point about this a little bit. I, I hope that the mayor's plan is not giving anybody permission to take their foot off the gas. If anything, if somebody is pushing the gas because you're not. And if somebody is pushing on the gas because you're not, that's almost more of, I think, an affront to how well, maybe you're doing something. So I'm cautious. Right? I've, I've been outwardly supportive of, of other and new shelter expansions, even if it's at the city level. Right. I was I was helpful and supportive in the test sites when we stood those up. When commissioner Ryan at the time stood up, the srvs. And with mayor wilson's expansion into his most current plan. And it doesn't mean that that's not in spirit, kind of a violation of what the iga was all about. And I recognize I think I can hold both truths, but what I hope is that we can. I think the spirit of your question, councilor is important, right? Because I think we can be supportive of what they're trying to do, but also maybe not very forgiving if they are letting off the gas. And I think that's worth a conversation at the next soc. And also probably in our upcoming joint meeting as well.

Speaker: Councilor Ryan.

Speaker: Thank you, madam chair. First, I was want to start off by thanking the people who serve with the houseless community. Daily did was their dialog about the breakdown, the data you started to get to that? What type of shelters are going above the average and why, and what ones are below and why. And I know that if in fact a site, say, a test site or a rv site is actually having providing services and trying to move people towards being welcoming to those services, that was always the original idea is to is to break it down by who's accessing behavioral health services, who's accessing workforce. And the trends would seem to always indicate that when you're you're building resilience, when you're doing that and the likelihood of you being successful in housing goes way up. But it's been really difficult to get the culture to track that type of data with those kind of proof points. And then of course, we could get to that day where, like you fund what's working and then you make tough decisions. You probably let go of funding those sites that aren't working and looking at who the provider is. That's also implementing those services as well. And I think the most recent i'll just end with this. We were lucky. All of us on this council were invited to was a Friday, like the first two weeks were in office and went on those field trips all over the place, and we were split up into two groups, and all of us went to some sites. Right. I looked this way because you guys were in a different bus. You and I were in the same bus and so we went to two different sites. I'll just say this. And I asked the question, how many of the residents of this village are Multnomah village are actively seeking behavioral health services? Or another way to ask it, how many are currently actively in addiction? And the breakdown was 15% were actively embracing some service for behavioral health, and 85% were active in addiction at the site. At safe rest village site at peninsula crossing, it was 5050. And I want to first of all, thank those behavioral health folks for being so honest with me. And two, it got to the heart of the matter to me on

what really needs to be improved at the county, which is better management of the contracts to ensure that those type of services are being delivered, and then we can start measuring those results. If we don't start getting data driven on this, we're just going to be hoping and guessing. And it's not working with the with our efficiency that we need for our resources. So I just wanted to bring that up. And so did you guys drill into that kind of data?

Speaker: There is some and I know that that the new hse manager is working hard to. Air the homeless response system. Thank you for that. The homeless response system manager is working hard to kind of lump together types of shelter that make sense, and the ones that are run by different entities and be able to get into that. So at a future date, I'd love to provide more of the detail. I want to highlight the difference that you're bringing up. Councilor. And this is one of those areas that is an unfortunate reality in our community, which is which government is contracting and funding, and running a shelter is going to have a difference. And so the one that is in my neighborhood, the Multnomah village one that councilor cited, has lower enrollments in treatment. And frankly, in my visit, editorializing was not as responsive to the needs of both the people in and the community around. Right. I was pretty disappointed in that visit. It's run by the county, it's contracted by the county. And that emphasis in contracting and emphasis in philosophy comes through in how we contract and. That organization. Who is running that? Again, my editorializing is going so far to not meet the needs of the neighborhood that the city has had to step in and hire the provider at other sites to do the walk around in the neighborhood, kind of that liaison duty, the cleanup duty that we have at the sites that the city runs in order to cover what the county is doing. I to me, that comes off the page as one of the broken pieces here. And then you go to peninsula. And we heard, we heard we not only saw those same teams, which is a city run, city funded,

and we saw a different provider with a higher enrollment in, in addictions and behavioral health. These things matter. And I think in our last meeting, I highlighted that, you know, I know that a number of folks on the committee want to hear from providers. And I said, I also want to hear from neighbors. I want to hear from people whose families have been there, because I think these differences matter a lot in how we are as a community. We are delivering these services. And as the representative for district four, I look forward to either the county stepping up and making its contract produce the type of results that we're seeing from the city contracts, or finding the provider and finding a new provider or a provider in one of our more successful ones to take over that site. Right. And I think I'm no longer in a place where I'm willing to skirt around that issue. I'm willing to talk about it specifically because either that group will fix the issues that we're identifying or they'll say, this isn't really their their cup of tea anymore. Right. And I think that we have to be measured about that and reasonable. And if there are differences in population, those matter too. And I think that the svps showed us and that's an important thing, is that different shelters for different populations are going to have different outcomes. And that's okay. We should be able to talk about it coherently would be my take. And so as the county starts to dive into the data and I think they are taking your point seriously, councilor, I want to keep that front of mind because the data, the data can be supportive to us in the expansion of where there is need versus where there's feelings.

Speaker: Thank you. That answered my question.

Speaker: And for the record, the last meeting was January 22nd. Thank you. Yeah. All right. We're a little over time, but I do want to spend a couple more minutes here to just say, given everything that we've heard and it's clear that we have our own work to do, right, in establishing what our plan is, what our goals are. But what

are we expecting of councilor zimmerman as it relates to relaying back our voice to that committee? And what how were you intending to approach that as our representative?

Speaker: So to start, I if this group has a discussion, wants me to wants me to walk in with the perspective to share, I want to make sure that I can do that and that I can represent if this group has an opinion about about something, I think a good way for me to prep this group to have that discussion is as that soc gets its legs, and we start to see what will be discussed in upcoming that I can start bringing that as a preparatory, perhaps formally in this setting. But also I think that just giving you an idea ahead of time of here's the agenda. And then when we're in this setting, you can share that with me. And if we see a trend amongst the committee, I think that's important for me to capture. I think there's also a path where, you know, we are each going to have our way to weigh in on this, and we all have our relationship with the chair of the county and the commissioner who sits on it. And we're going to have those conversations. I think that's fair as well. But where this committee speaks as a single voice, I want to be able to share that perspective. And I think it's a balancing act. Right. I think the best way to deal with the balancing act is just to talk about it and to say, when I'm in that meeting, to be clear, if I'm representing this, this, this committee, or if that is something that is based on my experience as an individual counselor, and that I think clarity keeps feelings from being hurt.

Speaker: Councilor Ryan.

Speaker: Yeah, real quick, I just want to say thank you, madam chair. That there that the neighborhood agreements actually specified the provider to do that type of cleanup around the neighborhood. And so I think in this district form of government as well, it's like this becomes closer to home. So it wasn't lost on me. Sorry. Your district had a provider that wasn't doing that. But what I heard around

peninsula crossing from neighbors, actually at the university park neighborhood association, the same people who weren't very charitable when we were trying to open it were now saying how wonderful it is that it's there. The whole neighborhood is cleaner. And the peninsula crossing trail is now accessible. So these assets have actually been helpful to neighborhood livability. And it's disappointing then to see the contrast. So.

Speaker: Well, I think I'll just end by saying, I totally agree on that last point, that if we are seeing the soc agendas ahead of time, we can kind of preempt those conversations here about what we want to communicate. I think there also might be times where we are deciding something or a direction that we want to go that we want to say and councilor zimmerman, go ahead and communicate that again. We'll keep working through like what that relationship looks like. But I think the more that we can make space in this meeting to talk about that relationship is going to be important. So I want to carve out time in our agendas for doing that in the future.

Speaker: Thanks, chair. I want to add one one piece. I see because we are also the housing committee. The one piece I meant to say and that was I also see in a longer term path where the soc may identify where they'd ask the city to put focus on certain types of housing development, or in certain geographies of our city. That I think is a reasonable ask from the soc back to the city that perhaps we as a committee can influence their work as well, or complement their work is a better word.

Speaker: Okay, thanks.

Speaker: Sounds good. Thank you. All right. Let's go ahead and move on. This next section I have slated until 1245. And I am going to keep us to that timing so we can get everything else on our agenda. So oh, first diego, can you please read the item.

Speaker: Agenda item two committee calendar and priorities.

Speaker: All right. So we're going to take some time to just kind of talk through the different themes from our discussion about priorities and review a draft agenda mapping of how we move our work forward in the next year. All of that prefacing that none of this is in stone. Of course, this is just a preview. Just to get a sense of where our discussion was last time, and we'll continue to build on that. So I'm going to start us off with the post-it board that Claire, if you can go ahead and start sharing that on zoom so that the public can see what we're looking at. Okay.

Speaker: Colleagues, I'm going to eat during this meeting because I was in some car trouble. So I apologize for doing this in front of you, but and on the dais.

Speaker: Don't apologize for nourishing yourself ever.

Speaker: I should say.

Speaker: All right, so what we are looking at, and maybe I saw it up there. Is it not up there now? It's coming. Okay, okay. There it is. Okay, so what we're looking at here is Claire and my chief of staff, Jamie, worked to help look at all the information from the notes that we took and organize it into these larger themes. I'm just going to kind of talk through each of these stickies in a brief way. And the goal of this is for you all to just kind of take this in and see if you're if you're agreeing with the way that this is being captured or if we need to add some more thoughts. And so that's what I'm hoping to accomplish. We'll do this and then we'll go into the agenda, which I think we'll have more discussion. So I'm planning to do this more quickly than the next part. So as it relates to priority topics, some of the things that we heard definitely wanting to do and deep dive, wanting to have a permanent oh hold on, here we go. Examine the impacts of the mayor's proposal on current programs, specifically the impact reduction and street services coordination center, overall housing and shelter specific budget briefing, which I definitely am planning

on having in the upcoming meetings. As we're in the middle of budget cycle, recurring regular reports. Someone had specifically mentioned permitting and development, but I think I know I had brought up, and I know councilor dunphy and I have talked about creating a space for regular reporting that we're doing in these meetings as well that might go beyond just permitting and development. So we'll continue to talk about that, having quarterly briefings from staff on shelter and Portland solutions, recurring monthly reports, which we just discussed from the strategic oversight committee that councilor zimmerman sitting on, and then exploring the impact of review processes on housing development, and then the larger discussion around rv camping, sleeping pods, what is our our policy around those? So that's kind of the larger priority topics that we heard as it. Now these next couple sections are more specific. So for example on homelessness and sheltering. So some of the things we heard were wanting to support a variety of shelter types to meet individual needs. And kind of hearing that to in what councilor zimmerman was just saying, as far as assessing what are the types of shelter that are being more successful, showing positive metrics, how are we defining those metrics, but also being able to then map that out and where we want to put our efforts? Examining the response to unsheltered homelessness. So what is or isn't working? How are we connecting people to services? There was discussion around creating a housing or, I'm sorry, an unhoused bill of rights. And just in general, wanting to understand our value and our approach as a city as it relates to engaging with our unhoused neighbors, looking at how resources are balanced between districts. So where our campsite removal is happening in one area has impacts on another district. One in particular feels those impacts, as we are often recipients of folks that are getting pushed out of other parts of the city. And then unfortunately, those folks get forgotten on our streets and then as around community voices. So we

discussed like who we want to hear from, who are, what are the relationships. Right. And so we discussed having making lots of space for making sure that people with lived experiences with homelessness are included in our decision making. Folks that have been part of our programing, for example, getting a good idea of their experience so that we can make policy informed by that, collaborating with our housed neighbors and providers, obviously the city, county and metro, we need to work on clarifying our roles and relationships with each other and mapping out entities in these different housing and sheltering spaces. Again, those three entities kind of all play a different role. Having some discussion with city staff about policy implementation. So of course, we've got many, you know, staff that are doing the on the ground work and want to make sure that we're including their voice and what they're seeing to help us with our policy decisions and then working with direct service providers. I'll pause there for a moment. Are we on the same page still? Okay, i'll keep doing the last three sections, and then we'll open it up for some discussion around housing affordability and supply. So there was discussion around having some inventory of city owned or other, you know, hotel, motel types of properties that are ready for development, reforming land use regulations that prevent or slow housing development. And this could be something that we collaborate with. The climate and land use, climate resilience and land use committee examining current and exploring new policies to protect renters stability and affordability. And one of those things we'll be discussing today in the ai bill, for example, maximizing the use of existing housing stock through adaptive reuse foreclosure policies, tenants, tenaning or vacant commercial residential buildings comparing housing, permitting and production with neighboring communities. So just in general, how are we working with other partners to learn from their successes and not reinvent the wheel, helping to close the financial and other gaps

for potential first time homebuyers? And just largely, I think we discussed really strengthening the entire spectrum and that we feel we need to focus a little more on home buying, in particular exploring housing production and transit corridors. So being and being mindful of anti-displacement policies. And I'll bring that up in the next section here. I want to do some discussion around that, that I think can ground our work when we're looking at it through an anti-displacement lens as far as measuring our success. So here are some ideas folks had around how we do that. So having creating some community based performance indicators, as well as linking policies with current budget realities, working within existing definitions of success, evaluating based on the continuum from unsheltered or chronic homelessness to homeownership. Talking honestly about what is and isn't working. I definitely heard that larger theme too, of just again, wanting to really assess what is working and putting more energy into what is working and making hard decisions about what's not, and that that doesn't mean that it's a failure. It just means we can really put our time to be more effective, which I think that framing is important. And then again, looking at what other cities have tried and failed and why, as far as what I heard, are the committee's values. Acting with urgency is a big one. So making sure that we're, you know, this is a committee that has a lot of eyes on it. A lot of folks want to see our move working forward. So how are we doing that in a thoughtful, strategic way that is, you know, still moving the ball, centering lived experience by including community members that are directly impacted by our policy decisions. Another value the and having this committee being the primary voice for the city on the issues of housing and homelessness and then transparency. No surprises for committee members or the public. And then lastly, some process questions that kind of came out of that discussion are how do we bring housing policies onto the committee agenda? Can the committee as a whole

sponsor a policy? We talked about committee bills versus, you know, individual councilors pursuing different bills, and then just what is best practice for the committee to learn about and take action on policies. So I know I threw a lot of words at you. You've got them on your screen. This is just an opportunity for you to reflect back to me. If you agree that with what you're hearing or any other feedback you want. So hold on. Let me open the zoom back up. Okay. Any hands, go ahead, councilor dunphy.

Speaker: Yeah. Thank you, I want to I don't know where it fits into this exactly, but, you know, the city has had a lot of really good conversations about housing production, about anti-displacement, about renters rights, about a lot of things. And there are really thoughtful pdfs sitting on people's desktops right now that have never really been read. I'd be interested to include that, like maybe at some point as part of our deep dives to really understand, like, what is the work that has already been done but isn't being done right now?

Speaker: Yes, I completely agree, and I hope that in the next part I can show some of the ways that I want us to accomplish that, which is, you know, again, I want us to have a cycle in the first six months of some of these briefings to get caught up on what is already out there. And then I'm hoping to move us as a committee to a place where we can start directing staff to uniting that into one larger plan. So what else? Any other comments, reflections on what we're seeing here?

Speaker: Commissioner?

Speaker: Yeah, I can.

Speaker: Councilor zimmermann.

Speaker: So from a from a mapping of ideas perspective, I think this is a very robust document. And I like it while also having a little bit of heartburn, which is in the committee values, the very first thing here, and I really appreciate that it was

captured was act with urgency. And I think this is a big lift. How do you accomplish all of these topical areas while centering, forwarding and saying that urgency on a few of the most pressing things is still a priority, right? So for me, that's the balance. And i'll use we use terms like tactical and strategic. Pretty divorced from their actual meaning a lot of times in government. But right. Strategic is like the longer term, the bigger idea. How do we how do we do some ways to get to the end state that we're looking for, whereas the tactic is the little thing we're doing on the ground. And what i, what I think is really important is that we, we. Enable tactics to happen. Right. Those keep neighbors feeling heard. They keep neighbors feeling like they've they've got a solution to a problem that's at their feet. That's the tactical approach. Irp is an example for me. Is a lot of that good neighbor agreements is both a tactics idea, but it's strategic, right? I believe heavily in good neighbor agreements because if you keep neighborhoods feeling heard and that when they take on a shelter or an affordable housing type of development, that it has a positive impact on the community? Well, we get more neighbors to say we're okay being the next site, right? And I think that's a strategy. So that's what I'm I'm looking at this and I'm I'm thinking through a calendar. And so I appreciate all that. And I'm sharing with you all that I'm placing the how do I do the urgency piece on this most of all. And I think that will be. We're seeing a screen of somebody right now. I'm not. Who are you guys seeing? Yeah okay. Whomever is sharing screen. Just remember we're sharing screens here. So with respect to that, you know I think that keeping urgency front of mind for me is, is where I'm thinking. But I appreciate the rv camping is up there. I appreciate the evaluation of the different types of shelters. I, I would like to highlight and that I think how we as a committee. Push very hard in the development realm, which are not the folks in the city who are generally going to think that they come to present to us a lot. But I think we've got a serious role. I

mentioned that in our first meeting. I think we've got a serious role. I don't want to abdicate our role in defining what things we're willing to give up to meet the need of a housing emergency. So I'm taking the perspective of as many units as we can get as quickly as possible. And I'm probably going to say yes to it. And I'd like this committee to be able to put that to the forefront. Thanks.

Speaker: Thank you, councilor morillo.

Speaker: Thank you. I think this looks great and I really appreciate how well organized it is and all the things that you did to put it together. I think that's been something that's really wonderful and helpful in this committee. Something that I would note is that under the community voices subsection, we have city, county and metro as community voices. And I think that that should or even city staff. I would say that those need to be moved somewhere else outside of community voices. I wouldn't necessarily count government. And I say this being a part of government as community voices. To me, that's more people with lived experience or people doing that direct work. So I would move that somewhere. I also think, I mean, I think maybe the relationships between our other government, other governments need to maybe be in the recurring priority topics just because we are going to work so closely with them. I would also love to see just a bit more detail on the types of shelters that we are looking to support, although I understand this could also be an overview. Are we talking about having specific shelter models for different identity groups? Are we talking about having autonomous shelter models, etc? I think just having a bit more details on what we're going to focus on would be great. But overall, I think that this really does cover everything that we had discussed previously. And thank you very much for putting this together.

Speaker: Great. Thank you. Councilor Ryan.

Speaker: Yeah, thank you, madam chair. I think a lot of the language is in there on this one, but it's really looking at the continuum and the community wide metrics indicators and making sure, especially as it is connected to the budget season. So this is going to be the budget season where we're, you know, playing catch up. But hopefully by next year we'll have the scaffolding all put in place on what those are from, as you say, from all the way from being on the streets to stability and being a homeowner. So chronic homelessness to housing, having home ownership, that continuum. And then what those community wide indicators I think will really help us as we navigate budget season. So my question and my concern would be how are we going to, I think, as a committee, get really clear on some of our north stars on what we think should be the priorities. Because we're in a tight budget season, no one's going to get everything they want. So what, what do we want to lean into during the budget season? Like, I think it's really important that we overlay that pretty quickly in all of our committees, for that matter, and we're having dialog about that. So I just think in terms of the work plan over the next four months, I guess it's going to be really focused in that area. And I think it's really important in community voices that we in housing, especially that we include those who are the builders as well, that they're at the table as we have these this dialog, we clearly want more housing to be built. And we've struggled for investments with the last four years around housing. And so we need to make sure that they're a part of that inclusion at the table. And I know that will bring more tension. But my experience is that's where the magic is, is when you find where those different voices come together, where they might meet. I'm an optimist. They tend to find somewhere where they meet, and that gives you an indication of where we can move work as well.

Speaker: Thank you, councilor, councilor dunphy.

Speaker: Thank you. Chair. Two very quick things. Just to follow up to councilor zimmerman and to councilor morillo. And it frames this specifically. I think I would really like to have a better understanding of all of the parts of the development considerations. I understand fully that there are things that are getting in the way towards development. Our permit issuance times, inconsistency across bureaus historically, things like that. I'm not convinced, however, though, that bird safe glazing on windows is raising the cost of housing. So I want to understand like how these things actually are impacting the development cycle and how they are financially raising the cost of these things. I also firmly believe that our inherently complicated system by itself, raises the cost of housing, because you have to hire a professional who knows how to navigate our system. And I think that if you're somebody who wants to convert your garage, you cannot do that on your own right now in the city in any reasonable way. So I want to understand what is actually getting in the way versus what is an annoying thing that builders don't like to do, but isn't actually raising the cost. Councilor morillo though, to your specific question about, I think I firmly believe that city staff need to be involved as a community voice, and the reason is specifically, I have never met a person who works in public government who's doing it to for the wrong reasons. And I think that if you are going into how if you are working in providing direct services as a city staff member, you're perhaps the one who knows best where these things are not working. And so to be able to center the experience of people who are doing this as their day job, I think really is important because it's one thing to understand from the outside how policy affects you. It's not necessarily everybody's reason to understand why. And I don't have the ability to go, you know, I'm looking at lucas, for example. Lucas has been I know, sorry, but he's been doing this work for a decade now and understands where the bodies are buried and in a way that, you know, someone

from the outside can say, I was affected by the city choosing to do x, y, and z. Those folks can those professionals can say, we do x, y, and z because of this, we could. It's not necessarily a binary choice. I want to make sure that, you know, those professionals are involved in some way.

Speaker: Can I respond to that?

Speaker: Yes you can.

Speaker: Yeah. I appreciate that distinction. I didn't mean that they shouldn't have a voice somewhere in this chart. I just mean that there needs to be a distinction between community voices versus us as elected officials who are in positions of power, and city staff who are also in positions of power in a way that the community are not. They're dependent on us making these decisions on funding, on policy, on everything. So that's the distinction that that I was drawing. Thank you. Yeah.

Speaker: Thank you. I am going to just pause us to say that we are at time and I'm feeling like, oh no, we're out of time. And I still want to talk about the calendar, but how about we keep moving? I can do the calendar at the next meeting. That's not super urgent right now. And there's other things that I can factor in from this discussion into the calendar, I think. So if it's okay with the committee, I'll postpone that to next time. Does that feel okay? Okay. Any final thoughts? And counselor zimmerman, you were in the queue. So do you want to add a final thought?

Speaker: Sure.

Speaker: It's not a very critical final thought. So I was just I appreciated that councilor morillo brought up voices and so did councilor. Ryan that I have heard. And I think this is the right committee for us to understand. Apparently we have changed in the community. If you're an affordable housing provider, we've changed the policy in how you. Receive or how much how much decision making an

organization might have on who they receive as a new resident, and that for some housing providers, they are not set up as permanent supportive housing providers. So the very acute needs, the lots of services, the type of unit that that you'll only be successful in if you have those types of wraparound services. I'm hearing from some providers, though, that we've we've taken an aggressive policy stance that has now placed people who need those needs in otherwise just affordable units, and that's having some pretty bad outcomes for the property, for the person who got placed and the units nearby it. Right. If you if you're on the third floor and you flood your unit, you're going to at least take out the two below you. Right now we've got three units of homelessness. It sounds like the city made a policy change. And I think that this this committee needs to dig into that. And so that's a voice it goes along with. I think what councilor Ryan said in terms of the developers, the people who are building housing, and this is the difficulty in chair, I think it will be a hard task for you to figure out. And what days are we meeting about housing production and what days are we meeting about the rights and responsibility of those who are housed in in Portland? And when are we meeting about homeless strategies and tactics? Right. Those are like the three h's, if you will, and how we balance that, because otherwise we're always going to mash it up all together. And I don't think that will always be the best conversation. There'll be days when it's good to say we're talking about production, we're talking about experience, or we're talking about getting off the street. That would just be some advice. So thanks for that. Oh, and lastly, I do not, for an instance, believe that our two neighboring counties only have 200 homeless folks. And so when we talk about where folks are coming from, you mentioned other districts and neighborhoods in where resources go, those that are adjacent to our other counties who love to say that they've solved homelessness, frankly, I think we have a lot of residents from other counties who

are in Portland because it is a place where they have been pushed to. And I want to speak clear eyed about that, and I think it will help us as we make the case for the future of.

Speaker: Okay, heard before I move on, one last thing i'll say. Just because I want to get it in your brains. Now, one of the things I was going to propose when i, because of the way we're doing the meetings, is on the second and fourth weeks. Right. And so every now and then we have a fifth week that has no council meetings and no committee meetings. Right now, I am trying to propose that maybe we add another housing homelessness committee meeting during that fifth week. I don't know yet if it's possible. We're still talking to council president's office and council ops. But as I was looking through the calendar and I mean, we all know there's just so much work to be done. And we talked about like, we don't want to meet every week. Right. But I'm wondering if there's some months that have three potential meeting slots that I wanted to gauge. If people are interested. I see some thumbs up.

Speaker: I see crisis of the day.

Speaker: It's the crisis of the day. We'll meet as often as we need to.

Speaker: Especially during budget season.

Speaker: Okay.

Speaker: Sounds good. Yeah, because the first three meeting month will be April.

Speaker: Okay.

Speaker: So okay. Thank you. I'm going to close out this discussion item so we can move on to the next one. So diego, could you please read the item.

Speaker: Agenda item three inclusionary zoning state legislative proposal.

Speaker: Okay, so I have invited michael anderson from sightline institute here to talk to us more about senate bill 49, which is currently being championed by

senator pham, who's the chair of the senate housing committee. This bill is on larger housing production and has these six strategies, but one of them is adjusting the statewide inclusionary zoning code. And I brought them here to kind of talk us through what that proposal looks like. It's moving quickly in salem. It's relevant to our work because we have a program that has been delivering some results and wanted to have an opportunity for advocates to talk about this bill and how it affects Portland. I've also asked the office of government relations and housing bureau staff to be here, and some of them are here in the audience to be able to answer any questions we might have after we hear our presentation. This is informational for the time being, but i'll continue to monitor the discussion and see if it requires further discussion or action from us as a committee, as that bill is moving through salem. So with that, welcome, michael.

Speaker: Thank you so much.

Speaker: Introduce yourself to sorry, I only have michael on my list.

Speaker: No problem.

Speaker: Good afternoon. Chair avalos. Vice chair. Dunphy. Members of the committee. I'm sarah radcliffe with habitat for humanity, Portland region. Thank you for allowing me to be here to support michael.

Speaker: Thanks so much, and thanks for taking the time, acting with urgency to fit this into your busy schedule. We know that there's a lot going on. This is a very live conversation in the legislature, so we appreciate it. My name is michael with sightline institute. I'll quickly say sightline is a regional sustainability think tank. I'm a writer researcher focusing on housing, and I served on the inclusionary zoning workgroup in 22 and 23. As councilor brian said, we found some things we agreed on and pushed in a direction, and this represents the direction that the people on that workgroup, it seems to me, were pushing towards. Just very briefly, what is

inclusionary housing? As you all know, it is a rule that says when you have a new building, some share of homes in that new building should be available at below market rents. All the other details are fungible, but that's the fundamentals of it. And then over time, the more of this happens, the more this program works. If it does work, we get many buildings like this specifically in high opportunity, amenity rich areas that mix these different incomes of people together. And I think this is very good, because this is a study that caught my eye recently of one of the keys to reducing poverty over the long term and helping people find their own way in the world is literally to know other people. For Oregonians of greater and lesser incomes, to be in physical proximity and to be friends with each other, I'm lucky enough to live in a mixed income development myself, and I can tell you it enriches my life all the time. Which is why senate bill 49, introduced by senator pham this year, sets out to set local inclusionary housing programs up for success. A little bit of history here. Inclusionary housing was banned in Oregon until 2015, and when it was legalized at the state level, it was put under some pretty tight constraints. And I would say those constraints were not set up to set local communities up for success. They were primarily set up to avoid this ever applying to the sprawl industry, to people building subdivisions on green fields. So this attempts to reimagine those state constraints in a way that would create highly productive and efficient inclusionary housing programs. That's the goal. Two components of that local design flexibility. This is something the cities have always wanted, wanted in 2015. The more flexibility you can have to changing conditions and different conditions around the state, the more successful a program is likely to be. The other hand of that is this bill would require periodic check ins on the balance of the program. So since that second part is the sticking point, understandably, with the housing bureau, the other folks we've talked to, that's what we'll be focusing on

today. We can happy to talk about the flexibility options later, if you'd like. But most of my talking is going to be about that second item. Why we think it's actually a good thing that the city should be willing to accept, even if it's kind of annoying to be required to do something you're already voluntarily doing anyway. So balance makes an inclusionary housing program productive and cost efficient. Both of those things. We want both of those things in a successful program. We want to avoid the mistake of overfunding, and we also want to avoid the mistake of underfunding a program. But i'll pause for a moment as we reflect on this idea of balance between overfunding and underfunding. Just to say clarify, what does funding mean in this context? I know funding is very much on all your minds right now. How Portland funds its inclusionary housing program right now, as has been for years now, lower property taxes in the first ten years of a building's life. And then after that ten year window, the full taxes fall into the city, county coffers, etcetera. This has the virtue of meaning that when a mixed income, mixed income building is built, it does have that several years where there is less revenue coming in. But if the building is not built, there is no cost. That is the virtue of that approach. So there's no cost unless the buildings are actually built. And then another virtue is that it's co funded in proportion, like the rest of our property taxes by the city, the county, the state and others. And here are the proportions of that. It's about a third of it actually comes from the city. This is a pretty good system and we're not here asking to change it. In fact, this whole bill has been crafted in a way that really does not require the city to change its course significantly from where it's already generally moving and working. But let's focus a little bit then on this question of what it does do, which is to require the city to regularly demonstrate, as other cities would need to, a balance between those twin problems of overfunding and underfunding overfunding. The downside of that is pretty intuitive. We spend more public money

than we really need to. We get diminishing returns. We could be better using money in different ways. Underfunding is a little bit more complicated to see how it fails and sort of what happens when it is the case. So I'll get into that in a little bit more detail for the next minute or so. In Portland since 2017, we've been lucky to have a fully funded program within the central city. That was the calculation of the first analysis of inclusionary zoning. It was also the calculation of the one that happened a couple of years ago. And the consequence has been a pretty productive program downtown, outside of downtown, outside the central city, it's been underfunded. That was also the calculation of both of these analyses, and the consequence that we've seen since, at least during the years 2017 to 2024, were perverse incentives outside downtown. I'll use one example. This is an extreme one, but 1316 to 19 unit buildings on a site, 219 housing units and zero affordable homes. Certainly not the intent of the policy. And the person could have built bigger. The investor could have put in more, but it was most profitable to not do so. And so obviously they did not. The. So that's the perverse incentive. That's one of many times when, you know, Portland is competing for investment. Every project in Portland, even if the developer wants to and needs to get outside money from most cases. And the effect of a program that's out of balance is that you have a fall off in permits. That's exactly what we saw this year is the year that inclusionary housing was introduced in Portland. And after there were a couple of years of permits working their way through the system, there was a sharp drop off in production. This underperforming program had the consequence that we didn't get as many affordable homes, as many below market homes, as many mixed income buildings as we were hoping to initially. This is an initial projection when the program passed, and this is the actual annualized rate at which homes have been produced in that period. So we can see there's the gap here between what we

hoped to get and what we actually got. Let's zoom in to that to look at what that represents. It's about 1300 1400 missing affordable homes, something like 50% less tax base growth from those new homes after that ten year period. And thousands of unbuilt market rate homes, which of course leads to people bidding against each other, driving up prices. And we see the consequences of that every day as well. From 2017 to 2022, the city came in with an intention, councilor fish said. Commissioner fish said at the time we should be checking in on this regularly. We didn't get around to it until 2020 and some complications happened in 2020. We didn't get around to it again until 2022, so we kept kicking that time for a check in forward. And then in 2024, there was a round of program changes that I think were the result of that workgroup and I think greatly improved the program. And we focused funding on more deeply affordable rentals, expanded the tax abatement beyond downtown. And the result of that was a full funding of the program. The rental side of the program in most of Portland. Here's some headlines from that happening and here's some outcomes. Six months later, we had 20 mixed income projects not avoiding the program as before, but opting to jump into the program representing 1542 total homes, 120 or so, of which or more were below market. The cost of each of those about \$220,000 in waived revenue from those various governments. And so that compares favorably to the funding level for a similar home. In another project, of which 77,000 or so comes from the city tax coffers themselves. Here are a couple of examples of projects that are either in the pipeline or proposed working under the system. And I think that what this suggests to me is that when we do get a new wave of investment in Portland, we are set up to have a quite productive round of mixed income buildings built in the city under this system. That's what I hope to see from this program. A downside of our current system is we have never yet looked at the condo side of the program. I mentioned

how the rental side was balanced after that. Look, there was never an analysis of the ownership side of the situation. So sarah's going to talk a little bit about that in q&a if you'd like. But one worrisome indication is the fact that we have actually never had a single newly built condo created under the program. One building was transferred in, I'm told, but it seems that there are certainly many factors in why we have not seen more condos, but there were many condos created in the low interest rates of the 20 tens, and very few in the low interest rates of the late 20. Sorry, there were many created in the 2000, and few created in the low interest rates of the 20 tens. It seems possible that underfunding of the condo side of the program is part of that. So we're requesting to you today, in conclusion, to direct staff to work with senator fam to find details the city could live with. There are devilish details all over this proposal. Totally understand that. The goal here is to figure out which ones matter the most to the city and. I am working every day to try and work out the politics of how to make that happen. The other request is to for the city to ask the state to allow the flexibility that first item in the two part list that could bring the local condo program into balance, because we think that we, as we heard earlier, homeownership is a very important part of the mix that we need to go forward. Thanks so much for your time.

Speaker: Thank you, michael and sarah. Appreciate you. We are at 101. We've got 14 more minutes now. We will open this up for some questions and discussion. Like I said, we've got city staff available to answer questions that they might need to field councilor dunphy.

Speaker: Yeah.

Speaker: Thank you, madam chair. The last slide that you were talking about here with regard to condo construction, my understanding is that the program was never really built with ownership in mind and that the tax incentives to the property

tax incentives will keep construction low. But that doesn't translate into a different ownership model and doesn't necessarily show up on the other side. Is there a different mechanism that we would need if we're going to try and build intentionally affordable condos outside of what is currently on paper?

Speaker: Yeah, I'll defer to Sarah, but to say quickly, it certainly the mandate applies whether or not we have a functional program. So it would be very useful if we had a functional program. So Sarah and I've been talking about do you want to go ahead?

Speaker: Sure I think Chair Avalos, Vice Chair Dunphy I believe that what we need to do is just kind of look at the condo program and see what incentives could make it work, which is what the statute would require and what it's my understanding Portland housing bureau wants to do regardless. So it could be a combination of tea, which is a ten year tax exemption on the homeownership side for those affordable units, and SDC waivers, maybe for the whole building. I think we need to kind of do that math and figure out what could make it work. But in the meantime, without a functional program, we have zero condo buildings being built, affordable or market rate in the city of Portland, which is probably due to a number of factors.

Speaker: Yeah, there's a number. I mean, we've we've for years, I mean that's that is a that is a building of condos has been built. We've been as a, as a region been behind the national trends for 20, 30 years. And so there is something at its core, I'm just I'm worried specifically if we're talking about in the context of homeownership through condos, the property tax abatement for ten years makes sense if you're the property owner and you own all 20 units in there, and you're able to amortize that those savings throughout the life of the building. But if you're an individual condo owner, I don't understand how that would work necessarily to preserve affordability. After ten years, your property tax would go up pretty

dramatically, so I'd love to in the future, dive deeper into this and maybe see if there's just a different tool, because, you know, we can't use the same tool for I mean, just as this city has demonstrated, the, you know, downtown looks very different than east Portland and we maybe need to have different tools for different outcomes. So yeah, thank you.

Speaker: Just to respond really quickly on that point. Habitat uses access is for all of our developments within the city of Portland. And that ten year cliff is a challenge for our homeowners, and we try to help them budget for it and plan for it. That's written into the state statute. So there has been some discussion about like, what, about a half waiver over 20 years versus a full waiver for ten years, something that would. Yeah, that's a worthy conversation.

Speaker: Councilor zimmerman.

Speaker: My comment is actually also a response, and i'll just share an experience. So anybody who lived in Portland a long time ago in the when the meier and frank warehouses were over at 14th and irving in that time frame, i, I that was the first place I bought a building or I bought a unit condo unit. Right. I was probably the lowest earning person who moved into that building, but I will. The reason I'm bringing that up is that the entire building, because it was a historic building, was put on a historic tax abatement, and that abatement while it expired, I think, in 2015, that's what allowed me, as a young person, fresh home from iraq, to buy a unit in the height of the recession. And so michael and other people have have heard me talk a lot about I have serious concern that most of our work over the last decade has been in the rental market and not in the ownership market, and I think that the ownership market is the only way to create more opportunities out of poverty. So I think there could be some ways I agree inclusionary zoning was not in my mind. I never thought of it back then as part of the of the ownership model. But

there are things I think that can be very ownership model friendly, whether it be hotels or other types of things, because a simple historic abatement made a huge difference for me as a person, right? And has set me up, I think, in a financial way that was different than my peers. And so I just note that as worth investigating. I'll put it that way.

Speaker: As one of the proposed flexibilities in sb 49 is specifically around the condo side to allow more price flexibility, so you don't have to try to use the limited things which work in the way you said councilor dunphy. So that is certainly on our minds.

Speaker: Okay.

Speaker: Councilor Ryan.

Speaker: Good to see you, michael. Maybe I missed this. Where are some examples where something similar to this has been implemented around the country?

Speaker: Sure. In fact around the world. So this the one of the highest functioning inclusionary housing programs in the world is around paris. And they have a somewhat similar, fully funded model that does the math of like, how do you like calculate the gap between the down the control and market prices of these units and fill it in? There are lots of varieties around the world. There's a similar system in new york, also uses a tax abatement program to fund it. There's a similar system in shoreline. The state of Washington is actually considering right now using fully funded calculation for its transportation oriented development bill to allow apartments near transit. But the inclusionary housing programs are wildly different from site to site and state to state. And they're clustered in a handful of states, but they're used in many places.

Speaker: And then the other one is, I know we've talked about this before, but the developers took out a lot of permits for building 19 units before it all was put into place. Have you seen any trends keeping in mind the current conditions are tough, but have you seen any trends that are now with the new rewrite that we won't have that same data point that shows how many were built with 19 units?

Speaker: Yeah.

Speaker: Great question. I think you had a slide that indicated that which. Thank you. I had trouble trying to get that information.

Speaker: Sure. The one of the most heartening things in that list of those first 20 projects from the first six months was that there were some like 23 and 24 unit projects in there, and I was like, that is definitely a candidate under the old system that they would have been trying to dodge the program, and now they are opting into it, aligning the interests of capital and the public. I would say.

Speaker: Is it fair to look at that as one of the benchmarks to say that we were successful in the recalibration.

Speaker: That that's certainly a good indication to me anyway.

Speaker: Me too. All right. Thanks for anytime. You can keep me abreast of that data point, I appreciate it.

Speaker: Thanks.

Speaker: I don't see any other hands. Oh, go ahead, councilor dunphy.

Speaker: Thank you. Another question specific. You know, this makes sense. I know Portland is the only jurisdiction right now who is currently doing. And the statewide proposal would expand the toolbox to other cities if they choose to opt in, it sounds like. But also recognize that this is a little bit of a square peg and a rectangular hole. They largely align, but they don't quite fully fit. Can you be a little bit specific in response to some of the concerns that you've heard about how your

your proposal, this, this, this senate bill compares to what is already happening in the city and whether you share with any of those concerns.

Speaker: Concerns I've heard from staff.

Speaker: Yes, sure.

Speaker: So the I think the thing I've heard the most consistently from staff is that right now, the statute, the proposed statute says you have to do a check in every three years. And I've heard that that's not a reasonable thing that would lead to a herky jerky program and so on. That would be a constant churn of reevaluation. That's a completely reasonable point. Just need to like, get that on the record, because there are other people saying, no, we need to do it every year. Right. And so like for the legislators to negotiate those points of view, they need to hear that point of view. The another thing is that the current statute says you need to aim for 120% of the gap needs to be funded in the tax abatement. And that's to some extent similar to the Portland method, which in the last look said anywhere between 80% and 140% funded. We're going to call it good. We're going to look at a few different models and like it'll be a little bit off in each one. So 130% is in the middle of that range. But it's also completely reasonable to say why would we fund more than the calculated gap. Let's keep it to 1 to 1, or whatever the city's ask might be the yeah, those are the two that jump out to me the most.

Speaker: Okay. Do we have.

Speaker: A risk? I don't know how to think about this question exactly, but by Portland being the only market and people want to build in Portland. But except for the last year or so it seems, we have a natural market for this and a bigger hook to be able to require this. But if we is there a risk that if the statewide bill with maybe more I don't know if it's more generous necessarily, but if there are generous

opportunities to build in beaverton or milwaukie or happy valley, does that risk us getting the few units that we do get and attracting those that business outside?

Speaker: Are we essentially in competition for that investment? Right. Yes, we are. And that's part of why this is useful to Portland, to have a program that's in balance. We don't want to overfund it again. Right. We need to check in to avoid it's overfunded. Right. But we also need to be checking in to avoid underfunding it, because the spreadsheets of the dudes in new york city that find that stuff, that's what they're looking for.

Speaker: Councilor zimmerman.

Speaker: Why don't we want to overfund it? And I ask that because I'm trying to.

Speaker: Yeah.

Speaker: If we overfund it and it inspires people who otherwise wouldn't develop here. Is that bad?

Speaker: I think anything where it's like trying to get a lot of rainwater through a big pipe, if there's more than the pipe can really fit, then it's hard for the pipe to get as much as you need, and you could gradually improve the size of the pipe. And it's an economic system that can adapt to more money, but like it's diminishing returns for every dollar over that, keeping it whole calculation. There's also a risk when you're talking about the rental versus the condo. If you're overfunding one option or the other, or relative to the other, that you're putting the thumb on the scale of one or the other. And I don't think we want to do that.

Speaker: So in a, in a market where the only money being spent in it is local money, which is our situation, which for the watching public is a terrible equation. Right? You want money from other places in the country and region to be spent here, and not just the six names that we all know from Portland. A policy that inspires them to spend money here because it's less risky. I guess I'm I this comes

up. If I had \$1 billion and tomorrow I could spend it and have 50,000 new units, I'd spend it and I'd say, hell with the market, right? We have 50,000 new units, and we'll figure out a way in which we have a I'm trying to understand how that squares, given this, don't overfunded don't underfund it. And I hear obviously a lot of the time that is part of the problem. And I hear other times that, you know, personally, when I see a 19 unit building, I think huge failure, right? To me, that's especially in my district, there are places where I look at that, and I think that's five floors that didn't get built right. It's very concerning to me. So it is a balance. I'm just I am I am trying to understand it. We have both our own to fix here. And I'm I'm still a little bit unclear about what this bill out of the senate is, is hoping to achieve across the state. I'm not sure I'm there yet to support a thing to go throughout the state. So I think that I'd love our program to be braggable. I'm not sure ours is braggable yet, and I'm trying to square that a little bit. You and I have had good conversations and I'm rambling, but if you think you have anything to contribute there, I would take it. I'm not sure if there was a question in there at all.

Speaker: I'm eager to brag about Portland's rental program right now. I think that I think that we are going to keep wanting to check in on it, though, because economic conditions are going to change. And like, that's the thing that if there's one thing that I could change about the 2015 statute, only one, despite the many problems, it's just the expectation that we should be that a city with a program this far reaching needs to be checking in on it, and it's difficult to get around to that important work, I realize. But I think that's the biggest benefit from my perspective.

Speaker: Thank you so much for your time. We are at time. I will just end where I said at the beginning that this was just informational, but there is discussion right now about where where the city stands on this policy at the state, and I am

monitoring that closely. I'll let you know if that needs to come back to this committee for more. Thank you, sarah.

Speaker: And thank you. Appreciate you.

Speaker: Okay. Our last agenda item right on time is the algorithmic algorithmic rental pricing bill from councilor morillo. So, diego, can you please read the item.

Speaker: Agenda item four amend affordable housing code to add prohibition of anti-competitive rental practices, including the sale and use of algorithmic devices.

Speaker: Great.

Speaker: I will go ahead and pass it over to councilor morillo and we can talk process after. Sound good?

Speaker: Okay.

Speaker: Awesome. Thank you so much. I see that the screen is being shared and it'll be in presentation mode shortly. And while that's happening, i'll just say a few remarks. I'll be very quick about it, because I know I want to get to the wonderful community testimony that decided to come and support this today. So this is going to be the first ordinance that's coming before City Council. We really hit the ground running in January, and we worked with a lot of different cities with the department of justice to ensure that we are moving fast on a policy that we've seen passed in other cities that we think could really help bring the price of rent down in Portland. And it is being discussed more broadly in this committee meeting, because we were given information that told us that ordinances had to go through committee twice. So we were planning on having the second presentation be much more in depth. But we'll we'll try to get into the in depth pieces of it and then gather questions from my fellow councilors so that we can get those questions answered the second time around and really flesh out anything else that needs to be fleshed out. But I do want to say that had we known that the procedure was actually that it could just go

through committee, once, we would have gone about this differently. And since one of the core values of this group is to move with urgency and the fact that housing and rent are simply way too high in this city and across the united states, there aren't really rules prohibiting us from moving this policy forward. Today, it is more political choices and some procedural things that we have to work out as a council. And I think those are fair things to do together. As we figure out this new process for the first time ever. So with that, I will get started on my presentation portion. And first of all, I just want to say, madam chair avalos and vice chair dunphy, thank you for allowing me to present on this ordinance to amend the affordable housing code and to add the prohibition of anti-competitive rental practices, including the sale and use of algorithmic devices. As one of two renters on Portland City Council and the only renter on the homelessness and housing committee, I feel a strong responsibility to represent renters and their needs. About 46% of Portland's residents rent, and in the past decade, the cost of housing has skyrocketed across the country due to a variety of factors. I price fixing is one of them. We are seeing ai software being used to remove competitive pricing from the market, which is leading to the displacement of renters and an increase of homelessness on our streets. Next slide please. So right now Portland is facing an affordability crisis. And like I said, one of the main factors, one of the major factors is the algorithmic pricing tools that allow landlords to manipulate rental prices unfairly. So this ordinance is pretty simple and straightforward. It aims to prevent those practices and promote fair competition by banning ai software. And we know that it will prevent unfair rent hikes that are driven by automated pricing tools, promote housing affordability and tenant protections, and prevent landlords from using private data to eliminate competitive rent prices. I also want to add that this is going to have very minimal impacts on small mom and pop landlords. They're

usually not the ones who are using ai software. This is going to be impacting corporate landlords and larger groups. And ai software on this was introduced, I believe, in 2018 or 2019. So this is fairly new technologies that that is being used. People have been able to manage large landlord companies for a long time without the use of any of these materials. Next page please. This data, there's actually a real page explorer tool. This is the company that is being currently used by the department of justice or investigated for price fixing, and they have publicly available information that highlights where all of the units are. This is a real look at all of the units that are monitored by realpage. And in beaverton, some apartments have experienced an annual rent increase of 32 to 33%, while multiple complexes in Portland have seen annual rent changes ranging from 15 to 18%. The link provides further insight into these drastic changes and their effects on housing affordability, and you will be able to access that. If you're looking at the slideshow directly. Next slide please. So the way that algorithmic pricing works, you can see on the chart here as an example. But these types of price fixing schemes where a centralized company such as a data broker, a trade association or information exchange or software algorithm facilitates illegal agreements among competitors that are often referred to as hub and spoke conspiracies. In the realpage example, realpage is the hub, and the landlords who depend on it are the spokes. By agreeing to follow realpage's recommendations, which are generated using competitively sensitive data from each of the landlords, the landlords have tacitly agreed to fix rents without the need to directly communicate with each other. Next slide please. The issue isn't just a local problem. These legal challenges have emerged across the country, and Portland's ordinance aligns with national efforts to protect tenants from price manipulation. We have done our due diligence and worked with every city to bring this together. That has already passed this, and we've connected with

the department of justice and the state attorney general. Next slide please. The ordinance itself provides clear penalties to ensure compliance, and it will empower tenants to take actions against violators of the code. The enforcement mechanism allows tenants and tenant groups to sue landlords who use ai software to determine rent prices, and the penalty for corporate landlords doing this would be \$10,000 per lease period. We don't anticipate that small landlords would be impacted by this policy, because the ai software is pretty expensive to purchase and has been primarily used by corporate landlords with a lot of units. This is not going to be an attack on mom and pop landlords. The information for which buildings use ai software is already publicly available, but if tenants need help finding out whether or not their building is violating the law, they would go through existing organizations that already have that infrastructure, like boley, the bureau of labor industries and their fair housing department, and have those existing agencies do the investigation on their behalf. Next slide please. We acknowledge that not all tenants are going to be aware of this new right should this ordinance pass, and that it will take robust engagement from our office and all of council to with advocate groups to ensure that people have the knowledge and the tools to pursue accountability. With a \$100 million budget deficit at the city, we wanted to ensure that this policy did not require additional funding to be passed. But we'd like to examine in-house investigators for cases like this when the city has funding at some point in the future. This ordinance is a major step forward, and our office is committed to engaging with advocates, renters, tenant unions and policymakers to ensure its success. We will closely monitor enforcement efforts in other jurisdictions and track ongoing lawsuits at the state and federal levels. Next slide please, by banning algorithmic pricing software and having the strongest enforcement penalties, Portland can set a national example in taking bold action to

protect renters and ensure fair competition in the housing market. This is one thread in an entire web we have that creates. We have to create to ensure that all Portlanders, especially the most marginalized and the ones on fixed incomes, have access to safe, affordable and stable housing. The homeless. The homelessness crisis we see on our streets starts with an inability to keep people housed in the first place. I urge my fellow committee members to do everything in their power to move swiftly on this issue. Portlanders can't afford to wait. Thank you so much and I'm happy to take any questions or discussion if we have time.

Speaker: Thank you. Councilor morillo. So we are ahead of time. So we've got i'll give us a good 20 minutes of discussion here and then we'll move into testimony. We've got five folks signed up for testimony. So I want to make sure we leave space for that.

Speaker: Just reporter.

Speaker: Would you consider listening to the testimony first before we ask questions?

Speaker: We can do that. Is that preferred?

Speaker: It usually helps me anyway.

Speaker: Okay.

Speaker: Council ops prepared to do that.

Speaker: So with.

Speaker: That just take a minute to do that.

Speaker: I have the testimony list, if.

Speaker: That's all right.

Speaker: You have your invited testimony first, right?

Speaker: I believe there's invited testimony. Yes.

Speaker: So do we want to do your invited testimony first.

Speaker: And then.

Speaker: Sure. Yeah. Let's see if folks are here. The folks who have been here for invited testimony are ayanda allen, leah schweitzer, apologies if I said that last name wrong. Andrea haverkamp and beth deichmann. Are people present? Okay. If folks want to just come to the front, we can go in order. Feel free to sit at the front of the dais. And everyone can come at once, and then you can just take turns.

Speaker: And some folks are online.

Speaker: And someone's online.

Speaker: Yeah.

Speaker: Okay. Let's do let's do the virtual person first. Actually, if they are ready to go.

Speaker: Yes I am. Hello, everyone. Can you hear me?

Speaker: Yes. Thank you.

Speaker: All right. Hello.

Speaker: Dear chair avalos.

Speaker: And councilors on the homelessness and. Sorry, let me just. It's getting a little a little rough without context, dear chair. Avalos and councilors on the homelessness and housing committee. My name is ian allen. I am the community engagement and advocacy director of the community alliance of tenants, also known as cat. A bit of information about cat for those who are in attendance but may not know much about us. We are an organization that is led by tenants, we serve tenants and we advocate for their rights. I speak to you today in support of a motion to amend the affordable housing code to add a prohibition of anti-competitive rental practices, including the safe, and including the sale and use of algorithmic devices. Portland is experiencing a high rate of evictions due to the housing cost. One recent factor in in one recent factor in the raising of rents, excuse

me, is the use of third party companies like realpage, yardi and yieldstar to work together to fix rental prices. There are several lawsuits nationally that have exposed the intent of these companies to engage in price fixing. We all, we all must take action now before this practice becomes commonplace. The cap board, along with members of the stable homes for Oregon families, have. We have all been advocating for the passage as well of sb 722, which takes this same premise and concept at the state level to stop the practice of algorithmic price fixing and price gouging. A bit about sb 722 is that this bill amends the landlord tenant act to prohibit the use of price fixing software to artificially, artificially inflate rents. These kind of products are subject are the subject of national attention and concern, and Oregon has joined a federal lawsuit against this practice. Already, many local jurisdictions across the state as well are taking steps to curtail this practice. Price fixing has no place in Oregon, and we can. We cannot afford to allow this practice to exacerbate our housing crisis that we are already in the midst of, and continually are trying to help people through. Tenants in Portland are experiencing an affordability crisis that needs immediate action on all fronts, and i, as well as cat, as well as stable homes for Oregon families. Thank you for considering our support of prohibiting anti-competitive rental practices through I thank you.

Speaker: Thank you so much. I really appreciate your testimony today. Why don't we move to schweitzer?

Speaker: Thank you.

Speaker: Chair avalos, vice chair. Dunphy. Committee members. My name is leo schweitzer. I'm an organizer with Portland tenants united. Thank you for having me here today. And I'm here to testify in support of the proposed amendment. Portland tenants united is an organization that works to empower tenants to ensure stability and dignity for all Portland renters. And we're facing a lot of

situations right now. The rent is too high and tenants are in crisis. And so we need to use all of the tools that we have to address the problem of the rent being too high. I've been organizing with Portland tenants united for about seven years now, and for five of those years, I've been reading every single email that we get and every text that we get asking us for help. That's thousands of tenants that have reached out to us. That in itself should tell you the crisis that we're in. There are thousands of tenants that need help, and they're appealing to a small, volunteer only organization that doesn't actually specialize in helping tenants. They're doing that because tenants are in crisis and they don't know where to get the help. We do everything that we can to help tenants when they reach out to us. But the hardest and most heartbreaking letters that I get are about people who can't pay rent, people who had a medical emergency, people who had their car break down, people who had their landlord raise the rent on them and tell me if I don't get money, I'm going to be homeless next month. And the reality is that almost every single time I tell them there's nothing I can do. We don't have rent assistance at Portland tenants united. We hardly even have a budget for organization. And when people can't pay the rent, there's just not very much that we can do for them. And this is happening. People are reaching that critical place because they're always on the edge, because the rent is far too high. We've tried to do a variety of things. We've spent hundreds of millions of dollars on rent assistance in this county just in the last few years. But the reality is, I'm a huge supporter of rent assistance. I know that there are thousands and thousands of tenants that are housed right now because they received rent assistance. And when we allow rents to be this high rent assistance is a way to use taxpayer money to enrich landlords. We need to make sure that rent is set at a place where tenants can afford it, so that we don't need to be doing so much rent assistance, or that we can use it only in the most extreme

cases. I'm not going to say that this is going to solve all of our issues. We have issues of rents ballooning. We have a rent control measure at the state level that allows for rent to double every seven years. That's not going to help keep the rent affordable for Portland's tenants. We have lots and lots of issues that tenants need, and we have lots of issues with keeping the rent down. But with this sort of crisis, we have to reach for every tool we have. And we know that landlords are using these tools in order to fix prices and overinflate rents. And so when we have an opportunity to do that, we need to act on it. That's our opinion at Portland tenants united, and that's the opinion of the tenants that we work in support of. Only about 24 hours ago, we sent a call for people to email the five of you to let you know that they support this amendment. And if you've been looking at your inbox, you should have received over 100 emails in less than 24 hours from our members telling you to support this amendment. Tenants want this. Tenants want to see rents controlled and want us to use every tool we have at our disposal to achieve that. Thank you.

Speaker: Thank you so much, andrea.

Speaker: Good afternoon. Chair avalos, vice chair dunphy and members of the homelessness and housing committee. My name is doctor andrea havercamp. I'm here today as a board member of Portland neighbors. Welcome, our volunteer and member run organization, advocates for housing abundance and equitable housing access for Portlanders of all wages, ages, and stages. We are in the grips of a sharply felt double bind. On one hand, housing has never been more expensive to build, maintain, or purchase. At the same time, we are permitting record low numbers of new housing units. We have less choices and our choices are more expensive, so we need action on all fronts to ensure current and future Portlanders have abundant and affordable housing in an equitable and fair market. I'm a

lifelong renter. I live in district three, and right now I'm paying the most I've ever paid in my life to live in the city I love. Me and my partner are rent burdened. Over 50% of our income goes to housing and some of this price is justified. Interest rates remain higher. The cost to build and manage and maintain housing units has increased due to inflation and supply chains, but many Portlanders like us, are also living in a building managed by a large, multi-state, for profit rental company. We're charged rent that accounts for water, sewer, trash, major and minor maintenance taxes, amenities. But this rent also includes profit as as a for profit rental unit. A portion of the dollars aren't necessarily going back in to the building as paint or plaster. For profit rental companies have a vested interest in charging the most they can for the largest profit possible. The hub and spoke price fixing, algorithmic rent setting model exacerbates housing issues by giving very clear, mathematically aggressive direction to companies, using them on raising their rates. And for those not using it, it sends indirect cues through the market on what they could or should be paying in what is a fair and competitive rate. Approximately 70% of multifamily apartment buildings in san francisco were found to use these programs. A recent article in the urbanist found about 74% are using them in Seattle. I think it is likely that a significant non-zero percentage of units in Portland are also using these programs, which interact with each other to collectively collude and raise the rent in our city. And so this not only when this collusion and price fixing through algorithms maximizes profits, not only skyrockets rent, which we know is linked to nonpayment and eviction and homelessness. And it may also mean, as found in arizona, that it decreases housing stock because in a competitive market, if your apartments are not going, you likely lower your rent and you have a competitive system. But many housing units stay effectively vacant with the algorithms not letting or allowing for the companies to lower their rent. Sitting on empty units

waiting for people who can afford them, instead of the people waiting for an affordable option. So we're not alone in being impacted by these programs or considering an ordinance like this, and we wouldn't be the first to ban them. It's a good step towards addressing the many, many factors that are going into our affordability and access crisis. It will keep our neighbors housed. It will better utilize our housing stock and create a more competitive and fair market. So I alongside Portland neighbors, welcome. Thank councilor morillo for bringing this ordinance forward today. We strongly encourage your support of next steps on this and all the other intersecting issues that have been talked about, and we strongly encourage a yes vote on this ordinance when it is up for a vote. Thank you.

Speaker: Thank you so much. Andrea. Beth.

Speaker: Hi. Good afternoon to you all. I appreciate the opportunity to testify before you. My name is beth deichmann. I'm a resident of district two and I am a member of Portland neighbors. Welcome. For most of my adult life, I was a renter. Sometimes I had landlords who were supported, supportive. Often I had landlords who were indifferent. I understood then, and I understand now, that the increasing cost of living means that sometimes rent has to be raised, but there is a delicate balance for most people, and there was certainly a delicate balance for me between a minor increase and a major increase. Like many people who rent, I sometimes felt as though I lived precariously at the whim of the market and the people who owned my building. Two high and increase meant looking for a cheaper place to live. And as you know, that also means spending a lot of money on fees and deposits. There were many times in my life when I could afford neither a serious rent increase nor moving to a new place, because sometimes cheaper isn't actually cheap. Algorithmic pricing software, as we have heard, allows for much higher rent, which would mean that more people face that same problem of being priced out of their

homes with nowhere else to go. It is a barrier to keeping the people of Portland housed, and we don't need any more barriers to housing. So I encourage you to vote yes on councilor morillo ordinance regarding the use of this software. Thank you so much for your time.

Speaker: Thank you so much to all of you for coming and testifying. You don't have to keep sitting up here. I really appreciate all of your expertise and everything that you do for the community. And i'll pass it back to chair avalos.

Speaker: Yes, thank you again, everybody. We're going to hop into the public testimony. We have five folks. We are going to slim the time down. So let's have two minutes instead of three minutes so we can keep this moving. Go ahead.

Speaker: First is meg bender stefanski meg is joining us virtually.

Speaker: Hello everyone. My name is meg bender. Stefanski and I am a member of district three. I am here today to speak in support of prohibiting the use of ai software to price fix rents by landlords. I am a lifelong renter myself and I also work in housing case management. I work with homeless folks to get them into housing and keep them in housing. As you all have discussed today, there are already enough barriers that individuals face in entering into housing and remaining in housing. Software like this raises rent and especially as large, more large scale properties are built across town. I believe that the usage of this software will continue to price community members out. Community members who are working class seniors, disabled individuals, veterans and more. Affordability of housing should be one of our biggest priorities as we seek to end homelessness, and this measure would strengthen protections for renters. I applaud councilor morillo for introducing this. I urge you all to support it, and I thank you all for your time.

Speaker: Next up is jeff burch. Jeff is joining us virtually.

Speaker: My name is jeff burch and I'm a renter from southeast Portland. I wholeheartedly support councilor murillo's ordinance to ban algorithmic rental pricing. Two years ago, when I first learned about realpage from propublica reporting, there was a knot in the bottom of my stomach. This decade has been rough as a renter as we try to weather rising housing costs and inflation that outpaces wage growth. The market has not been able to address affordability in a meaningful way for so many Portlanders. Technology has created tools such as airbnb, which has decreased the supply of long term housing stock in favor of short term housing. Now, this new technology promises something starkly darker price fixing. Quite simply, these new tools facilitate a housing cartel. Clandestine meetings behind closed doors have been replaced by a piece of software. But the collusion is the same. Anti-competitive practices enabled by algorithmic rental pricing tools here in Portland residents by reducing access to housing and are not compatible with the stated goals of the city's government. To those who are sympathetic to the interests of large real estate, I think it bears remembering how the problems of homelessness continues to manifest. Homeless people do not magically appear out of thin air. They do not exist solely to bring down property values and create political problems. They are neighbors, friends, and coworkers who have lived on the edge of precarity. We have a responsibility to them and every Portland resident to keep housing affordable and accessible. According to the united states government accountability office, every \$100 increase in the median rent results in a 9% increase in homelessness. This ordinance and other actions like it, are necessary for us to meet our responsibilities and ensure that safety and well-being of our community. I don't think it's a stretch to say that the federal government is in turmoil. We cannot rely on the doj to continue their lawsuit for relief to protect our communities. We need strong leadership from local and state

governments in this moment. This ordinance is just that. Thank you for hearing my testimony.

Speaker: Laura jensen.

Speaker: Hi, my name is laura hansen. I'm here to talk about how if this affects me, I talk to my manager last October when they raised my mom and i's rent \$103. The year before that was 147. The year before that was \$131. She's senior citizen. I'm disabled. We are of so much on a fixed income. We are one raise away really from being homeless. And I really hope that you approve this because there's got to be a break for low income people across the city. Otherwise we have to go somewhere else. And I love Portland. Thank you.

Speaker: Kim mccarty.

Speaker: Good afternoon.

Speaker: I'm kim mccarty. I'm with the community alliance of tenants.

Speaker: Thank you, chair avalos. And thank you, councilor morillo, members of this committee for bringing forward this proposal at cat, our board and myself. We agree wholeheartedly that we should not we should rely on competitive pricing. We should not allow algorithmic devices and I to allow price fixing at community alliance of tenants, we hear from thousands of tenants every year. The majority of those in the Portland metro area. They are in the midst of a rent crisis. As we've heard. This is causing people to lose their housing. It's we believe, the primary cause of homelessness. And we wanted to also let you know that we are working with advocates throughout the state in support of senate bill 722, which is also addressing this problem on a statewide basis. So we really applaud the leadership in Portland to take on this issue. Our renters in Oregon and in Portland cannot afford any more rent increases. We, of course, need to develop more affordable housing, but at the same time, we need to address the emergency, the crisis at

hand and use all tools available to us, including preventing rent increases, especially rent increases in our higher. And there's about 40,000 units in Oregon that are not protected by the rent cap. And so this is another reason why we need this. Thank you.

Speaker: Thank you. Kimberly kimble kimberly is joining us virtually.

Speaker: Hello. My name is kimberly, and I'm speaking today in support of this proposal to amend the affordable housing code. I live at everett station lofts in old town chinatown, district four, where 30 of the 47 units are considered affordable housing. My family of five moved here after being displaced from our previous home of eight years due to the pandemic. Due to pandemic economic hardships. In my three and a half years of living at everett station lofts, I have been involved in two tenant organizing efforts centered around unfair rental prices. This issue was recently brought to the attention of the Portland housing bureau, which they attempted to correct, and then it was subsequently quashed by landlords and their strongly worded threats of legal action. For the last 20 years, esl has been charging for bedrooms that do not exist. My family lives in an affordable housing unit that is priced as a three bedroom unit, and our rent is currently \$2,234 a month. A large portion of our income goes to paying rent and we're unable to move because of it. We remain trapped in a cycle of poverty due to ineffective oversight of this affordable housing, property and landlord greed. Despite numerous code violations, compliance violations, ada violations and property management, turnover and harassment, tenant lawsuits, and countless other issues and complaints. Our rent continues to be raised and we are now being charged for amenities that were previously free. In the past few years, I have watched many neighbors be priced out of their units, be unfairly evicted and some left without anywhere to go. The multifamily housing industry is often incentivized to increase

rents and exploit renters due to several factors that drive their business model. Renters are already profit maximization, are basic need for shelter, has been commodified and exploited in the use of algorithmic devices to fix rent prices only makes it easier for landlords to do this. Unregulated rent pricing through algorithmic programs such as realpage and yieldstar only benefits those collecting rents from already cost burdened renters. There is no benefit to renters in the middle of an affordable housing crisis, with homelessness being a key priority of the city of Portland, you should do everything.

Speaker: You can.

Speaker: Pricing that will push more Portlanders into homelessness. Thank you.

Speaker: There is no further testimony.

Speaker: Okay, thank you to invited testimony and public testimony for sharing your thoughts. So as far as process goes, as I mentioned, I assigned this time for us to do a presentation to take public testimony. And then per what the guidance I was given originally, when I set up the schedule that there were going to be two readings. So I have it set up for next time to do more discussion from the committee and amendments and all of that before sending it to the council, the full council, so that that's the process I came in here with. And right now we've got 13 more minutes to take. Any questions, discussion with councilor morillo. And then we'll just kind of go from there. Does that sound right? Okay. Go ahead, councilor dunfee.

Speaker: Thank you, madam chair. I want to say that first of all, everything right now at a globally, it seems like is being manipulated by algorithms. Everything from wall street to the price of potatoes. Clearly, technology is playing a role in the rental market here, and I look forward to being supportive of this. And with that frame, I

have some questions that I want to try to get some clarity about if we could and maybe we don't have answers today, but I can just sort of put them out there.

Speaker: Sorry, is someone taking notes on all the questions so we can ensure we follow up with offices if there's not time to respond? Okay.

Speaker: Thank you. For taking it.

Speaker: If I came up on the screen, I've never seen anything that's funny in the. So this this cause functionally, this creates a private cause of action for tenants who can prove that a landlord has used this sort of software. What is the burden of proof that a tenant would need to be able to demonstrate for a court to find this as a, an infraction?

Speaker: We can follow up with you, but I think that this would happen through and through their fair housing. That's how it's been done in other states. Well, not not their version of it, but we'll follow up on what exactly the burden of proof is that they have required when they've done investigations.

Speaker: Thank you. There are similar options or similar policies to this introduced both on the state and federal level. How does this policy align with those proposals, and have you been working with either the state represent? I don't remember who was introduced, senator gorsuch or us senator wyden.

Speaker: Yes. We have met with senator gorsuch's team to discuss the policy, and ours is a bit stronger at the local level. It has harsher penalties for people who violate the rules, and it doesn't have exceptions for different units. So it's a bit of a stronger policy. And I think that we can pass that in Portland because we have so many renters and we have, you know, tenants on council this time. So I think that that's what we're trying to do. But it's in in harmony with the other things happening. Part of the reason we're pursuing this as well is because while the federal lawsuit is happening, one, it's going to take years for that to go through. And

two, god knows what's going to happen with the federal government level. And that's why we need to do it locally.

Speaker: Thank you. A couple of other questions. Some of the emails I've seen have been referring to this as an ai algorithm. There are non ai algorithmic devices out there. Do you feel like this definition of what we are trying to specifically solve for sufficiently cuts off the opportunities for bad behavior by people who want to try and work around this definition and use technology in a different way.

Speaker: I'd like to hear more about the alternatives that you're talking about to answer that question well, but I think anything where you are doing mass collection of data that allows you to coordinate in a way that we've never been able to before is going to be an issue. So curious to hear more about that.

Speaker: Yeah.

Speaker: I know that there are programs that are not necessarily algorithmic, but are scrapers that can just sort of I mean, there's I suppose everything has an algorithm at some point, but I'm just want to make sure that we aren't. The specific example of what I'm trying to prevent is that I previously worked for the American cancer society and worked on trying to prevent access to flavored vapes for kids, and the tobacco industry has responded in every state by redefining what tobacco is. And so trying to make sure we aren't putting all this good work just to have the industry pivot. I don't know what those are. But again, for example, with tobacco, we were talking about tobacco, nicotine derived products. The industry responded by creating something called synthetic nicotine, which is derived from organic nicotine. So trying to think of where those synthetic nicotine loopholes might be, and I don't know what they are. The other one was specific to the terms. It says the. Damages include either the amount overpaid during a lease period, up to triple actual damages, or statutory damages of \$10,000 for each lease period. The is it

\$10,000 per lease period per unit, or is it per building? And also, can we talk? Can you ask where the where the \$10,000 number came from versus the triple actual damages and what that might look like?

Speaker: So I'm inviting my chief of staff up here to explain this portion. But in short, it will be either the \$10,000 or the other one, depending on which one has the higher penalty or a subsequent, I guess, payment for the aggrieved party.

Speaker: Vice chair dunphy, thank you. Thank you for your question. My name is andre miller, chief of staff for councilor morillo. To answer your first question, your previous question is we're looking to ban nonpublic data that is available so people will still be able to find rental prices on zillow and redfin to compare those with market prices. We're just looking to actually ban the nonpublic data that is available at this time. We actually have city attorney tony garcia, who's been working with us on this actual ordinance. We specifically talked about this question previous to this actual committee hearing, and I'd like to welcome him up here to be able to speak on this portion.

Speaker: Good afternoon. For the record, tony garcia with the Portland city attorney's office.

Speaker: So the question was specifically around, well, first of all, the definitions of these software tools and, and how that, that non-private or not nonpublic data is collected and how how our definitions within this. Well, first of all, I guess I'm thinking out loud and I apologize. But, you know, I'm interested to know how this. Definition prevents bad behavior for working around it, but also specifically if this is additive to the current state laws around price fixing and whether this. Yeah, that's a good start.

Speaker: Well, my understanding is the price fixing laws are set at the federal level. And that's what the federal cases are about. What we're what this ordinance does is

it just prohibits the use of the algorithmic model here locally in Portland, either selling it or use of it.

Speaker: But we don't we don't have other price fixing protections under state law.

Speaker: There may be some I can't speak to those right now.

Speaker: Thank you.

Speaker: And then, andre, my question was about the price levels for the fees, where that came from, the \$10,000 or triple the actual damages or statutory damages.

Speaker: I can tell you what the ordinance does is allow somebody to recover at least \$10,000 or triple. So if their actual damages are above it, then they would be able to recover that.

Speaker: And would an actual damage be the amount they paid in rent versus what they would have in a free market economy? I mean, how do we determine.

Speaker: That's correct. So the use of this software is it's an artificially increasing the rent amount. So if somebody through a private right of action goes into court and is able to show that their rent was increased improperly through the use of this, then that higher amount, that would be the damages amount. I think what we're trying to do is capture the recognition that sometimes that's going to be very difficult to prove. And therefore we're not just relying solely on the triple damages. And we leave this carve out that there's going to be a \$10,000 amount as a penalty. Does that make sense?

Speaker: Yeah it does. And just for my sake, assuming that that \$10,000 will also go to pay an attorney, what would an attorney's fee be? Typically if a if a tenant has to hire an attorney and take them to court, you know, to take their landlord to court, how much would a tenant be receiving out of a settlement or an attorney receiving out of a settlement? Broadly?

Speaker: Well, let me back up just a second. What this would allow is for attorney's fees in addition to penalty amount. That's great. So it allows somebody who's aggrieved to go out and find an attorney. And usually once an attorney is able to recover their attorney's fees, it makes it cost neutral for them to go and pursue these cases on their behalf. Fees could range depending on the attorney that's involved. This is a similar provision that we see oftentimes in small claims court. So when somebody is trying to recover let's say \$500, you don't want to make the fact that attorney's fees could be \$7,000 to prohibit somebody from pursuing their valid claim. So the court authorizes attorney's fees. That way they can the person who is aggrieved can go recover their \$500, and they don't have to factor in the attorney's fees costs. But I would say, like absent this provision, typically an attorney would charge a third of their recovery. So if we didn't have that, that's what they would expect to carve out.

Speaker: Great. Thank you. I have no more further no further questions.

Speaker: Thank you.

Speaker: Councilor Ryan.

Speaker: Yeah, sure.

Speaker: Thank you.

Speaker: Can you guys stay just in case? Sure.

Speaker: No, I feel like I definitely need to ask you a question. The attorney. Garcia. No answer. I think everyone appears shares the values that we're focused on. Affordability and productivity. I don't think anyone's disputing that. I'm trying to get to the bottom of how this makes it more affordable. And I think you might have given me that when you said 5%, I heard 5% come out of your mouth. When you get the algorithm that it tends to bump it up another 5%. Is that what you said?

Speaker: I don't think I said that. Oh, but.

Speaker: Could someone tell me how this current practice is making it less affordable? I just haven't heard. I've heard big picture conversations about affordability, which currently and I know this is just a current blip, perhaps, but currently most sources are saying rents have gone down by 1% this past year. That's just where we're at today. But how will this make everything more affordable for the renter? And I've been a renter most of my life as well.

Speaker: Thank you.

Speaker: Yeah. Councilor Ryan, I'm happy to get you some data after this meeting, or we would present it during the second committee meeting about how the use of ai software we've seen across cities has it's the colluding of the rent prices that causes it to go up, because basically you're eliminating competition from the market. This is fairly new software. And the bands that have happened in other cities have only just passed very recently. So, you know, it's kind of a pioneering policy. We're going to be seeing the impacts, I think, for decades to come.

Speaker: I look forward to getting that information, and I need to know the cost burden to the city. So implementing this will take some staffing, I assume. And what will that cost the city at a time when we're having a lot of budget challenges.

Speaker: I.

Speaker: Can answer this. So there's actually a within the materials that you received. We did a financial assessment with the city. There's not going to be any additional cost to the city, because we're not adding enforcement through the city of Portland right now. We did that intentionally because we know that there's a \$100 million budget deficit. So like with other tenant issues, like, for example, if I was discriminated against as a latino renter, I would go to boli and external place to have them do the investigation on my behalf. And they usually do those investigations for renters free of charge. And then once you know, they'll take on a

case if they think that they can win it. And then once that payout happens, that's how they receive funding. So there would be no additional cost to the city of Portland.

Speaker: Before the vote. I want to hear how that would actually work. So I haven't ever witnessed something being voted on where there isn't implementation and it doesn't have some sort of a burden on staff to have to monitor, say, bullying.

Speaker: So can.

Speaker: I just add something? We're also working with dc de oliveira and they're doing an impact statement. So that should be available.

Speaker: Okay good. So we'll get that from oliveira. That's correct. And then i'll just say this I said this to and thank you for being so inclusive. You met with me last week and I appreciated that I hadn't looked at anything at that moment. I'm still digging and I appreciate today's testimony. I will note to the record did anyone I got some calls did was there any opposition in the testimony, written testimony that we received?

Speaker: So I don't think we received any for the council meeting. We received a few emails from different ai software groups who were concerned about it. Obviously, it's their business model, so I'm sure that they're not happy.

Speaker: I appreciate that.

Speaker: I think i'll just end with this. Commissioner daly had great intentions with the passage of rental rights back in the late, I don't know, when was that? 2018, maybe. And I'm not the only one that's heard from countless Portlanders who used to be landlords that got out of that business because of those unintended consequences. And so I'm always a little like, careful when we pass something that could have those unintended consequences. If you haven't heard of that, it's real. A lot of people that were landlords sold their units. They used to provide some of the

best low income housing in the city of Portland, but it became untenable for them to manage their units with 1 or 2 renters after that passed. So are we going is this inclusive to all landlords once again?

Speaker: Yeah. So I appreciate that concern, councilor Ryan. And as you and I had discussed, this isn't going to impact small landlords, because if you're a mom and pop landlord that has even just five units, you're not going to purchase a really expensive ai software to do rental pricing. You're just going to go on zillow and take a look at your neighborhood. Notice the.

Speaker: Softball I gave you?

Speaker: Yeah, no, I like that. So yeah, this is really to address corporate landlords in the city. I do think there has to be a conversation about what mom and pop landlords.

Speaker: Having those low income units go off the market has been really hurtful for the renters in the city. So I just want to make sure we don't pass anything that does additional harm. Thanks.

Speaker: Do you have one more? Okay. Go ahead.

Speaker: Thanks. I appreciate that there'll be another session. I and I also appreciate the lady who testified about the rent increases. There's something about \$103 increase that tells you that that's I nobody nobody normal rounds to that number 147. I think the other number you said is 131. I'm a I'm a landlord have never rounded to an odd number like that. It's fives and zeros. That's what normal people do. So I think there's something particularly disgusting about the idea of, of real time changes to rents happening. And I'm and I am appreciative of what is here in this. I am struck to be supportive yet and that's why I'm going to I'm going to spend some real time, I think, with you, councilor and your team to I have some similar questions as councilor Ryan did with respect to how and where. When you

mentioned boli, I wrote down, you know, before your answer about is this a hearings officer thing? So I want to learn a little bit more about that. I'm certainly interested in what this will achieve as it relates to the d.o.j. Actions that you noted and that are noted in some of the materials here. The other thing i, I thought, and I think that last year that the Portland housing bureau is going through a study about all the different rent restrictions. And their impact and kind of developing an impact statement, maybe similar to what you mentioned, andre and with donnie. But there was something about the Portland housing bureau. Housing bureau was going to, I think, take a lot of the things that occurred with other commissioners previously and kind of tell us that outcome or that impact, if you will. And I am I want to get to yes, here I am also going I'm going to operate a little slowly on this one because I would like to see what they have to say. And I also have made a commitment because I think some previous councils had good intentions, but they didn't include. Folks that they didn't appreciate that I want to hear from some. I want to hear from some of the big bag giants on this one and see what the hell is I pricing. And I know price fixing is illegal. So what is this thing? Right? How do we. I'm just signaling to you, councilor. I'm I'm going to take a little bit of time here. I appreciate that we're having another one of these. And so and maybe andre and tony will end up chatting with in terms of how you developed stuff. But most of all, I want to hear where fbs study about the different rent restrictions is at currently. I want to understand the bully slash whatever the court system is that would adjudicate these types of claims. I want to understand. What because I do have some opposition, and so I'd like to understand what what the impact is that I'm seeing written about. I'll respect the what's coming out of here. And I need a little bit more time. And I and I recognize that you're trying to move fast, but I'm I'm going to use that time. So. Thank you.

Speaker: Thought you wanted to move with urgency and.

Speaker: Then I do. But what I don't what I don't see here is how this changes. The development. In fact, I actually am worried that it could.

Speaker: Have a hard time.

Speaker: I know, but you're doing it in a public forum, which I know i'll catch hell from some folks for this. And so I and you and I have a good banter that other people don't get to see, but I appreciate that. But my biggest thing is I still want Portland to always be a market people build in. And I think anybody who's raising their rents at \$147 and 150 has indicated that they're using some sort of software, not that software is bad, but if it's price fixing, that's bad. And so I just need to I need some due diligence on my own part to know where my vote will be. But thank you.

Speaker: We are unfortunately out of time. I want to appreciate everybody for sharing your testimony. It sounds like we've got a lot of questions in between now and then. We'll talk offline about how to process that, but the intention will be for that next meeting to have a more thorough and then a vote to go to to go to council. Sound good? Okay. With that, I will end the meeting at 2.07 p.m. Thanks.