



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 9<sup>TH</sup> DAY OF NOVEMBER, 2011 AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Fritz, Presiding; Commissioners Fish, Leonard and Saltzman. Mayor Adams teleconferenced from 9:38 a.m. to 9:48 a.m. 5 Commissioners present.

Mayor Adams left the meeting at 9:48 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Tracy Reeve, Sr. Deputy City Attorney; and Steve Peterson, Sergeant at Arms.

Item No. 1185 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

|   | <b>Disposition:</b>   |
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| <b>COMMUNICATIONS</b>   |                       |
| 1171 Request of Mary Eng to address Council regarding Students Against Torture (Communication)  | <b>PLACED ON FILE</b> |
| 1172 Request of Barry Joe Stull to address Council regarding safely implementing OR 203.081 (Communication)   | <b>PLACED ON FILE</b> |
| 1173 Request of Charles E. Long to address Council regarding the revolt of the 99% (Communication)  | <b>PLACED ON FILE</b> |
| <b>TIMES CERTAIN</b>  |                       |
| 1174 <b>TIME CERTAIN: 9:30 AM</b> – Portland Rose Festival Foundation winning the Grand Pinnacle Award of the International Festivals and Events Association (Presentation introduced by Commissioner Fritz) 15 minutes requested | <b>PLACED ON FILE</b> |
| <b>CONSENT AGENDA – NO DISCUSSION</b>   |                       |
| <b>Mayor Sam Adams</b>  |                       |
| <b>Bureau of Police</b>   |                       |

November 9, 2011

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| <p><b>*1175</b> Accept a grant in the amount of \$37,000 and appropriate \$30,000 for FY 2011-12 from the Oregon Association Chiefs of Police 2012 Safety Belt Enforcement Program for sworn personnel overtime (Ordinance)<br/><br/>(Y-5)</p>  | <p><b>184973</b></p>  |
| <p><b>*1176</b> Accept and appropriate a grant in the amount of \$4,415 for FY 2011-12 from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FY 2011 Bulletproof Vest Partnership/Body Armor Safety Initiative for bulletproof vests (Ordinance)<br/><br/>(Y-5)</p>   | <p><b>184974</b></p>  |
| <b>Bureau of Transportation</b>   |   |
| <p><b>1177</b> Designate a portion of City property owned in fee title located at 2700 SE Tacoma St as public right-of-way and assign it to the Bureau of Transportation (Ordinance)</p>  | <p><b>PASSED TO<br/>SECOND READING<br/>NOVEMBER 16, 2011<br/>AT 9:30 AM</b></p> |
| <p><b>1178</b> Designate two parcels of City property owned in fee title located at SE 99th Ave and SE 100th Ave as public right-of-way for road purposes and assign them to the Bureau of Transportation (Ordinance)</p>   | <p><b>PASSED TO<br/>SECOND READING<br/>NOVEMBER 16, 2011<br/>AT 9:30 AM</b></p> |
| <p><b>1179</b> Amend an Intergovernmental Agreement with the Oregon Department of Transportation to increase the amount of grant funding for pedestrian safety improvements at the intersection SE 82nd Ave and Francis (Ordinance; amend Contract No. 30000599)</p>  | <p><b>PASSED TO<br/>SECOND READING<br/>NOVEMBER 16, 2011<br/>AT 9:30 AM</b></p> |
| <p><b>1180</b> Accept a grant in the amount of \$98,000 from Oregon Department of Transportation to develop and implement specific efforts to improve transportation safety on six high crash corridors, and to work with the Metro Traffic Safety Workgroup to support transportation safety efforts in the Portland metropolitan area (Second Reading Agenda 1152)<br/><br/>(Y-5)</p> | <p><b>184975</b></p>  |
| <b>Office of City Attorney</b>  |   |
| <p><b>*1181</b> Amend contract with Ball Janik LLP for outside legal counsel (Ordinance; amend Contract No. 30002037)<br/><br/>(Y-5)</p>  | <p><b>184976</b></p>  |
| <b>Office of Management and Finance</b>   |   |
| <p><b>*1182</b> Pay claim of Gidey Zeresenai involving Parks Bureau (Ordinance)<br/><br/>(Y-5)</p>  | <p><b>184977</b></p>  |
| <p><b>*1183</b> Approve Intergovernmental Grant Agreement with Portland Community College for \$20,000 to provide Volunteer Literacy Program coordination and Adult English for Speakers of Other Languages classes in the Cully-Concordia areas (Ordinance)<br/><br/>(Y-5)</p>   | <p><b>184978</b></p>  |
| <p><b>*1184</b> Ratify a Memorandum of Agreement with AFSCME Local 189 with respect to represented employee absences while participating in the Oregon non-profit organization called Start Making a Reader Today (Ordinance)<br/><br/>(Y-5)</p>  | <p><b>184979</b></p>  |

November 9, 2011

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| <p><b>*1185</b> Ratify the implementation of the Bureau of Development Services Chief Inspector premium pay for Senior Electrical Inspector and Senior Plumbing Inspector employees who perform the duties of the Chief Plumbing Inspector (Ordinance)</p>  | <p><b>REFERRED TO<br/>COMMISSIONER OF<br/>FINANCE AND<br/>ADMINISTRATION</b></p> |
| <p><b>*1186</b> Ratify the implementation of the Bureau of Development Services new certification premium for Building Inspectors, Electrical Inspectors, Plumbing Inspectors and Combinations Inspectors who obtain one or more of four new inspector certifications under the Oregon Building Codes Division (Ordinance)</p> <p>(Y-5)</p> | <p><b>184980</b></p>   |
| <p><b>*1187</b> Authorize a contract and provide for payment to furnish fuel for City of Portland vehicles for \$6,500,000 per year (Ordinance)</p> <p>(Y-5)</p>  | <p><b>184981</b></p>   |
| <p><b>Commissioner Nick Fish<br/>Position No. 2</b></p>   |  |
| <p><b>Portland Housing Bureau</b></p>   |  |
| <p><b>*1188</b> Amend the expenditure authorization for subrecipient contracts for an additional \$367,000 for services to operate winter shelter and severe weather warming centers for people experiencing homelessness and provide for payment (Ordinance; amend Ordinance No. 184786)</p> <p>(Y-5)</p>                                  | <p><b>184982</b></p>   |
| <p><b>*1189</b> Accept and appropriate a grant in the amount of \$1,365,900 from the U.S. Department of Housing and Urban Development for housing assistance, supportive services and comprehensive planning and coordination of local resources to meet housing and service needs for People Living with HIV (Ordinance)</p> <p>(Y-5)</p>  | <p><b>184983</b></p>   |
| <p><b>*1190</b> Authorize an agreement with Human Solutions, Inc. in the amount of \$105,000 for the provision of services in support of affordable housing (Ordinance)</p> <p>(Y-5)</p>  | <p><b>184984</b></p>   |
| <p><b>Portland Parks &amp; Recreation</b></p>   |  |
| <p><b>1191</b> Amend Intergovernmental Agreement with Metro to receive the local share component of the 2006 Natural Areas Bond Measure (Second Reading Agenda 1160; amend Contract No. 52843)</p> <p>(Y-5)</p>   | <p><b>184985</b></p>   |
| <p><b>Commissioner Dan Saltzman<br/>Position No. 3</b></p> <p><b>Bureau of Environmental Services</b></p>   |  |

November 9, 2011

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| <p><b>1192</b> Amend contract with Emery and Sons Construction, Inc. for additional work and compensation for the Foster/Holgate Sewer Replacement Project No. E10014 (Ordinance; amend Contract No. 30001292)</p>  | <p><b>PASSED TO<br/>SECOND READING<br/>NOVEMBER 16, 2011<br/>AT 9:30 AM</b></p> |
| <p><b>Bureau of Fire and Police Disability and Retirement</b></p>   |   |
| <p><b>*1193</b> Authorize contract with Online Business Systems to provide computer systems design, maintenance and programming services for the Bureau of Fire and Police Disability and Retirement (Ordinance)<br/><br/>(Y-5)</p>   | <p><b>184986</b></p>  |
| <p><b>City Auditor LaVonne Griffin-Valade</b></p>   |   |
| <p><b>*1194</b> Assess property for system development charge contracts and private plumbing loan contracts (Ordinance; Z0784, K0132, W0014, K0131, W0015, P0108, P0109)<br/><br/>(Y-5)</p>   | <p><b>184987</b></p>  |
| <p><b>REGULAR AGENDA</b></p>  |   |
| <p><b>1195</b> Amend the Portland Comprehensive Plan List of Significant Projects, Public Facilities Plan and Sanitary Sewer Element to include additional sanitary sewer projects in the Fanno Creek Basin necessary to meet existing level of service standards, serve designated land uses and protect public health and safety (Second Reading Agenda 1145; Ordinance introduced by Mayor Adams and Commissioner Saltzman)<br/><br/>(Y-4; Adams absent)</p> | <p><b>184988</b></p>  |
| <p><b>Mayor Sam Adams</b></p>   |   |
| <p><b>Office of Management and Finance</b></p>  |   |
| <p><b>1196</b> Accept bid from Structured Communications System, Inc. for the Hitachi storage area network price agreement with a five-year not-to-exceed cost of \$8,000,000 (Procurement Report - Bid No. 113272) 10 minutes requested<br/><br/><b>Motion to accept the report:</b> Moved by Commissioner Fish and seconded by Commissioner Saltzman.<br/><br/>(Y-4; Adams absent)</p>  | <p><b>ACCEPTED<br/>PREPARE<br/>CONTRACT</b></p>                                 |
| <p><b>Commissioner Dan Saltzman<br/>Position No. 3</b></p>  |   |
| <p><b>Bureau of Environmental Services</b></p>  |   |
| <p><b>1197</b> Amend Sewer User Charges Code to expand authorities for implementing a revised Extra Strength Discharge Program (Second Reading Agenda 1166; amend Code Chapter 17.36)<br/><br/>(Y-4; Adams absent)</p>  | <p><b>184989</b></p>  |

November 9, 2011

At 10:06 a.m., Council recessed.

November 9, 2011

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 9<sup>TH</sup> DAY OF NOVEMBER, 2011 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5. Mayor Adams left at 2:19 p.m. and Commissioner Fritz presided.

Commissioners Leonard and Saltzman arrived at 2:05 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Roland Iparraguirre, Deputy City Attorney; and Greg Goodwind, Sergeant at Arms.

|  | <b>Disposition</b>   |
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| <b>1198 TIME CERTAIN: 2:00 PM</b> – Amend the Tax Increment Financing Set Aside for Affordable Housing policy to ensure continued development, preservation and rehabilitation of housing affordable to households with incomes below 100% median family income (Ordinance introduced by Commissioner Fish; amend Portland Policy Document HOU-1.04)<br>1 hour requested | <b>PASSED TO<br/>SECOND READING<br/>NOVEMBER 16, 2011<br/>AT 9:30 AM</b> |

At 3:18 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

November 9, 2011  
**Closed Caption File of Portland City Council Meeting**

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

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

**NOVEMBER 9, 2011**

**9:30 AM**

**Fritz:** Good morning, today is Wednesday, November 9th, 2011. This is the regular scheduled session of the Portland city council. Welcome, everybody. Before we call the roll and do business, we have a proclamation and commissioner Fish is going to introduce it.

**Fish:** Thank you, madam president. Last week Portland parks and recreation received a great honor in being selected for the gold medal as the best managed park system in the country. Mike Abbate, our new director, received this award in his third week on the job. [laughter] I said to him last night, what have you done for us lately? [laughter] this award is a testament to the hard work and dedication of the hundreds of people who work for the bureau, and the thousands and thousands of people who support our work in the community. The gold medal is here on display and we're very proud of it, and it is my honor to read a proclamation that the mayor is issuing today. Whereas Portland parks and recreation has received the national gold medal award from the country's leading public park and recreation Organizations, and whereas the gold medal is presented by the national recreation and park association in partnership with the American academy for park and recreation administration and is their highest honor, and whereas park systems across the country are judge on their ability to harness the collective energies of citizens, staff, and community leaders to meet the needs of their community, and whereas the gold medal honors demonstrated excellence in planning, resource management, volunteerism, environmental stewardship, program development, professional development, and agency recognition, and whereas the Olmsted brothers proposed system of parks for the city of Portland presented to the city in 1903, the original of which is in our city archives, laid out an inspiring vision for what our parks and trails and natural areas could be, and whereas our community's century-long commitment to bringing the Olmsted vision to life has made Portland home to a world class park system and enhanced our national reputation as a truly livable community, and whereas the success of Portland parks and recreation is rooted in the passion, hard work, and dedication of our employees, now therefore I Sam Adams, mayor of the city of Portland, the city of roses, do hereby proclaim November 9th, 2011, to be Portland parks and recreation gold medal day in Portland. A celebration of Portland's world class parks, trails, and natural areas, and the dedicated employees of the parks bureau who serve the public and maintain them. Congratulations. [applause] Madam President, I will present this to Mike Abbate later today, but if I could also add that we have been blessed over the years to have great leadership at the bureau, and I wanted to specifically acknowledge the role played by Charles Jordan and by Zari Santner in helping us progress as a system. Zari served for 30 years, 8 years as Director and before her Charles Jordan served with great distinction and they're both very active in our community. I would also like to pay tribute to one of our employees today who is in Legacy Emanuel hospital. And as a reminder that many of the jobs that we ask people to serve in our community, are jobs that involve a risk to their own health and safety. I want to specifically acknowledge park ranger Lionel Ahers and his wife Christie. Ranger Ahers was attacked in forest park on Sunday and sustained serious injuries. He and his wife are recent transplants from the state of Texas, and notwithstanding this occurrence, they love Portland and plan to make it their home. And I know that all my colleagues on the council join me in wishing ranger Ahers a speedy recovery. And I can tell you, as the commissioner in charge we can't wait to get him back on the ground doing what he does best. So thank you.

November 9, 2011

**Fritz:** Thank you and we have one other pre, beginning issue. The mayor is dealing with the occupy Portland issues off site, his failure to participate in today's council session would jeopardize the public interest, health, safety or welfare, therefore unless there is objection by any member of the council, the mayor will participate in today's hearing by teleconference. Is there any objection from council? Hearing no objection, Karla, please have the mayor participate by teleconference and call the roll.

**Moore-Love:** Mayor, are you there?

**Adams:** Yes. [roll call]

**Fritz:** Thank you. We always start with communications. Please read the title for item 1171.

**Item 1171.**

**Fritz:** Ms. Eng? Please read the title for 1172.

**Item 1172.**

**Fritz:** Mr. Stull, welcome back.

**Barry Joe Stull:** Good morning. Good morning president Fritz. I don't think that's going to be the last time I say that. If I could first clarify a typo before my time starts, in the council agenda this morning it says request of Barry Joe Stull to address council regarding safely amending or, it's ors. Oregon revised statutes. I'm saddened to find that is the misprint because without that crucial bit of information people have no clue of what I'm talking about. And since I'm already starting having been assaulted by the mayor's deputy, I just need my space. I'm a person with a disability. That right there is a mayor security guard. That right there, the man with his hands in the defensive posture position acting like he's doing something important? That's the mayor's security guard. And I think this is the mayor's security guard. This gentleman has a department of public safety standard and training I.D. Because he has to be licensed to act like this. He won't even tell me his name. His name is Paul Good enough. So I'm already 30 second into my time and I'm just addressing that I can't get my communication done here because one, the mayor snipes at me when I get my three minutes as we saw on August 17th, the misprint doesn't portray what I'm here to communicate accurately, and I have this person making me sick, this person making me sick, and that person making me sick. And I'm glad the mayor is not here because personally he makes me want to puke he's such a lying pig. Because he has that lying pig, that lying pig, and that lying pig working for him right now. Why is that? That's because I filed a federal civil rights complaint because you all inappropriately enacted a statute, an ordinance that has a force of law without having a quorum. Since then, when I call the ambulance, the Portland police interfere with me getting on that ambulance. I'm talking about how we can safely implement Oregon revised statute incorrectly in the agenda, 203.081, which is a designated area for homeless people to camp which we have right over here. Occupy Portland was not responsible for your employee getting assaulted in forest park. Nor was I menacing with a hammer. As you can see, I'm having adrenaline right now because these people are in my face. They don't even have a name. I can't file a complaint against them because they won't give me their name. There's other people that won't give names or cross the same bullies at occupy Portland. We have the same problem. You have junkies on your streets we have junkies in our streets. You have mean people, I call them Portland police. They're over there, not enforcing a restraining order that I'm the protected party. We can read where I'm the media darling for menacing with a hammer, which never happened. I do get quite upset when people assault my space. When they incorrectly print my agenda item, which my legible handwriting certainly was not the problem. So why should I go to the trouble to get a skill set to know that statute that allows you to have homeless people like me with disabilities like I have, physical ones, commissioner Fish? Housing commissioner Fish? Parks commissioner Fish? I was one of 2600 people with physically disabling conditions sleeping outside in January because you wouldn't let me have a tent. The Clydesdales get a tent at waterfront park so, if we have Police, that aren't goons, they're not police, they're not -- they're bullies, they're incompetent and they're pigs. And I don't

November 9, 2011

want our town run by pigs, mayor Sam Adams or his pigs here. I'm a kind person and I can control myself, and I'm not going to get into the ambulance. I'm going to go over to where my home is, where I got up this morning and I had my breakfast, with my friends I shared with, with the free food that was given to me outside of occupy Portland.

**Fritz:** Mr. Stull your time is up.

**Stull:** Thank you. I close by saying my friend j.l. and my other friend, j.r. want to know what's up?

**Fritz:** Thank you for your testimony. Please read the title for 1173.

**Item 1173.**

**Fritz:** Mr. Long? I don't see him. Thank you. With that we move to -- we do consent first?

**Moore-Love:** Consent first.

**Fritz:** Consent first. Does anybody wish to pull anything from consent? I have 1185 pulled back and referred back to the mayor's office. Read the title for that, thank you.

**Item 1185.**

**Fritz:** Thank you. Hearing no objection that will be referred back to the mayor's office. Is there anything else that anyone in the audience would like to pull from consent? Hearing none, please call the roll.

**Leonard:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Adams:** Aye.

**Fritz:** Aye. Thank you. And that brings us to our time certain at 9:30. Please read the title for item 1174.

**Item 1174.**

**Fritz:** Thank you. If I could ask our guests to come forward with their presentation. I'm very pleased to introduce this -- it's not a proclamation, but it's certainly a celebration and recognition that for the second time in five years the Portland rose festival has won the grand pinnacle award at the international festival and events association. Here to tell us about how we got it and what a great festival we have, Jeff Curtis and Sue Bundy.

**Jeff Curtis:** Commissioner Fritz, Mayor Adams, distinguished council, thank you very much for the opportunity to be with you today, to celebrate truly an award for our organization, but a communitywide city of Portland award, the grand pinnacle is the best of the best and Portland has the best festival in the world. And we're extremely grateful and proud of this award. As part of this celebration this morning I wanted to share a brief video that culminated this year's festival. We presented this video at our recent auction produced by our staff and our chief operating officer Marilyn Clint. It's a four-minute video.

**Fritz:** I got to see this video at the auction, and we should all watch out for our famous commissioner who is part of it.

**Fritz:** Beautiful.

**Curtis:** Thank you. This time I'm going to turn the mike to our president, Sue Bunday.

**Sue Bunday:** Good morning Mayor Adams, Commissioner Leonard, Commissioner Fritz, Commissioner Saltzman, Commissioner Fish. Thank you again for giving us a few minutes to really come together and acknowledge and celebrate what we have to present to you today. This isn't done just by the two of us or a handful of people. It truly takes a team, and that team involves our 65 volunteer board of directors, our amazing rose festival staff that includes our interns that come from colleges all over. Hundreds if not thousands of volunteers that give up their time, big or small, no project doesn't get untouched. And thank you also to the city of Portland for the leadership that you have presented, your bureaus and agencies. This is what it's all about. And this is why we are the official festival for the city of Portland. I want to read a page from the grand pinnacle entry. The most important page which is supporting question d. Why should the event win the grand pinnacle award? I quote -- i'd like that delicate but determined flower. The rose festival has lost a few petals and endured a few thorns only to blossom again, sturdier, glossier, the

November 9, 2011

product of optimism, good planning, and hard work. For four weeks this June, the rose festival reaped the rewards of three years of pruning, preparing, polishing, and praying. And it smelled pretty sweet. The achievement of the 2011 rose festival was unprecedented even in light of the century of success that preceded it. Sure the numbers were impressive with growth in almost everything that can be measured. The 2011 wasn't about numbers. It was about a feeling. An air of excitement, a sense of renewal. It was a renaissance for the rose festival. A resurgence that can only come after a wrong time, sometimes lofty, sometimes labored history. And it deserves to be rewarded.

**Curtis:** Thanks Sue. I want to capture this moment and look back three years ago. I think it's significant, the leadership of this council has really provided the rose festival and specifically commissioner Leonard as our liaison, as we look back the festival was in hard times, and through the course of great leadership and this council adopting some policies to support the festival has culminated into a resurgence and a renaissance. I'll give you some examples. The historic building on the waterfront, that neon rose sign that Portlanders can be proud of, the rose city at waterfront park. Some specific budgeted relief of some fees, and most notably our official festival designation. Those are just prime examples of your actions in the leadership and understanding that this festival is important to this community, and those actions have led to success. International success, but also fiscal success. I'm happy to report that through the last three years we've had three consecutive years in the black, which was an absolute goal in rebuilding our reserves, and allowing us to put some revenues from events back to important city initiatives like waterfront park and resurfacing that park, providing some -- a donation to the David Kimmell memorial association with the golf tournament. Those things are what we do, and do well, and give back to rebuild our reserves. Your actions over the last three years have led us to this point and it deserves to be celebrated and you as our city leaders should acknowledge that. And we want to say thank you very much. I want to close by telling you an example of what the ifea is. International festival events association is made up of 2,000 events worldwide, has chapters in Europe, in India, in Latin America, and has over eight different chapters worldwide. Specifically it serves the needs of our special events industry. And being one of 2,000 events to win this great award is an honor, and to win it twice in five years is something our entire community should celebrate. We have something very special in Portland, Oregon. A lot of those folks behind me are my staff, and I want to honor them. They did a great job in this year's festival. Again, thank you for this great honor for being with you this morning to celebrate the grand pinnacle award. Thank you.

**Fritz:** Comments from council?

**Leonard:** I wouldn't mind saying a couple things. I appreciated Commissioner Fritz bringing this forward. I have always been one that have more enjoyed getting my hands dirty than I have recognizing the opportunity for events and awards, and I typically don't attend many of those. So I'm -- I appreciate commissioner Fritz putting a highlight on this, each of us here on the council for us to have this to have happened have had to get our hands dirty in the last six years or so, to put the festival in the position that it is. Before commissioner Fritz was even on the council I asked her to serve on a group with me when all of us became really concerned, although many people joke about it, and it is a source of I suppose some humor, but the festival had -- the rose festival parade itself had become an enclave to those who staked out spots year after year after year. And I just felt like and others felt like we needed to have it return back to when we were all kids, so that you showed up the morning of or the night before in your lawn chair and had a kind of festive time waiting for the parade to go by. So commissioner Fritz and I and others and Jeff put together a package that allowed better access, more toilets, bleachers, and certainly no duct tape. And then I remember one of Jeff's and my first meeting he casually brushed by this, but in one of our first meetings after mayor potter designated me to be the representative to the rose festival, which has continued under mayor Adams, Jeff and I discussed the finances of the rose festival, and I recognized as he did that

November 9, 2011

the days of the festival were numbered. That the financial model and the program as it existed was not just quickly becoming absolute, but the financial records indicated it was obsolete. Jeff and I were discussing where we were going to go at that turn in the road. And then elections happened, and people change on the council and commissioner Fish came on board, and we had a long vacant building on the waterfront that wasn't just a vacant building, it was a vagrant building. It attracted crime and homelessness, and was a detraction to an otherwise beautiful waterfront. And building off the work of citizen Fritz and then now commissioner Fritz, she and I worked together and entered into an agreement that the entire council participated in, where I will tell you, even to this day, there's nothing I'm more proud of than the agreement we entered into so that the employees of the water bureau who worked at the water bureau did the work on the building with the deal that any out of pocket expenses would be reimbursed to the water bureau by the rose festival association for the products that needed to be replaced at -- materials that needed to be replaced at the rose building. Rotted out wood, certainly the inside was a sight to behold when we first walked in, and you've done all we asked, and we've done what I think you rightly expected of us. And that was not to just say we support you, but to make that mean something. And for us that meant making sure that you had a building that you could be affordable, and for me personally, it meant getting you into a place where you became part of Portland's living room, so people actually saw you in the most visible place possible. And I want to also acknowledge the donation of Ramsey signs, because this has been widely misrepresented as well, the sign, the rose on top of the building was donated by Ramsey signs to the rose festival association. They cared so much about the fiscal stability of the rose festival. And so the work then that you alluded to once again of the fees and designation of the rose festival, the official parade of the city was done in the leadership of Mayor Adams, it would not have happened otherwise. And those aren't just words, it means then that fees you otherwise might have to pay would be waived and certainly fees that you had owed us in the past were able to be able to figure out how not to send our team of collectors after you and waive those fees. All of this, I just think this is an opportunity to acknowledge for the public that you have to connect all of these various dots, all the things that appear to be controversial actually were done with the idea in mind of preserving and maintaining this over 100-year-old festival and not just maintaining it but allowing it to flourish as only a leader like Jeff could do. So now we're not just seeing you financially stable, you're doing things that now engages the current generation. The rock and roll marathon. Jeff and I talked about the rock and roll marathon, I thought it was a great idea, he has embraced it. It is set to start a year from now?

**Curtis:** May.

**Leonard:** This coming May?

**Curtis:** This coming May.

**Leonard:** May 2012. By all indications it will be tremendously successful. He's put the rose festival in a position not only to be in the black, but he touched one of my other favorite charities, the David Camel memorial association which many may not know what that is, it's the fire bureau's memorial association to maintain the honor of those firefighters, 36 firefighters, who have died in the line of duty. And maintain the square and the plaza and help rebuild it. So you've gone from needing a lot of help to helping the community. And I just -- people ask me as I enter my "twilight" here in public life, what is -- what are amongst the most proudest achievements I have, and I have a few, but the rose festival is the top. And I don't go into all this detail normally, but I think because of this fine resolution that's been brought forward it's an appropriate time to say this -- for the broader community, I know you guys all know this, but this -- everything that has happened as of recently that would appear to be controversial was done in the context of bringing us to the place where you're now looking at being the best festival in the united states. And as I was quoted accurately, although out of context in the Oregonian, I would do it again. Happily.

November 9, 2011

**Fritz:** Thank you commissioner. Could you just remind us what the economic benefit to our city is? **Curtis:** Approximately 60 million annually. And that will grow with the rock and roll half marathon. We'll do a new study, its set as a significant contributor.

**Fritz:** Do we know how many out-of-town visitors we have as a result of the festival each year?

**Curtis:** We don't have the specific data; we haven't done the specific market research, but a fairly significant number.

**Fritz:** That's really wonderful. I think that's an additional point in addition to Commissioner Leonard's important recognition of how this all fits together. Is that it is an economic boon to the city. I particularly like the video because it reminds us that summer will come back again. We just moved the time. It's very dark and we're looking forward to another long Oregon winter. And yet summer will come again, and it's great that the rose festival is always at the beginning of that. Thank you for all of your work. Thank you for being here today and thank you all of the visitors who took the time to come to City Hall this morning. Congratulations on the award.

**Curtis:** Thank you.

**Fritz:** Thank you. With that we will move to the regular agenda. Please read the title for 1195.  
**Item 1195.**

**Fritz:** Thank you. We had heard that Washington county commissioner Greg Malinowski was thinking of coming in again, but I don't see him, so please call the roll.

**Leonard:** I wonder if we might say to our friends here, as mayor Adams often says, you're welcome to stay and watch democracy, but if you're not interested in sewers you're certainly more than welcome to excuse yourself.

**Fritz:** Thank you. Please call the roll.

**Leonard:** Aye. **Fish:** Aye. **Saltzman:** Aye.

**Moore-Love:** Adams. I think he got disconnected.

**Fritz:** He's not connected, and we don't need his vote. Aye. Please read the title for 1196.

**Item 1196.**

**Fritz:** Christine Moody, welcome back.

**Christine Moody, Bureau of Purchases:** Good morning.

**Fritz:** Please tell us what we're looking at here.

**Moody:** Today you have before you a procurement report recommending a contract award to structured communications systems for storage area network hardware software and services. Because the large portion of the city's existing san equipment will reach the end of its manufacture support life over the next several years, it must be replaced; the bureau of technology services chose to issue an invitation to bid in order to establish a price agreement to order hardware software and services on an as-needed basis. In September 2011, the city issued an invitation to bid and three bids were received. Structured communications was deemed the lowest bidder. Spending is anticipated to be 1.6 million per year for a five-year contract not to exceed value of \$8 million. I will turn this back over to council if there's any questions regarding the bidding process, and Carolyn Glass from BTS is here to answer any technical questions about the project.

**Fritz:** Questions from council?

**Saltzman:** Does this project predate the technology oversight committee? Or was this project presented to the technology oversight committee for its perusal?

**Carolyn Glass, Bureau of Technology Services:** We have engaged with the technology oversight committee. We've been working with one of the members directly in this project, and it will be overseen by the TOC.

**Fritz:** I have a question, will there be -- it says it doesn't include any bureau of technology services relate to the system. Do we anticipate there will be any increased or ongoing costs for BTS as a result of this purchase?

November 9, 2011

**Glass:** We would expect maintenance to actually reduce by replacing equipment that's near end of life. So costs should go down in that regard.

**Fritz:** You won't need any more staff to take care of it.

**Glass:** No.

**Fritz:** Thank you. This is a report. Do we have a motion to accept?

**Fish:** So moved.

**Saltzman:** Second.

**Fritz:** It's been moved and seconded. Please call the roll.

**Leonard:** Aye. **Fish:** Aye. **Saltzman:** Aye.

**Fritz:** Thank you for your work. Aye. Please read the title for item 1197.

**Item 1197.**

**Fritz:** Second reading, please call the roll.

**Leonard:** Aye. **Fish:** Aye. **Saltzman:** Aye.

**Fritz:** Aye. That concludes this morning's agenda. We're adjourned until 2:00 when we will reconvene. [gavel pounded]

At 10:06 a.m., Council recessed.

November 9, 2011

**NOVEMBER 9, 2011 2:00 PM**

**Adams:** Good afternoon everybody. Welcome to the city council chambers. It is 2:00. Today is Wednesday, November 9th, 2011. We are in afternoon session. Hi Karla, enjoying the fall color?

**Moore-Love:** Hello.

**Adams:** Enjoying the fall color?

**Moore-Love:** Yes.

**Adams:** It's beautiful, isn't it?

**Moore-Love:** It is.

**Adams:** Can you please call the roll? [roll call]

**Adams:** A quorum is present. We shall proceed. There is one item on the agenda, a non-emergency ordinance, time certain, please read the title for item number 1198.

**Item 1198.**

**Adams:** Commissioner Nick Fish.

**Fish:** Thank you Mayor Adams. And I'm going to invite Traci Manning and her team to come forward. Mayor Adams and colleagues, this is Traci's first presentation before council in her new position, so I know we will -- she has a few butterflies, I know we will welcome her and treat her as an honored guest.

**Adams:** Normal hazing shall begin.

**Fish:** Before I begin my introductory remarks I just want to thank Mayor Adams for being here at the beginning of this hearing. As everyone here knows, we would not have a 30% set-aside policy had he and Commissioner Leonard among others not been strong champions of this policy in 2006. Much of the success that we enjoy today is the result of his advocacy. But I will tell you that the mayor is here against the direction of Nurse Amanda Fritz, because Mayor Adams is sick. And so what we've --

**Fritz:** [inaudible] and I'm sitting next to him.

**Adams:** She's a psychiatric nurse. [laughter] So she knows problems when she sees them.

**Fish:** What I thought -- what we agreed to do if it's ok, is I will introduce the item, I will then turn to mayor Adams for some brief opening remarks, and then I've asked mayor Adams to go home and get into bed. But it is a sign of how much he cares about this issue and how deeply involved he is in the issue that he's here. He did participate in council this morning, but by phone. So it means a lot to me as the housing commissioner, that he is here. I'll tee it up, mayor, turn to you, and then we'll excuse you. We will not be voting today. It's a nonemergency matter. So the issue before us today is a review of the 30% set-aside policy for affordable housing. And when Traci gives her presentation, she will be able to go deeper into the thank yous. But I want to begin by thanking former director Margaret Van Fleet, Traci Manning, Jacob, Elisa, Mike Johnson, Kate Allen, David Churn and the whole team that has worked so diligently on this issue. You've made me very proud as your housing commissioner. I also want to thank the committee members who served on the stakeholder review committee, and I've asked Traci during her presentation to actually identify them, because they are a broad-based group of people, including many of the activists who originally either conceived of or advocated for a 30% set-aside. The question I think we have to begin with is why are we here today talking about this subject? The answer of course has to do with the authorizing legislation that commissioner Leonard and the mayor in particular had so much to do with in 2006. And when the 30% set-aside was created there was a specific commitment that was embodied in the legislation that in the fifth year, there would be a review of the policy. And that review would both be for the purpose of evaluating its success over the first five years, and considering any changes based on experience. So that's why we're here. And the proposal that you have before you is largely the work of the stakeholder review committee that we put together. And

November 9, 2011

as I said, that committee is largely composed of housing activists who have been deeply involved in both the creation and the implementation of this strategy. Before I highlight some of the successes, I want to thank our friends at the Portland development commission who we'll be hearing from later, for the unusually high degree of cooperation and collegial relationship through this process. As everyone here knows, something funny happened on the way to the fifth year review, and that was that housing was pulled out of the PDC and merged with the former BHCD and we launched something called the new Portland housing bureau. So a number of the changes that are before council today are designed to address the structural changes which have occurred since the adoption of the policy in 2006. And it goes without saying that it now falls within the exclusive purview of the Portland housing bureau to continue to administer the 30% set-aside with the full cooperation and assistance of the Portland development commission. So let's start with the good news. I think it's safe to say that in these trying times we need good news, so let's focus first on what we've accomplished in the first five years. Here are the key numbers I think that tell the story. Over 150 million dollars in tiff, tax increment financing dollars, have been invested in affordable homes for people that our market does not serve over the first five years. That's an extraordinary commitment by this city. And in the past two years, almost \$100 million of that invested in a number of signature projects. How have we done over the five-year period in the aggregate? Well, prior to the adoption of this policy, about 20% of tif dollars were going into housing. Since the adoption of this policy, over the first five years, we are at 33%. That means that we have spent more dollars than the 30% floor and we have outperformed. So 150 million dollars for homes for people that need them the most, and 33% of all tif dollars going to housing over that five-year period. That's pretty good news. But let's look at some of the specific signature projects that would not have happened but for tif. Let's take the Bud Clark commons. 130 units of affordable homes, shelter beds and services, the first of its kind in the country took 29.5 million dollars of tif for that project to launch. Let's take veterans housing in south waterfront. I don't need to remind people how difficult it has been to move the affordable housing agenda in south waterfront, but we've broken ground and next year we will open the veterans housing complex, a substantial investment of tif to make that happen. Let's look at our preservation agenda. When I took office, working with then director Will White, we made a commitment. Of the 11 affordable housing developments in downtown, that were at risk of losing their Federal subsidies, between 2008 and 2013, will and I said we would preserve each and every one of them. We called it the 11 by 13 campaign. Well, you know some of the projects that we've successfully saved, because my colleagues have voted on them. Projects like the admiral apartments, which is on the north side of Director Park. 37 units of affordable homes for largely older, disabled low-income residents, 3.7 million dollars of tif was the difference that allowed that project to move forward. Looking at our success on our preservation agenda over the last three years, we have successfully saved six buildings which were at risk. Home to over 500 low-income tenants and here's the kicker -- as a result, we have preserved \$50 million of federal subsidies over a 20-year period. That's the value of the project-based section 8 vouchers which we would have lost had those buildings gone to condos or market rent.

**Adams:** What was that number again?

**Fish:** \$50 million is the cumulative value of the federal subsidies over a 20-year period in just those 500 units that we've already served, but the best is yet to come because we're working diligently to preserve the other five buildings. Now, that's the good news. And that would not have happened without a lot of intentional work, a lot of good collaborations, and a lot of hard work and dedication. Let's consider for a moment the challenges we face. Tif as a resource is going to have less value over the next five years. And it's not because of something nefarious, it's because districts are expiring, because we have front loaded some of our spending, and because of compression. We will not spend \$150 million over the next five years. It will be substantially less than that. And what's the lesson to those of us who care about providing homes for people the

November 9, 2011

market doesn't serve? It is that we'll have to get serious about finding a replacement source of dedicated funding for the capital side of our work. That is our challenge looking forward beyond the next five-year horizon. So with that as the context, we want to tell you a little bit about the work of the committee, what's before you, what constitutes change and what constitutes simply an extension of the existing practice, and why we believe the work of the stakeholder committee has brought us a better product today and something which will allow us to continue to successfully meet the needs of low-income tenants in our community. So, it's my pleasure for the first time officially to welcome the new housing director for the city of Portland, Traci Manning to city council. Before I do, so mayor, could we ask for your comments?

**Adams:** It's hard to fathom that it's been five years, because so much has been done. And so much has been accomplished. The fact that we have leveraged as much outside funding as we have with tif, the fact that with the establishment of the new bureau in an entrepreneurial -- with an entrepreneurial spirit, the fact that accountability and our partnerships are clearer now with the new bureau, those accomplishments are your accomplishments as housing commissioner, commissioner Fish, and I wanted to let you know as someone who together we proposed the change, but as someone who had to leave it to you to make the change happen, how grateful I am, because it really is to get this kind of work out the door in such trying times and do a start-up business or in this case a start-up bureau, those are amazing accomplishments. And I want you to know how much I appreciate it. I know others on the council appreciate it as well. And although my time on the council will expire in 14 months, I look forward to the discussions leading up to my retirement and as a member in the community of helping to find other resources. Because among other things, what your work has shown and the work of your team has shown is that this really is, as you said, something the market on its own cannot and does not provide. And hitting that sweet spot of bringing resources to the table but proposing projects that otherwise would never happen keeps Portland what we want it to be, which is equitable. And we are focusing appropriately a lot in the last couple months on racial and ability disability equity, but you've been focused on, and the work of this team has been focused on class and financial equity, and geographic equity when it comes to access to affordable housing. So I wanted to come by and tell you how much I appreciate it and how inspiring the work has been. Thank you.

**Leonard:** Can I add one correction? You said your work will be done in 14 months. It's actually 13 months, three weeks and five days.

**Adams:** Ok. 13 months, three weeks and five days.

**Leonard:** I just happen to know because --

**Fish:** Dan Saltzman actually just confirmed those numbers. I'm not sure he was so focused -

**Adams:** I also want to add if I could before I part, because I'm no match for you today, let me tell you. Or you, or anyone up here. My thanks to -- because part of the separation and the resorting was also on the Portland development commission side and I want to thank commissioner Mohlis, is here, chair Andrews was key, Patrick Quentin before him, Bruce Warner, I want to thank you for your good work on all of these things as well.

**Fish:** Just so the record is absolutely clear, the three years that we have served together were the worst economic downturn in our lifetime, and during that period of time we launched a new bureau, with your full support, we increased funding for homeless services while cutting budgets, we opened Bud Clark commons, the first of its kind, we expanded our preservation agenda, we created new partnerships. We've had two outstanding bureau directors. And what we've learned along the way is that while we built on a strong foundation that we inherited from people named Sten and Kaffory, we knew we also had to change with the times. And we have both been changing and remodeling the house while also dealing with changed circumstances. And I cannot imagine a more difficult time to be successful in this field and what I come back to is the people in the trenches who

November 9, 2011

work with us every day and the leadership on this council to make sure that this priority got funded when other things did not. And I want to thank you for that.

**Adams:** You're just getting going.

**Fish:** Traci, with, that let me turn it over to you and to Jacob and your team, and if you could walk us through how we got here and the recommendations, and then let -- we're going to have just to my colleagues, we're going to have a bureau presentation to frame up the issue. We have four invited guests who will briefly share their experience. We have some people here who would like to testify, and madam president, at that point if we could hold the questions until that is done, then bring back the bureau staff, if there's technical questions that people have after they've had the full presentation.

**Fritz:** Sounds good.

**Fish:** Traci, welcome.

**Traci Manning, Director, Portland Housing Bureau:** Thank you, commissioner Fish. So, I get to talk about process. But, what's wonderful about that is that we did, as commissioner Fish mentioned, have a lot of assistance in doing this. It's an important process for the bureau at this time, for commissioner Fish, it gives us an opportunity to take a look at the policy at a time when we've created a new bureau, when we're reaffirming our processes and our commitment, and launching a new strategic plan. The timing, for us, has been wonderful, and it's been a good opportunity. So the process. We had a five-month process, we addressed three main questions. Should the policy retain a mandate for a minimum 30% set-aside, should the policy retain spending targets by URA, and were there any improvements that we could make to the mechanism of the policy for budgeting and reporting and the current PHB-PDC relationship. So we did this through -- in three different ways. We had a technical advisory committee, which was PHB staff, PDC staff, and OMF staff. They looked at staffing and overhead, whether that would be subject to the set-aside, they looked at how we account for program income under the set-aside. They looked at a shift from expense based budgeting to revenue-based budgeting and finally a process for adopting exceptions to the set-aside that could be carried out in a time sensitive way. And so my editorial on this process is, I actually was part of the set-aside review at that time as a member of the review committee. And as a member of the Portland advisory commission and as the chair at the time of the Oregon convention center urban renewal advisory committee. And I sat in our first set-aside subcommittee meeting and got the presentation from the technical advisory committee, and my thought at the time was, it was a wonderful -- it was very congenial, consensus-based decision-making process. I was struck by how well PHB and PDC staff were working together. It was just something I noticed immediately. And I think that's a really nice sidebar to this process. So that subcommittee that I was serving on was a subcommittee of the Portland housing advisory commission, and there were 11 committee members, including myself. There was another PHAC member, we had Kimberly Branam from the Portland development commission, Peter Parisot from the office of mayor Adams, Kate Allen from the Portland housing bureau, John Miller, who is here from Oregon opportunity network, Joni Hartman from the network of Oregon affordable housing, Guillermo Maciel from the office of chair Cogan, Daniel Ledezma from the office of commissioner Fish, Bernie Bottomly from the Portland business alliance and Arlene Kimura from the east Portland action plan. So this was -- this committee did quite a bit of work. We looked at policy targets and whether they needed to be updated for the set-aside. How the policy targets would consider geographic versus citywide needs. Should the set-aside percentage vary among the urban renewal areas, how the policy would be applied to new urban renewal areas, and the best process for amending or updating the policy as needed. So that was the committee that referenced -- that commissioner Fish referenced that included really a pretty broad group of folks that met a number of times with guidance from staff. To really look at the meaty questions that ended up being answered in the document before you. And so part three of the review process was public

November 9, 2011

engagement. We did that in a couple different ways. Staff went to all six urban renewal advisory committees, and public testimony was accepted at those urban renewal advisory committees. And then in addition, the Portland housing advisory commission had a public hearing on August 2nd that was chaired by commissioner Fish. So that is all of the -- it says five months on here, it seemed longer -- process that we went through to review the work, and before I introduce Jacob Fox, I also want to give a moment of mention, even though commissioner Fish did, to my predecessor who did a lot of the heavy lifting on this, that I am now sitting here talking about, Margaret Van Vleet, who initiated this review with commissioner Fish, and as I previously mentioned, Danielle Ledezma, who was doing the heavy lifting from commissioner Fish's office until we stole her away and she's now the director of equity policy and communications for the Portland housing bureau. Without further ado, Jacob Fox, deputy director.

**Jacob Fox, Portland Housing Bureau:** Thanks, Traci. I appreciate it. Commissioner Fish, fellow commission members, as Traci talked about, your vision with this policy has really made a difference in our community. And I know we all see it every day. But some of the specifics that you're aware of are that we've invested over \$150 million in improving the homes of Portlanders and creating homes for Portlanders. The set-aside expenditures since you created the set-aside have increased -- the investment in affordable housing has increased since the set-aside was created and now accounts for a 33% of all tif expenditures. And commissioner Fish in his comments mentioned a few projects and literally we could sit before you and list many more projects, but again, our communities are better because of this policy. One of the things that often gets not acknowledged as much as the rental housing development is that tif is also used to help low-income Portlanders purchase and fix up homes in our communities, and it also helps elderly folks in particular repair their homes so they can continue to live and contribute to our neighborhoods here in Portland. So as Traci talked about, there are some recommendations before you. And these are recommendations that were built by a broad base of very diverse group of folks. And I categorize them in two ways. There's the programmatic changes and some technical recommendations. The programmatic recommendations are well grounded and pretty straightforward. But the first is just a reaffirmation that the set-aside in our community is important and is a priority for us as leaders in this community. The second is that the development and maintenance of the zero to 30 affordable housing, that targeting our most needy citizens continues to be a priority for us. And then the third thing is that during these difficult times as much as we can streamline processes and make things easier for folks that are taking our money and serving the poor, we want to do that while maintaining sort of oversight at the same time. So one of the ways that you'll see this is instead of a separate set-aside report we will be merging our report about set-aside investments into the PHB annual report. So related to technical recommendations, I would mention a few to you. In that the calculation for set-aside funds is shifting from an expenditure base to a revenue base calculation. And that program income, so when we invest in projects and those projects pay us back, instead of it going into a pot that's split between PDC and PHB, funds that PHB invests will come back to PHB and funds that PDC invests will come back to PDC. And then lastly our staffing and overhead costs will come out of our 30% for PHB and staffing and overhead will come out of the 70% for PDC. So those are the programmatic and technical recommendations. It is an honor to serve you and I believe my job now is to turn it back to commissioner Fish to introduce our guests.

**Fish:** Thank you, Jacob. I want to pick up on something that you said, because I think there's been some confusion about this. The fifth year review that the council required upon adoption was not for the purpose of determining whether this policy would be renewed or not. The policy continues. The purpose of the fifth year review was to have a sufficient body of evidence to evaluate whether in fact it was functioning as intended. And I would just for those who are new to this, will tell you that one way that we gauge the effectiveness of this program is to look at five-year rolling averages. You can't really take a point in time and get a particularly good measurement because of the

November 9, 2011

vagaries of how we spend money and what projects are in the pipeline. A five-year rolling average gives us a better sense of how we're doing. And it was at this time that the council wanted a report back on what we've accomplished, and whether there were any kinds of modifications to strengthen the program. That's why we're here. So, thank you both. We have some invited guests. And I'm going to ask all of you to come forward if you would. Starting with John Miller, executive director of the Oregon Opportunity Network, Steve Messinetti, why am I blanking - - who is the executive director of Habitat for Humanity. Is Elisa Harrigan - you're here, Elisa Harrigan, Elisa is the executive director of the Community Alliance of Tenants. And I'm also going to invite John Mohlis to come forward, from the Portland Development Commission. And these are our - Patrick, are you testifying too? Let's do these three and then we'll have you two up, excuse me. Thank you all for taking time to join us. And Steve, why don't you tee it up.

**Steve Messinetti:** Great, Steve Messinetti, executive director for Habitat for Humanity, Portland Metro East. Thanks for having me here. In Habitat, we've been around for 30 years serving Portland, but it was just in 2009 that we received our first allocation of tif funds as a result of a competitive rfp process to build some homes in Lents. And since then we've completed 21 homes in the Lents community, with an average tif amount of \$35,000 per home. And we've actually leveraged that now over 400% in just the additional community private investments in those projects. Each home habitat builds is sold to a family under 60% mfi, which is our policy, but I think it's important to note that these 21 homes in Lents were sold to families that had an average median income of 41%. One of the things that tif has allowed us to do is serve families with lower incomes and to serve more families. Those 21 families, 90 percent of them are minority families, and habitat builds family housing. In just those 21 homes lives 37 adults and 54 children. So these are three and four-bedroom homes, kids who now are not moving from home to home but now have the stability that comes with a permanent home. The financial impact is also important to us as an organization, and I think to you all as well. Most of the families we work with are paying tremendous amounts of their income often over 50% to their housing before they come to habitat and then we require and ensure that once they buy their habitat home their payment is less than 30%. And we're able to do this through a zero interest loan program we have, and that has a huge impact immediately on families. The average habitat mortgage is about \$600. The long-term impact is maybe even more significant for our city. These families who typically have no net income going into their first home, within 10 years assuming no appreciation of that home, the family has at least \$50,000 in equity. Again, thanks to that zero interest mortgage all of their payments and principle go to help build up their own equity. And while housing is not often considered part of economic development, I believe the impact for our city is also significant, not just because these families now have financial stability so they can contribute, but in this case, the 21 homes we've built over 1.2 million dollars was spent directly to local contractors over 50 local contracts and the value of those homes is over 3.2 million, which increases our local tax base as well. And I thought I'd share just a short excerpt of one family who moved into one of our first homes in Lents, Sandra Aguio. She says my name is Sandra Aguio, my husband martin and I and our three young children used to live in a dilapidated trailer located about a mile from where our new habitat home is in SE Portland. The trailer had a leaky roof, wet floors under the carpet. I work in retail and martin works in a print shop and we barely made enough to pay the bills and buy food and didn't have anything for the extras. The damp and mold caused our oldest daughter, Sandy, to develop asthma and her health declined. As her health declined we knew we needed to find a solution to our housing situation. In 2008 we were accepted into the habitat program and in 2009 moved into our new home. When we moved my daughter Sandy was smiling in her room and she said "mom, this feels so good." and I said, "why?" and she took a deep breath and said "I can breathe, I can breathe." So I am mainly here to say that the tif set-aside works. We see it working

November 9, 2011

and transforming family's lives, and believe it works in our communities in providing stability for families and also an investment in our financial future.

**Fish:** Steve, thanks very much for joining us. Last year the team at the Portland housing bureau had the opportunity to volunteer a day's service at that Lents development, and assignments were made based on people's capacity and their skill set. I don't know what it says about me that I was asked to measure the windows, but -- with a tape measure, but it perhaps kept me out of harm's way, but congratulations on your good work.

**Messinetti:** Thank you.

**Fish:** John Miller is the executive director of the Oregon Opportunity Network, and it was previously known as --

**John Miller:** Community development network.

**Fish:** And once upon a time headed by our friend Sam Chase. And this organization was central to the development of the policy and the advocacy for the policy. So John, thanks for joining us.

**Miller:** You bet. I'm John Miller, executive director of Oregon ON. And absolutely, back in '06 and even a little bit before that as we were -- as this became an idea and then a reality, we worked very hard at trying to set up the parameters of the program, and I want to thank Commissioner Leonard for carrying a lot of the weight through that process. He did an excellent job in making sure this program came forward in the way that the community was hoping. And so Oregon ON currently has 18 members in the city of Portland, we represent about 12,000 units here in the city. Back in '06, we had very little opportunity to get funds to build. Often times we were competing with other programs and other initiatives that were out there, especially when it was -- all the money was within PDC. It was harder to get some of those dollars for affordable housing when there were other economic development activities going on. And often times the affordable housing would be left out. And thanks to this policy, it's proven to be quite effective, as you can see. \$150 million, 33% over the last five years that is as good as or better than we had hoped, back in '06. And we're excited about the next five years and forward. So several projects that have been mentioned today, many of those were developed by our members, probably all of them, frankly, and it's just made a huge impact for us and for all of our organizations. One of the -- it's very difficult to come by flexible funding. A lot of funds that we get from the federal government have strings, sometimes some money doesn't like to play in the sandbox with other money, and so forth, and the TIF set-aside dollars is very flexible, and it can easily be -- come into projects and fill holes that we can't use other funds for. So, that's been really critical. A couple of things I wanted to talk about. One of the things -- I sat on the committee that created these recommendations. And one of the things that we really strived hard to retain was the minimum. A minimum of 30% to be spent across the city. And that's really critical. And also, along with that retaining the spending targets in each district. Like that was critical as well. One of the things that we've seen nationally in urban renewal often is that areas get redeveloped, but then the folks that lived there before can't afford to live there anymore, and they have to move out. And so, you know, we strongly believe that keeping that minimum in there and doing it by district has been a critical tool and making sure that the displacement, while it doesn't completely eliminate it, it certainly creates opportunity for people to continue to live in the neighborhood once the area has been redeveloped. And I think that's one of the really positive impacts of this tool, and that's why keeping the minimum in place is so critical. As far as the importance of the dollars from zero to 30, one of the -- as I mentioned earlier, it's very difficult to find funds to help to build zero to 30 units. There can really be no debt on a 0-30% project. And in order to get to no debt, it's pretty -- it's a pretty tough go. One of the things that the TIF set-aside dollars has enabled us to do on several projects is actually get to that no debt level, and actually effectively build and operate over long-term these zero to 30 projects. And without the -- with the focus on 0-30 with these dollars, it would have been really difficult for us to build and maintain those projects. So I think on behalf of all of our members and actually, as a former CDC

November 9, 2011

operator with host development and we used these funds as well to develop some houses in Lents, we're very pleased with the outcomes of this process. We're thrilled by the first five years and we're looking forward to the next. Thank you very much.

**Fish:** Thank you John. And before I introduce Elisa I want to just pick up on something you said, because it's very important. That – and there's been confusion I think in the last few days about this.

We have retained the spending targets and the income guidelines, that has not changed. But you did mention the term minimum. And there's a little bit of a story here that is important that we tell. The focus on a minimum of 30% did not actually come out of the committee's recommendation. The committee did believe that the existing language was sufficient to communicate that intent. And the committee I think generally viewed 30% as a floor not a ceiling, but did not believe that the term "minimum" needed to be included in the presentation. When the recommendations came to the director and me for review, we felt that as -- since this document was designed to survive this council and guide future councils, we thought it was important to explicitly put the term "minimum" back in. Not because we didn't think the committee intended that, but we thought that the language needed to be there so that it was unmistakably clear. The term "minimum" is in the proposal that is before council. It evidences my belief that the 30% was intended to be a floor, not a ceiling. It does not compel council to spend more than 30%. But it is an important philosophical marker, and that was put back into the recommendation by the director and the commissioner in charge. Thanks very much. Elisa Harrigan is the executive director of the community alliance of tenants and the other night Dan Saltzman and I had the pleasure of joining her for their annual meeting and dinner and Dan received a low-income housing champion award for his work with building inspectors in our community. And I was honored to receive an award for our work on fair housing and - thanks for joining us today.

**Elisa Harrigan:** Thank you. Good afternoon. My name is Elisa Harrigan, I'm the executive director of the community alliance of tenants. Our mission is to educate and empower tenants demand for safe stable and affordable housing. CAT has approximately 2,000 members and about 800 supporters in the Portland area. And in general, nearly half of the residents in Portland are renters. It's really important to mention about how many people we're impacting with this. We came to council with our allies and partners just over five years ago, I was here often coming and doing testimony and coming and seeing many of you with residents who were struggling with their housing needs. And being doubled up and tripled in their homes because there wasn't enough affordable housing. Over the years we've been tough to please, particularly in affordable housing because it impacts us so much as members, as staff at CAT and board members of the community, we have all been impacted by these issues. Not just by people we're helping, but us individually. And so the tif set-aside has been important to us. The 30% getting to that part that we can talk about it as a minimum is huge because before it wasn't even part of the conversation. It was such a struggle to get to that point. CAT and other agencies like 2-1-1, we're the ones on the ground fielding calls from distressed renters in the community who are having to make those terrible choices about going into homelessness or what they do. They're at their wits end, and they are at the very end. And if they call us, unfortunately towards the middle or the end of the month, we don't have very much good news to tell them. So we're the ones dealing with the cries, the tears, trying to give them any tips and strategies on how to resolve this. A few years ago the burden was a little bit worse; it's eased up as we're seeing more units being built in inner Portland. As we were seeing our members being pushed out to Gresham and Beaverton, we were pleased to start seeing construction of block 49, Bud Clark Commons, Shaver Green apartments, but we're seeing our members going back into inner Portland and being able to go back into their communities. So, this is a huge delight. We are going to continue to work as advocates to hold city staff members and council to the numbers that are measured in the policy. This is essential. These homes, you know we talked about it five years ago, in order for hard working families and children to succeed they

November 9, 2011

need a place to call home. It makes a difference with hunger relief, with the success of children in schools. So this is vitally important. You know, and it's not a renewal, but I would say it's a recommitment to moving forward in this and having that investment moving forward. We need to invest in housing in order to invest in our communities and the success of Portland's richness and diversity. Our members thank everybody who has participated in making this happen. We've seen great success, particularly in the later years. We're finally feeling the burden lessen a little bit, and so we can't wait to see what's going to happen in the next five years and to see more of these units going up. And that the intent originally that was passed five years ago continues to move forward. Thank you.

**Fish:** Elisa and Steve and John thanks very much for joining us today. Madam President, we have two more invited guests and that will then conclude our formal presentation. We're joined by Patrick Quinton, the executive director of the Portland Development Commission, and John Mohlis, a distinguished commissioner of the PDC. Gentlemen, thank you for taking time to join us this afternoon. And I'll let you decide who goes first.

**Patrick Quinton:** Thank you, commissioner Fish and fellow commissioners. Yes, commissioner Mohlis and I wanted to join you today just to voice our support for adopting the new policy and in fact our commission is meeting shortly to review and hopefully adopt the same policy. So we'll make our remarks brief and we'll head off to our board meeting. I'm just going to start off and just talk a little bit about the relationship that I think commissioner Fish and as well Traci and Jacob have mentioned. We truly do enjoy a great relationship with the Portland housing bureau. And I think if I was to channel our board chair Scott Andrews he would say that back in 2006 and then in 2009 when the Portland housing bureau was created there was a lot of consternation about what this would do to PDC and I think now, in hind site, we can see how not only effective this set-aside has been in achieving the city's affordable housing goals, but also how effective the separation of the two entities has been. And so I think it's just - will make the next five years even more effective and we look forward to working with PHB and commissioner Fish during that time. And then on the process, I know Traci was stuck with talking about the process, but we do just want to congratulate PHB and your staff commissioner Fish, on a thoughtful process. We were involved along the way, we had significant involvement in the technical committee and the technical stuff matters. And I can tell you the people who administer the set-aside from both bureaus, both our agency and the PHB are very happy with the technical changes, they're the ones who live with the accounting all the time, and on the stakeholder side, Kimberly Branam was our representative and I think she felt like the conversations were very productive and earnest, and as you mentioned, we reached common ground. So we look forward to the next five years, and appreciate the great working relationship that we have. And with that I'll turn it over to commissioner Mohlis.

**Fish:** John welcome.

**John Mohlis:** Thank you. Good afternoon President Fritz and commissioners. I'm pleased to be here. I actually had some talking points and some of them were a number of the projects actually I think all of the projects that have been built since this policy was enacted. And since a number of them have already been referred to, I'm going to take a different tact. I was -- I've been on the PDC board for about five years now, so it's been very interesting to watch how the tif policy has gone into effect, all the projects that it's funded, I think the differences in people's lives that have been articulated by the earlier guests. I was going to speak briefly to the good relationship that we've enjoyed over the past several years but I think Patrick has done that very well, so I won't go there. I guess I'll just close real quickly because we are -- we have a board meeting very shortly. Just by saying that one of the projects that I think you mentioned earlier commissioner Fish, is the Blanche house, and that's just coming out of the ground right now, literally. And so, it's always good to see construction workers going back to work, you mentioned the very difficult economic times that we've been in for the past three years, and the Bud Commons project, the Ramona project, a number

November 9, 2011

of these other projects that have occurred in the last three years, probably have literally made the difference between some of these construction workers hanging on to their own homes. So it's very meaningful for the clients that they serve, it's also been very meaningful for the people in the building trades that have had the good fortune to work on these projects over the past three years. I took a tour of the transition project where the folks were before Bud Commons opened. And I don't -- I can't remember the cross streets, I should, I know Traci would know. But folks were in a room this size with bunk beds, literally in a hallway from here to that table. When folks that weren't in the facility came in for showers, they walked through those folks' living areas. And then back out. I took a tour of the bud commons when it was in the finish stages and what a beautiful facility that it is. I couldn't make the ground breaking or excuse me, the ribbon cutting and the moving in ceremony unfortunately, but what a difference that it certainly has to be making for the folks that are in that facility, and the other ones that were talked about. So just pleased to be a part of this, thank you commissioner Fish for your leadership, mayor Adams had the good sense to go home before he hopefully infected all of you, but I know he worked hard on it, and all your staffs who lots of times don't get enough credit. So thanks very much.

**Fish:** Thank you gentlemen very much. That concludes our formal presentation. I think there's some people signed up to testify.

**Fritz:** Thank you. And I would just like to mention as the PDC folks are leaving that I concur with their assessment about the importance of set-aside, which we've done for the right reasons, and has proven even more worthy in these tough times while people really needed affordable housing and construction workers needed to keep working on housing projects. So thank you very much. Please call the first three.

**Fish:** Why don't you both come forward if you could?

**Fritz:** Welcome to city council chambers. We just need your first and last names. We don't need your address. If you are testifying on behalf of a lobbying entity we need to know that. And then you have three minutes each. And the clock helps you count down.

**Claire Corwin-Kordosky:** Alright, I'm Claire Corwin-Kordosky, and I'm representing the league of women voters of Portland. The league has been -- has a long history of involvement in both urban renewal and affordable housing, and actively participated in the 2006 set-aside policy discussions. For the most part, we're pleased with the draft policy under consideration today. We strongly support maintaining the 30% set-aside as a minimum and continuing the annual reporting utilizing the established income guidelines. State statute requires that urban renewal plans and tif tax increment financing expenditures for each district comply with the city's comprehensive plan. According to that plan, housing and redevelopment areas should be affordable to household incomes reflective of the city as a whole. The set-aside resources are not sufficient to meet the standard. But they do ensure that a credible effort is made in each district. It appears the city is abandoning 30% set-aside requirement for individual urban renewal areas. If this is so, we are concerned that some will not comply with this provision. We fear pressure will be exerted to spend the set-aside dollars on housing east of i-205 or in north Portland because it is challenging to develop low-cost housing in the central city. By retaining the specific targets and creating housing for those most in need within each district, families and individuals of all incomes will have the opportunity to benefit from the increased attention and public investment that takes place within the boundaries of an urban renewal area. In light of the fact that the demand far outstrips supply for units affordable to households earning below 30% of median family income we urge you to include a statement in the policy -- identifying development of those units as a priority. Some have suggested that set-aside resources be spent on student and middle income workforce housing. Tif funds typically are combined with money from other sources that limits access to students. In light of the scarcity of low-income housing funds, the city must invest in a way that maximizes the use of outside resources. Furthermore, we acknowledge the desire for middle income households to have

November 9, 2011

more housing options particularly in the central city. However, given the tremendous need among the lowest income families and workers for safe and decent housing, we believe meeting their needs should come first. Finally, we would like to thank council for it's commitment to affordable housing and commissioner Fish for his leadership.

**Fish:** Thank you very much.

**Corwin-Kordosky:** Thank you.

**Susan Emmons:** My name is Susan Emmons, I'm the director of Northwest Pilot Project. When I came to work this morning there were 14 people in our lobby, we had the staff and appointment slots to serve four. We serve very low-income men and women age 55 and over. We help with emergency transitional and permanent housing, and we touch the lives of about 3,000 people each year. The greatest need of the people who come to our doors is an affordable place to live. I've been in my job for 26 years. Every needs assessment that the city has done tells us the same thing -- the greatest housing need in our community is for people with an income of 30% of median family income or less. I'm sharing with you northwest pilot project's 2011 downtown Portland housing inventory. In spite of adding the Bud Clark commons, in spite of commissioner Fish and the exceptional job that you have done in the city in preservation, we continue to lose ground. And you have done an exceptional job in preservation, and we really appreciate it. We believe the same loss is seen in neighborhoods across the city. We're never going to end homelessness in Portland if we don't reverse this trend. On page 4 of the packet I'm giving you, you'll see a chart comparing renter households and availability of units in Portland. The only category of low-income renters that has a shortage of units is the 0-30% of median income range. This chart needs to be updated but we believe the deficit is over 12,000 units citywide. We support maintaining the 30% set-aside as the minimum and continuing the annual reporting utilizing the established income guidelines, it's great that you've done that. But we think you should include an additional statement in the policy that prioritizes the development of housing for people of 30% of median family income or less. It's easier to make the deals pencil for those at 60% MFI, but that isn't where the greatest need lies in our community. These resources are an exceptional opportunity to respond to an unmet need in our community, and we strongly urge you to include unit goals in the proposal you adopt. We have to be able to understand what we can accomplish with this resource. The city has made a strong commitment to equity and this can be a first step towards addressing the housing inequity that exists in our city. Housing is fundamental to achieving equity and we will never get there as a city until we can say that we have rental housing affordable to all of our citizens. In terms of the geographic distribution I'd just like to say that I believe in the goals of the comprehensive plan, and our original vision that housing created in urban renewal areas will match the city's income profile. In 2011, 14% of the citizens of Portland have incomes of 0-30% of MFI. If we're really interested in equity the way to have our urban renewal areas benefit all of our citizens is to prioritize developing housing for the poorest of the poor, and again, south waterfront is great, but we're getting 42 units, we have over 42 units out of that building will be affordable to people with 0-30% of median income and there are over 2,000 units in south waterfront. We're getting 42.

**Fish:** Susan, before we lose you, because it's a treat to have you before council.

**Emmons:** O.K. Thank you.

**Fish:** If I could make a comment and ask a question.

**Emmons:** O.K.

**Fish:** We don't have the time here today, but Susan has the best Mark Hatfield story I've ever heard. And probably all of us have heard it in different versions, but it has something to do with her being in a bathtub and getting a phone call late at night from someone who had just come off the senate floor to do something that Susan had been the prime advocate for, which was replacement dollars for lost housing downtown, through I guess the development of the courthouse. And I have had the pleasure of your presentations when I was on the board of then the housing authority of

November 9, 2011

Portland, and now as the housing commissioner. Today I learned, from our lobbying team, that the proposed cuts that may come out of Washington on both the home program and CDBG and including some caps on our -- the so-called administrative cap question, which would bring from us 20% to 10%, are going to have a significant impact on our ability to use that flexible resource to do our preservation agenda. I've mentioned before that the tif cliff is going to mean that we're going to have fewer tif dollars. You and I know that this work gets harder in a tight rental market because rents go up and there's also the temptation, people are inclined because of market forces to develop more units at the -- at those higher rates than at the 0-30. Do you have a suggestion or two in addition to your testimony for things that you would like this council to think about over the next year through the budget process, and in our strategic work about other financing mechanisms, creative ideas where we can meet our shared goal of providing homes for low-income seniors, and families?

**Emmons:** I guess I would just say that I think there's this tendency to build for the upper end of poverty, because we can get more units. And I understand, it takes a deep, deep subsidy to build for people of 30% of median or less. But that's where our need is. And I would say we should go for fewer units. I think we have to much more closely align with Home Forward our housing authority, I think they can bring project-based subsidy, I know it's tight but I don't think we tried hard enough in south waterfront, I understand that was before your time. I think instead of getting a building of 209 units where we have 42 units at 30%, I think we could have gotten many more units in that building. And again, I think you got the best deal you could get, what you inherited. But I think we need to be much more thoughtful about how we partner. But I think there is this tendency to build for a population, that at least according to the needs assessments and the numbers we have, we actually have an excess of units, for those people. So -- and I think that it's a hard message, but I think that we need to build for the people in greatest need.

**Fish:** And, what I will tell you is that while our strategic plan, that we've just developed, focuses on 0-30, and focuses on the group -- .

**Emmons:** It's wonderful. I appreciate it.

**Fish:** That you champion. What I will tell you what's frustrating for us is the kind of federal cuts that are being contemplated are precisely the dollars which we use to subsidize those deeply affordable units. And so as tif declines, which is our ability to build units, and our federal funds, which is our ability to buy down and subsidize units, we're kind of getting hit with a double whammy. And it may -- it may be a case not so much of a lack of will, but the challenge of putting the financing together. I will tell you though that your comment about better alignment with Home Forward strikes a chord with me around section 8 vouchers. And I know you've been fighting this good fight for a long time. There's a tension as my colleagues know in the section 8 world, between housing choice, which is you get a voucher and decide where you want to live, and project-base, which parks it in a building undercutting a little bit of the choice, but creating a permanently or semi permanently affordable unit. In our preservation work, we want to maintain project-base subsidies, because we want those units to be affordable for 20 years. It doesn't necessarily help our community to give someone who's been kicked out of their unit a section 8 voucher because they may move to another state, they may move out of our community, they may lose the voucher for administrative reasons. It's a much better investment to keep it in the unit. But I appreciate your comment that we may want to be thinking about better alignment with our housing authorities to use those vouchers in a project-base. I think that's a point well taken.

**Emmons:** And I would just say as a specific example with Home Forward, they're building the Peter Paulson that was the first replacement housing for the courthouse. When we opened it was affordable to our folks. We have taken it out of our inventory because it now rents for \$490 a month. You know, and to me is there a creative way to look at those, is there a way that some tax increment and maybe not a lot could have drawn down the debt on that publicly held building? I

November 9, 2011

mean I compared those units to a parking space. It's still a wonderful building, but their studio units for 171 square feet that rent for \$490 a month. And so, if there was some way of creatively thinking, could we get that rent down to \$425, we could get our folks into it, they can't afford it at \$490. So, it's just - there just may be some creative things that we haven't been thinking of.

**Fish:** I know Traci is having lunch with you next week. And we have -- we really want to go a little deeper on that and strategize. So thank you both for being here.

**Emmons:** And thank you for your leadership on this. It is an important policy and I appreciate all the remarks that were made.

**Fish:** Thank you. Let's have our team back. Traci, I have a question, and my colleagues may, and then we'll bring this to closure. I want to ask you Traci, or Jacob, about something that's in the prepared testimony for league of women voters. Because I believe there's been some confusion on this point. And the person who testified said that it appears that there's been an abandonment of the 30% set-aside requirement for individual urban renewal areas. And I want to clarify the record on that. And I'll tell you my understanding and you can tell me if I've got this right. The proposal before council maintains the targets that were established in 2006 by district. And those targets recognized that not every district is made the same, and some districts have less developable dirt, fewer opportunities, so, for example, the Oregon Convention Center was pegged at 26% and the central east side was pegged at a lower rate. Overall in 2006, the aggregate had to be 30% or higher. My understanding is that this proposal maintains the targets and specifically says in the aggregate we must have 30% or more of tif dollars for affordable housing. Is that correct?

**Manning:** Yes.

**Fish:** So I just want to assure our friends from the league, because I know Debbie you were at the table during a lot of the committee work, that we are not abandoning the 30%. I believe what we are doing is continuing the momentum of that policy, we're making some technical changes, we're clarifying what the practice has been, aggregate minimum, but I want to assure you and the good folks at the league that we are in no way abandoning this policy and I don't think this council would stand for that. But that is not what is happening. So I turn it over to my distinguished president, if there other questions from my colleagues?

**Saltzman:** So, welcome Traci.

**Manning:** Thank you.

**Saltzman:** In your new capacity. So as I'm reading the policy, so we can now invest in up to 100% of median in projects that provide --

**Manning:** That actually has not been a change. It is -- the last ordinance did say 80%, but there is now and was in 2006, I can refer you to page one of attachment A, that specifically calls out one instance, and that was in the 2006 policy, but I to go back and check as well. When we've got three-bedroom units or more, they can be restricted to 100% MFI and below.

**Saltzman:** Oh, O.K. great. And this new policy, does it state unambiguously, that for new urban renewal areas, that student housing is not eligible for set-aside funding?

**Manning:** I don't think it actually says that in the policy.

**Fish:** What the policy says on student housing is that if -- that it is the council would decide -- does not specifically say it's in or it's out, because it's agnostic on that point, but it makes clear that it would take an action of the council to place student housing into the mix. That would specifically require council action; it cannot happen without authorization by the council.

**Saltzman:** Council as opposed to PDC?

**Fish:** Well it would have to have, probably by both, but this body would have to vote to reallocate funds in a current or future district to a purpose that is not specifically enumerated. We do not have a current policy on student housing, so if there was a proposal, which there is not currently before us, but if in the future there was a proposal to fund student housing, for example, that would require a vote of the council in effect to permit that and modify the policy.

November 9, 2011

**Saltzman:** So, I guess I'm maybe not clear why we're being so agnostic about that. I mean these are real life possibilities that will be discussed in the context of an innovation quadrant and I don't think the majority of your stakeholders believe that student housing should be eligible for this money.

**Fish:** Well, Commissioner, Dan, to that point, we are on a regular basis in conversations with people about all kinds of uses of tif that don't fit within our policy. There are neighborhoods in this -- in districts in this city that don't agree necessarily with the guidelines and targets which have been established, believe that there should be more for homeownership than for rental, those kinds of things. There are discussions about, you know, proposals for student housing and other things. We did not want our policy to anticipate every potential variation of existing policy; we wanted to be clear that any change in this policy would require the concurrence of PDC and the council. And we think that's the best safeguard, and ultimately then and now this council has the authority to modify this proposal with the majority vote. Always has been. So we didn't feel it was important -- we did not think it was appropriate as part of the committee process to anticipate every possible use and then set up a contingency.

**Saltzman:** So we make no statements about homeownership versus rental?

**Fish:** Homeownership is specified in the income guide -- in the particular targets by district and the income guidelines. There are splits around rental housing within certain ranges, homeownership, those have already been established in 2006 and we have not changed those targets. If, for example, I'll give you an example, if let's say in the future someone proposes, for example, to use tif in another district to deal with foster children, or a different kind of use than we currently fund, that, for example, could come to council and be voted on, and the council in its discretion could decide to allocate that money. We did not think in this policy review it appropriate to set up a contingency for how we would address that question. Any member of the council has the right to come forward with a funding proposal, and how current or future district would be expended. This requires action by PDC and the commission.

**Saltzman:** I appreciate that explanation. I just thought there was -- I was under the impression that the majority of the stakeholders felt student housing shouldn't be covered. Is that part correct? I just want to make sure I'm --

**Manning:** To my knowledge, on the set-aside committee we've never tested the majority of stakeholders. There's certainly a lot of stakeholders that aren't not a fan of the idea of using it for student housing, as a developer, former -- recovering developer I know that the regulations around things like one-year leases, and low-income housing tax credits which we use in, would you say most of our developments specifically prohibit people being a full-time student. You can take a couple credits, but I don't think most people consider that student housing.

**Saltzman:** O.K.

**Manning:** So I would say that and then I would say that very often full-year leases are required, again, not so much for student housing always.

**Saltzman:** O.K. Thank you.

**Fritz:** Thank you for your presentation, and on process, sometimes a good process results in both chambers of the house being filled as it was in 2006, I remember sitting right up there with my sign, in my jeans, which were much more comfortable than what I'm wearing today, and sometimes a good process results in a lesser number of folks who have been following the process coming in at the end with their concerns. And so either way I think that this particular process and commissioner Fish's leadership of it, is evidence that there has been a good amount of vetting in the community with stakeholders, with everybody to get to this proposal. Because otherwise you could bet that there would be both chambers of the house filled and we would be here until late into the evening. So thank you for that commissioner Fish and for everybody who has participated. I just have some questions about the numbers and how you got to the percentages in this set-aside. I note that there's

November 9, 2011

a 30% floor system wide, and then we have a number of 18% for central east side, 21% for downtown waterfront, and 26% for Oregon convention center, which are the three that are less than 30%, gateway, interstate, Lents, and river district right at 30%, north macadam at 36% and south park blocks at 52%. How did you get to those numbers?

**Manning:** O.K. I'll do my best and Jacob will tell me when I'm wrong. So this is what we have tried not to say because it's sort of the geeky policy part, the blended portion of the event. So for the first five years of the policy, we were going on expenditures in terms of how we had our numbers. Going forward, we are counting -- we're going against revenue. So that's one reason some of these numbers look different than they did five years ago, and in some cases like south park blocks it's actually a much higher number because of the aforementioned preservation, we actually ended up spending a lot more money on affordable housing, so yea for that. Most of these numbers are the same numbers that they were in 2006 with a few exceptions. North macadam was, so the original language was, very detailed in a couple of cases trying to speak to the fact that every district is different. So in north macadam, the council wanted 39% for the first five years, and then 30% for the second five years. We haven't changed it, but ends up getting reflected here as 36%. Downtown waterfront is the same as it was in '06, convention center is the same as it was in '06, interstate is the same, Lents is the same, river district is the same, south park blocks is more, and central eastside is more by 3%, which I believe reflects actual expenditures, including detox.

**Fritz:** Yes, that's a good one. I appreciate that explanation. So, for instance, the south park blocks one reflects actual expenditures and a higher percentage because we did the preservation housing is that correct?

**Manning:** Correct.

**Fritz:** And so some have expressed concern that we would be targeting more affordable housing to gateway and points east of 205 and that's not in the plan.

**Manning:** Those numbers are the same.

**Fritz:** And we're talking here just --

**Fish:** And we're also, just to be clear, we're talking about tif.

**Fritz:** I was just about to say that, commissioner Fish.

**Fish:** Oh, excuse me.

**Fritz:** We're talking about tif which is not the same as the tax increment financing in urban renewal districts, which there are other programs of tax abatements which commissioner Fish is also leading another process, which he'll be coming back to council about in the future.

**Manning:** Many processes.

**Fritz:** Many processes, good - You know, process can get you some very good results. So, thank you, I think that covers -- so, there weren't -- the only 100% homeownership is for those larger housing units for families.

**Manning:** Correct.

**Fritz:** And the rest -- and could you just speak quickly to Susan Emmon's point about we should be -- we don't need to be investing as much in the 30 to 80% because we have a surplus of those housing units?

**Manning:** I could try. I could see if Jacob has something brilliant to say about that.

**Fox:** First I was impressed by her first answer. She's only been here two weeks. It was good. So I think commissioner Fish's office and at the Portland housing bureau, we absolutely agree with Susan's comments, that there is a neighborhood 0-30. I think the thing that I would add though is for properties that are developed at 60% as she pointed out, actually section 8 voucher holders, tenant-based voucher holders many times go to those units. So, even though the unit is set at 60, a person living in that unit many times can be 0-30. I think commissioner Fish made an excellent point, and Susan did as well, that developing 0-30 is tough. And it takes a huge up front investment and we simply don't have it in all these districts. So we do need that ongoing operating support or

November 9, 2011

ongoing rental subsidy to couple with our city investment in order to really achieve a lot of scale at the 0-30.

**Manning:** And I guess I'd like to sort of just reaffirm as commissioner Fish did, the bureau's commitment to 0-30. I think it is the only income range that is called out in our strategic plan, I think frankly the commissioner knew what he was getting into when he hired me and I've got a big commitment to 0-30 and I know that he does, so -- and that the whole bureau does. So I would echo Susan's comment in that we can do better and we will.

**Fritz:** Thank you. Those are my questions and I just had a comment, which was to commend Habitat for Humanity on being able to provide homeownership for people at 41% of median family income. That is a great model for an investment of \$35,000 of city money to then put that money back into the community in the construction, leverage it with volunteers, and I think that that's maybe what you are alluding to in part with your thinking of how we've got, and commissioner Fish also, as federal resources continue to dwindle, we've got to find more ways to get more for the public money, and I really appreciated that example because it shows it can be done, it has been done and we must continue to do it. So thank you very much for this presentation, commissioner Fish. Do you want to have any closing remarks?

**Fish:** Randy do you have anything?

**Leonard:** I'm very impressed by the collaborative work that's been done, having worked with commissioner Sten closely, when we developed this policy. What is remarkable is what's not being said, there was a lot of antipathy at the time, directed towards the Portland Development Commission, we developed this policy and a number of other very specific policies to, there's no other way to characterize it but to reel in a PDC that a lot of us felt was out of control. And I only say that in the context of current PDC that is very much collaborative working with the council, but is I think remarkably more effective in developing this kind of housing and particularly with commissioner Fish doing the great work he's done, of course I'm a huge fan of Traci's and I'm so pleased you're on board.

**Manning:** Thank you.

**Fish:** I'll just wrap up, Madam President, by thanking my team, Jacob, Traci, Daniel, everyone who is here, really appreciate it. This is not the glamorous part of our work. But you kept faith with what we committed to, which is, you engaged the community, including the activists in reviewing this policy and making recommendations, and you brought those recommendations forward. These I think over time will enhance the program, but our challenge is not about adding or subtracting details from this program. Our challenge is finding a replacement source of funding to continue our work in the future. Because as we debate the merits of this in our collective commitment to continue this work, we face looming shortages of funding at every level which will make our work even harder. I can't tell you how pleased I am to have the leadership team we now have at the bureau, and to have in addition to the crack team that you inherited, our new director. And I want to thank you for the work did you on this and I look forward to the work we're going to do ahead. And this will of course go to a vote next week. Thank you all.

**Fritz:** Thank you. That concludes this week's session of the Portland city council.

At 3:18 p.m., Council adjourned.