



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 4TH DAY OF JUNE, 2014 AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ellen Osoinach, Deputy City Attorney; and Jim Wood, Sergeant at Arms.

Item No. 554 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

The meeting recessed at 11:14 a.m. and reconvened at 11:33 a.m.

COMMUNICATIONS	Disposition:
538 Request of Sarah Hobbs to address Council regarding lack of mental healthcare funding (Communication)	PLACED ON FILE
539 Request of Siamak Shirazi to address Council regarding sidewalk safety and drug culture issues in downtown and Old Town areas (Communication)	PLACED ON FILE
540 Request of Wade Varner to address Council regarding homeless camp (Communication)	PLACED ON FILE
541 Request of David Kif Davis to address Council regarding human trafficking, child sex trafficking and child pornography in Portland (Communication)	PLACED ON FILE
542 Request of Crystal Elinski to address Council regarding this time last year: security, faulty priorities and problems at City Hall (Communication)	PLACED ON FILE
TIMES CERTAIN	
543 TIME CERTAIN: 9:30 AM – Assess benefited properties for street, sidewalk and stormwater improvements from Pardee St to Liebe St in the Lents Phase IV / SE 118 th Ave Local Improvement District (Hearing; Ordinance introduced by Commissioner Novick; C-10040) 15 minutes requested	PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM

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<p>544 TIME CERTAIN: 10:00 AM – Review Conceptual Presentation to Council: Late Night Activity Permit (Report introduced by Mayor Hales) 30 minutes requested</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>*545 TIME CERTAIN: 10:30 AM – Authorize an Intergovernmental Agreement with Multnomah Drainage District No. 1, Peninsula Drainage District No. 1 and Peninsula Drainage District No. 2 for provision of stormwater management services (Ordinance introduced by Commissioner Fish) 30 minutes requested (Y-5)</p>	<p>186618</p>
<p>S-546 TIME CERTAIN: 11:00 AM – Amend City Code to create a Transportation User Fee paid to fund Portland’s transportation needs, primarily transportation maintenance and safety (Ordinance introduced by Commissioner Novick; Second Reading Agenda S-536) 1 hour requested for items 546-548</p>	<p>SUBSTITUTE CONTINUED TO NOVEMBER 12, 2014 AT 2:00 PM TIME CERTAIN</p>
<p>547 Refer amendment to Chapter 9 of the City of Portland Charter to the November 4, 2014, General Election ballot to require that funds collected through the Transportation User Fee will be used for transportation purposes, with the majority of funds used for transportation maintenance and transportation safety improvements (Resolution introduced by Mayor Hales; Previous Agenda 537)</p>	<p>CONTINUED TO JUNE 11, 2014 AT 9:30 AM</p>
<p>548 Council will consider an ordinance by November 14, 2014, creating a Transportation User Fee for Non-Residential Use of the transportation system to address the City's significant transportation safety and maintenance needs (Resolution introduced by Commissioner Novick) Motion to amend to add “and/or other funding mechanism paid for by non-residential users” as appropriate throughout resolution and strike phrase “concurrent with this resolution” in the 13th Whereas clause: Moved by Novick and seconded by Fish. (Y-5) (Y-4; N-1 Saltzman)</p>	<p>37077 AS AMENDED</p>
<p>CONSENT AGENDA – NO DISCUSSION</p>	
<p>549 Appoint Daniel Anderson for a term to expire June 15, 2015 to the Home Forward Board of Commissioners (Resolution introduced by Mayor Hales and Commissioner Saltzman) (Y-5)</p>	<p>37076</p>
<p>Mayor Charlie Hales</p>	
<p>550 Appoint Kendall Clawson, Patricia Frobos, Gladys Ruiz, Tonya Booker and reappoint Jim Owens, Sue Van Brocklin and Mauricio Villarreal to the Portland Parks Board (Report) (Y-5)</p>	<p>CONFIRMED</p>

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<p>551 Authorize an Intergovernmental Agreement with the Oregon State Board of Higher Education through Portland State University for \$25,000 to identify improvements related to the Peninsula 1 and 2 drainage district levees (Second Reading Agenda 495) (Y-5)</p>	<p>186612</p>
<p style="text-align: center;">Office of Management and Finance</p>	
<p>*552 Amend contract with Geotechnical Resources, Inc. dba GRI to increase contract by \$17,000 to provide geotechnical consultation services for the Fire Station 21 and Boathouse project (Ordinance; amend Contract No. 30002889) (Y-5)</p>	<p>186613</p>
<p>553 Amend contract with Moore Iacofano Goltsman, Inc., P.C. to increase contract amount by an additional \$12,740 to provide additional consultant services for redevelopment of the ADA Title II Transition Plan for the City of Portland (Ordinance; amend Contract No. 30002636)</p>	<p>PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p>	
<p>554 Authorize a contract with CH2M Hill Engineers, Inc., for professional services for the design of the Structural Rehabilitation of Taggart Outfall 30, No. E10220 for \$2,563,250 (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM</p>
<p>555 Authorize Community Watershed Stewardship Program to redirect \$8,000 in unspent grant funds for Native Plant Mini Grants awards up to \$500 each (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM</p>
<p>556 Authorize grant agreements or Intergovernmental Agreements with thirteen community groups related to the Community Watershed Stewardship Program up to \$95,000 total (Second Reading Agenda 505) (Y-5)</p>	<p>186614</p>
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3 Portland Fire & Rescue</p>	
<p>557 Authorize a contract with Pierce Manufacturing, Inc. for the purchase of one Quint fire apparatus, for a total not-to-exceed of \$645,000 (Second Reading Agenda 506) (Y-5)</p>	<p>186615</p>
<p>558 Authorize a purchase order with Pierce Manufacturing, Inc. for the purchase of three tiller trucks, for a total not-to-exceed of \$2,989,667 (Second Reading Agenda 507) (Y-5)</p>	<p>186616</p>

<p>Commissioner Amanda Fritz Position No. 1 Portland Parks & Recreation</p>		
<p>*559 Accept and appropriate a grant in the amount of \$1,147,270 from the Oregon Department of Transportation for the Springwater Trail Gap: SE Umatilla to SE 13th Ave (Ordinance) (Y-5)</p>		<p>186617</p>
<p>REGULAR AGENDA Mayor Charlie Hales Bureau of Police</p>		
<p>*560 Accept a grant in the amount of \$49,921 from the U.S. Department of Justice, Office of Community Oriented Policing Services 2013 Community Policing Development - Micro Grants Program to fund the Police Bureau's strategic equity plan development process (Ordinance) 20 minutes requested (Y-5)</p>		<p>186619</p>
<p>561 Authorize application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance for a grant in the amount of \$483,619 for the Edward Byrne Memorial Justice Assistance Grant Program FY 2014 Local Solicitation to prevent or reduce crime and violence (Second Reading Agenda 511) (Y-5)</p>		<p>186620</p>
<p>562 Authorize an Intergovernmental Agreement with the City of Gresham for the use of U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FY 2014 Edward Byrne Memorial Justice Assistance Grant Program funds (Second Reading Agenda 512) (Y-5)</p>		<p>186621</p>
<p>563 Authorize an Intergovernmental Agreement with Multnomah County for the use of U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FY 2014 Edward Byrne Memorial Justice Assistance Grant Program funds (Second Reading Agenda 513) (Y-5)</p>		<p>186623</p>
<p>564 Authorize a five year grant agreement with Volunteers of America for the purpose of assisting victims and survivors of domestic violence (Second Reading Agenda 514)</p>		<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>565 Extend an Intergovernmental Agreement with Oregon City and TriMet for Transit Police services for one year (Second Reading Agenda 515; amend Contract No. 30001546) (Y-5)</p>		<p>186622</p>

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<p>566 Authorize a five year grant agreement with Catholic Charities/El Programa Hispano for the purpose of assisting victims and survivors of domestic violence (Second Reading Agenda 518)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Office of Management and Finance</p>	
<p>567 Accept bid of Rio Underground Construction, LLC for the Inner NE Sanitary Sewer Extension for \$1,048,688 (Procurement Report – Bid No. 115972) Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-5)</p>	<p>ACCEPTED PREPARE CONTRACT</p>
<p>*568 Pay claim of Kathryn Elise Johns in the sum of \$30,000 involving the Portland Police Bureau (Ordinance) (Y-5)</p>	<p>186624</p>
<p>569 Authorize sewer revenue bonds to refund outstanding bonds and finance sewer system capital improvements (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM</p>
<p>570 Authorize network hut license agreement with Google Fiber Oregon, LLC (Second Reading Agenda 494) (Y-5)</p>	<p>186625</p>
<p>571 Amend right-of-way use agreement granted to New Cingular Wireless PCS, LLC for mobile telecommunications services (Second Reading Agenda 521; amend Ordinance No. 185789) (Y-5)</p>	<p>186626</p>
<p>Commissioner Nick Fish</p>	
<p>Position No. 2</p>	
<p>Water Bureau</p>	
<p>572 Authorize a contract with Infra Terra, Inc. for a Water System Seismic Study in the amount of \$1,124,590 (Ordinance)</p>	<p>PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM</p>
<p>573 Authorize an Intergovernmental Agreement in the amount of \$45,000 with Portland Public Schools to reduce district water usage and save money for schools (Second Reading Agenda 524) (Y-5)</p>	<p>186627</p>
<p>574 Authorize the Water Bureau Administrator to execute Intergovernmental Agreements and grant agreements in support of the Lead Hazard Reduction Program in the amount of \$375,000 per year over a five year period (Second Reading Agenda 525) (Y-5)</p>	<p>186628</p>
<p>Commissioner Dan Saltzman</p>	
<p>Position No. 3</p>	

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<p>S-575 Direct the City Budget Office to establish an ongoing General Fund current appropriation level target of \$300,000 for the Housing Investment Fund, starting in FY 2015-16 to be adjusted in the Fall Budget Monitoring Process to reflect half of prior year collections of transient lodging taxes from short term rentals (Substitute Resolution introduced by Saltzman and Fish)</p> <p>Motion to accept substitute resolution: Moved by Saltzman and seconded by Fish. (Y-5)</p>	<p>SUBSTITUTE CONTINUED TO JUNE 11, 2014 AT 9:30 AM</p>
<p>City Auditor LaVonne Griffin-Valade</p> <p>576 Assess property for sidewalk repair for the Bureau of Maintenance (Hearing; Ordinance; Y1083) 15 minutes requested</p>	<p>PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM</p>

At 1:14 p.m., Council recessed.

June 4, 2014

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS 4TH DAY OF JUNE, 2014 AT 2:00 P.M.

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

Commissioner Saltzman left at 5:09 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben
Walters, Chief Deputy City Attorney; and Jim Wood, Sergeant at Arms.

	Disposition:
577 TIME CERTAIN: 2:00 PM – Improve land use and other City regulations through the Regulatory Improvement Code Amendment Package 6 – Technical Amendments (Ordinance introduced by Mayor Hales; amend Code Title 16 and Title 33) 3 hours requested for items 577-578	PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM
578 Improve land use regulations related to accessory short-term rentals through the Regulatory Improvement Code Amendment Package 6 (Ordinance introduced by Mayor Hales; amend Code Title 3 and Title 33) Motion to amend the proposal to have an initial inspection and then a renewal every 2 years that would be administrative rather than a reinspection; and require another full reinspection every 10 years or with a change of ownership: Moved by Fritz, amended by Novick and seconded by Fish. (Y-5) Motion to require each room has to be located on a floor of a dwelling equipped with a functioning carbon monoxide alarm: Moved by Saltzman and seconded by Fritz. (Y-5) Motion to amend ordinance directive e, add “and provide in a report to council on short term rentals by September 2016”: Moved by Fritz and seconded by Saltzman. (Y-5)	CONTINUED TO JULY 2, 2014 AT 2:00 PM TIME CERTAIN AS AMENDED

At 5:31 p.m., Council recessed.

June 5, 2014

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS 5TH DAY OF JUNE, 2014 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Novick and Saltzman, 4.

Commissioner Saltzman left at 2:38 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; and Wayne Dykes, Sergeant at Arms.

The meeting recessed at 2:30 p.m. and reconvened at 3:01 p.m.

579 TIME CERTAIN: 2:00 PM – Portland Sapporo Sister City Association report (Report introduced by Mayor Hales) 1 hour requested	Disposition: PLACED ON FILE
*580 TIME CERTAIN: 3:00 PM – Authorize \$42,126 total in Civic Engagement Grant agreements for the East Portland Action Plan 2014 (Ordinance introduced by Mayor Hales) 1 hour requested	CONTINUED TO JUNE 11, 2014 AT 9:30 AM

At 4:13 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.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JUNE 4, 2014 9:30 AM

Hales: Welcome to the June 4 meeting of the Portland city council. Would you please call the roll.
[roll call taken]

Hales: Commissioner Saltzman I believe has an announcement at the beginning of our council meeting.

Saltzman: Thank you, Mr. Mayor. Today the flags of the city of Portland are lowered to honor two children we lost last month due to homicidal violence, Maribella Willard and Lázaro Fuentes Burgos. Maribella was four years old and was due to start kindergarten this fall at Beech Elementary. She was the quintessential Portland child. She liked playing soccer and riding her bike. She also liked visiting the zoo, Portland Children's Museum, OMSI and the nearby park. She died alongside her father who was suffering from mental illness. If you know of someone affected by mental health issues, please seek help for them. People in the community are standing by ready to help. Please contact Lives for Life, Cascadia Behavioral Health or Multnomah County Mental Health Call Center. Today we're also honoring 16-year-old Lázaro Fuentes Burgos, who lived in the Lents neighborhood with his family. He was found fatally shot inside a car. Please are still investigating. If you know anything about this, please contact Crimestoppers or Portland Police. Many questions remain, but we do know Lázaro left behind a family and a full life ahead of him. We offer condolences to the family and loved ones of Maribella and Lázaro. This morning we're joined by Maribella's family, her mother Stephani Willard and their close friend Darren Davidson. I understand they would like to say a few remarks. If you would like to come up here, this would be the time.

Hales: Good morning. Thank you for coming.

Stephanie Willard: Thank you. My name is Stephanie Willard. Thank you, Commissioner Saltzman, for your remarks in allowing me to speak today. On the afternoon of May 8, the man who was my best friend, my lover and father of my children did something unthinkable. He had a long history of trauma that occurred to him in life. He persevered to be the kind, amazing man I married. Did he struggle with demons? Yes, just like we all do. But his demons were much more intense. In January he had a manic episode following a detox from painkillers that were prescribed to him after an automobile accident. He was hospitalized and diagnosed with bipolar disorder. Our health care system, which many agree is broken, failed him. Now he was hospitalized, I called and begged Cover Oregon to hurry their reassessment which they agreed was their mistake to begin with. This would place him on the correct insurance so that when he got out of the hospital we could get him the continuous psychiatric care that he desperately needed. Cover Oregon said they would do their best and placed a medical necessity on the request. To follow up I called every week, waited on hold hours every time. His coverage did not get sorted out until April 1st. He saw a psychiatrist for the first time after the hospital on April 3rd, more than two months later. Bipolar is also called manic depression because one goes manic, it's often followed by depression. The man that broke on May 8th was sick. That was not the man who everyone knew and remembered last Saturday at the memorial. Could this have been prevented? I don't know, and I'll never know, but the system should have and could have done more to help. On May 8 my husband did the unthinkable. Something broke so badly in his brain that he shot and killed my darling Maribella, who was four, then killed

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himself. Many murder suicides are done out of anger and revenge. This was not. This was a man who was desperate to end his pain and feared for the pain his daughter may experience. In a note he said, she is beautiful. My sunshine burning with love, I spare her dark fate. He was scared he would never get better. He was hopeless. He feared the same for his daughter. I vowed after he got out of the hospital to do more to advocate for people with mental illness. My losses have stoked a fire in me that will never die. If I can prevent one life from being lost, one person from the anguish and living hell that I experience now daily, then I will have a little more piece of my soul. We need to make a serious commitment to mental health. There needs to be more resources for people who need help. Thank you.

Hales: Thank you. Please recognize and honor mirabella and lazaro with a moment of silence. Thank you.

Hales: Thank you, commissioner. Thank you for being here today.

Hales: okay. Let's move on to council calendar and take up communications items 538, please.

Item 538.

Sarah Hobbs: I need a minute to regroup.

Hales: You and others.

Hobbs: Speaking as a mom that just spoke and for many of us, for the record i'm sarah hobbs, and i'm sorry for your loss. I think she speaks for very poignantly to the issue. But I have been looking at the issue as well as so eloquently stated our mental health system is broke. It's horribly broke. It's horribly understaffed, and this has resulted in Portland out of every city in the united states being number 12 for a tirade of suicide. As I look at what can be done for possible solutions, I went to the health and human services website, and I found an interesting group that works with the substance abuse and mental health service administration. It's the national alliance for suicide prevention, which is a public and private group that works on a national strategy for suicide prevention whose goal is lowering national suicides by 20,000 people in five years. The head of the private sector happens to be former Oregon senator gordon smith, who lost his son to suicide in 2004. One of the groups sitting on the alliance of the american foundation for suicide prevention, and they work with groups that are working on trying to set a suicide prevention policy, and I actually am a member of the foundation's Oregon chapter. What is trying to be done while a good attempt is not working, and i'm wondering if it's time to bring in a group to advise. Because they work with groups working to set their policy. I have here and brought for you the business card for the foundation regional director. I don't want to hear any more stories like this and I know everybody here doesn't. What I see happening is so many groups all over the place trying but it's time we have got to come together and work a joint plan. April 3rd I sat in a meeting where I heard the head of the Portland police behavioral health unit say the police are overwhelmed because it's not really what they are trained -- mental health services is not what they are trained to do. I realize the county jail system is county, but a lot of Portlanders get sent to the county as well. They are frustrated. I could mention. I did set up a time with you commissioner Fritz to come talk with you. I do have the card with me now.

Fritz: I just texted her. If you could stop by we'll set that up as soon as possible.

Hales: Thank you for coming in. I get daily reports of the police bureau of what they are doing. Something happens every night. Yesterday they disarmed a young man who had a realistic pellet gun that looked like an ar-15. I'm glad it ended that way. He went to treatment, but they were the mental health provider. They don't want to be in that position. Thank you.

Hales: 539, please.

Moore-Love: She has to reschedule.

Hales: All right. 540.

Item 540

Wade Varner: Good morning, folks.

Hales: Good morning, wade.

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Varner: I walk gets me every time. I'm Wade Varner. I'm the founding director and president of Homeless Against Homelessness in America. I came to talk about parking lots as in cities in California, Santa Barbara, Santa Cruz, Los Angeles and San Diego, have all put in temporary overnight camping at city-owned parking lots where they come in at 9:00 or 10:00, depends how you do it, and they are out by 7:00 or 8:00. What I want to propose because I looked at the parking lot on 1st and Davis and it's perfect because it's out of the way. If you go up on the third floor it has elevators and bathrooms. Bathroom is the single most important part of a homeless camp. By doing that, it would cost nothing to the city. We have more than enough people to staff it, more than enough groups that will help do this. But the parking lots are all over downtown. I mean there's a lot of city-owned parking lots, so there's a lot of room. I would like this done before winter so people don't have to sleep on the sidewalks next to the street in the rain. So they have shelter over them. You would be able to put one group in each parking spot. You would be able to take people with dogs and couples. That's the two biggest things you see down in downtown, a half of the people that are not going to shelters have an animal and they can't take them. I know this because when I first moved back up here I was living in the back of my Volvo because they wouldn't let me in the shelter with my dog. And there's no way. He was a service dog. I pay for zoning. That kind of service I think is really important where people know where they can go and have a safe place to sleep, you know, we'll give them hot coffee and a meal in the morning so they got something to pick them up and a sack lunch as they leave so they have something to get them through the morning. In the same parking lot you can get one of the lower levels or wherever the deepest, darkest, dankest spot is and just to put one or two Costco tents in there so you would have cover for them you could take care of the packs and shopping carts. You could have one for shopping carts. I figure we can park 34 shopping carts in each Costco tent. On the other side we'll put in the commercial shelving you buy at Costco for people that put packs in. And have staff there 24/7 to make sure that everything goes well. We have the time, we have the money. We have the resources. All we need is a place to do this. We're not asking for any money. All we're asking for is a place to do this. That takes not only -- it gives them the ability to use a computer and phone at night or look in the morning for jobs and stuff like this. It also gives them a good start to the day instead of being woken up -- you know. Like they do. It's a problem. If these people have no place else to go, where are they supposed to go? They become a problem in downtown. What we're trying to do is have a safe place where people can come sleep, have a good breakfast and get a good start to the day. One personal note on mental health, I'm living proof that you can go from being the worst punk junk drunk in downtown Portland to this with the proper mental health treatment. Same with drugs and alcohol. So we need to get a place where we can take them directly from drug treatment and put them in housing like I was from Burnside projects. I lived in the Everett Hotel for a year. This stuff works. If there's people out there willing to put their time and effort in it, Portland, that's the great part about Portland. If we ask people to do something for Portland, they will. So that's all I'm asking you, just ask for help. Let the small nonprofits that do this because there's as you've seen up and down the West Coast there are camps that work if they are run properly. We're going to have quite a code of conduct but we're not going to knock somebody just because they have a dog or they don't smell good. We gotta do something. This is one of the better offers that probably you've had.

Hales: Wade, thank you. Appreciate it.

Varner: Give us a chance, you know?

Hales: Appreciate it.

Varner: We could do it on a trial basis, then another month on a trial basis and figure out after that. If it's not perfect, we'll fix it.

Hales: Thank you. 541.

Item 541.

Hales: Mr. Davis?

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David Kif Davis: So I appeared before you guys on 4/16, 2014 and talked about how I became homeless from child molester who comes from a family of cops named --

Hales: No names, please. We can't be doing that.

Davis: You guys blacked out my testimony.

Hales: I'm not going to have you making accusations in council.

Davis: He's in prison.

Hales: If you want to make an accusation, go to a police officer.

Davis: He's currently doing 25 years in prison. That's altering public documents and a violation of federal and state law. I know it. Okay? I'm wondering what's going on if you guys are --

Hales: We're not a courtroom, sir.

Davis: Covering up for a guy like that, you know? A lie doesn't become the truth and wrong doesn't become right and evil doesn't become good just because it's accepted by the majority or by city council or you guys, okay? This guy is a real sicko and he's doing 25 years for 57 counts, okay? I'm wondering why you blacked that out. Was it because I went on a radio show, hart attack radio by hart Fisher? Hart attack radio? My testimony was altered after I was on that nationally syndicated radio show. I'm a producer for a radio show, ed operman, the operman report. We go out to over 1 million people, okay? Portland is number one for child sex trafficking. I know that you guys repeatedly deny the police an actual real budget to fight against this stuff. You're big on tourism and giving money to shuffle the homeless out of places, but I don't see you really doing what needs to be done to fight against real crime. When these kids become victimized and abused they become future homeless people and drug addicts. You need to get all the women off the streets first too because they're being preyed upon. You have homeless serial killers like mark bebout going around killing people at operation nightwatch, meeting people at shelters and killing them. Teenage girls, you know? Then you got like local strip clubs like starzz cabaret that have their pimping out girls that are like 13, 14, and they got busted for that too, you know, so i'm just wondering if you guys are really going to do anything. This one guy, the balloon man, michael joseph lori.

Hales: I think you should stop naming names. Sir, if you're going to make a criminal complaint. [speaking simultaneously]

Davis: He was convicted, okay? I confronted him downtown --

Hales: Your time has expired, sir. Sir, your time has expired. Sir, your time has expired. You need to stand down and let someone else speak. Thank you very much. Thanks. Please. [audio not understandable] you need to go. Sir, you need to leave. Thank you. [audio not understandable] go, please and let someone else speak. Could you read the next item?

Item 542.

Hales: Good morning.

Crystal Elinski: Hello. Mayor hales and hello, city council. I'm very glad to be here today. My heart hurts so much. Like I said, I always learn so much at the beginning of city council every week that I try to make it, and this weekend I was yet again in the emergency room and unable to move for a few days because of the injury I sustained on the assault on september 4th. That's what i'm here to talk about today. I think the last guy was trying to -- I know you were upset he was naming names but I think he was trying to ask you to do something and that's what I have been doing for a year now. I know directly here on camera that mayor hales said he would meet with me and we have yet to meet. I sincerely believe we will. I had asked to meet with all of you by december after I wrote my october 6th letter addressing the questions I had, very clear questions. I gave you all a copy. I even had a special outlined one for the mayor. I haven't really received a response though two of the commissioners have met with me, I wanted to meet before christmas, before things got really stressful, then that was the time I ran out of money, I couldn't do therapy any more. I already have chronic pain but now I have paralysis on the left side of my body. My arm is dysfunctional, it was pulled out of the socket as I was pulled out of city hall entrance by an unknown man. The

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assailant, he brought me into the federal building. You know that. it was useful to meet with the two commissioners. I look forward still to meet with the rest of you. Dan saltzman said to my face he would never, ever meet with me ever, so if he's honest that's not what nick Fish told me. He gave me the impression he would meet with me. Sure enough today despite every intention of his office to stop me and tell me that i'm a horrible person and that my voice -- i'm always bothering them and i'm never there. Then there's mayor hales. Amanda Fritz was useful in the sense that she's very good at addressing the medical needs. So I looked into that. I don't feel safe here. I do not feel safe at city hall. There are people in here with guns. I don't know what they will do with them. I don't know if somebody will attack me wearing a dhs suit just because i'm coming here to testify at 9:30 a.m. I did find out that this hole gets deeper. Nobody is addressing it. If you think you can just ignore this, I just want to say we can't let this happen to people, the citizens who come here. Half of us complain, when we come here we complain and we give solutions.

Hales: You've used your time today.

Elinski: I'm finishing right now. They are both valid. You need to listen to us. Amanda, when you say I shouldn't address every single agenda item, I address what me and my neighbors talk about, what's important to the citizen. I represent 10,000. Thank you, steve novick, for revealing that officer hughes lied yet again. That's his name. Brian hughes. And the ipr.

Hales: Okay. I think before we move on to time certain and council agenda I want to remind everyone of ground rules in council testimony. We'll be starting shortly after a proclamation. You need to give your name, not address. If you're a lobbyist representing an organization please let us know who you represent. Everyone is given three minutes typically to speak unless there's some special arrangement. If you support somebody's testimony wave your hands but keep verbal demonstrations to someplace else because this is a deliberative body where we want to hear everyone and what they have to say during their time during this council proceeding. If you have something to hand us, give it to karla, our council clerk. With that I think we'll go to the proclamation that commissioner Fish has ready for us this morning.

Fish: Thank you, mayor. This morning we're celebrating stand together week, 2014. I would like to invite three members of the timbers and thorns family to join us. First kristel Wissel, the director of community relations for the timbers and thorns. Second carling leon, coordinator of community relations, finally everyone's favorite timber joey. Welcome.

Hales: Good morning.

Fish: It's our collective pleasure to welcome you to city hall to celebrate the 2014 stand together week. Last year nearly 1,000 volunteers double the previous year donated their time to complete 35 projects for local nonprofits. On june 16 we'll kick off this year's stand together week. So on behalf of the mayor and council it's my honor to read the following proclamation. Whereas the city of Portland is proud to be home of the Portland timbers and the Portland thorns, our professional soccer team, whereas the timbers and thorns are committed to giving back to our community. Whereas the city of Portland is proud to partner with the timbers and thorns in organizing stand together, a week of community service from june 16 to june 22, 2014. Whereas close to 1,000 stand together volunteers including timbers and thorns players, timbers army, coaches, ambassadors, staff and community members will come together for a week of service. Whereas stand together volunteers will participate in over 35 community events and projects throughout Portland. Whereas the community service projects will include building homes, tending gardens, restoring local parks, pulling ivy, painting schools and more. Whereas stand together will support local mission-driven nonprofits including ac-Portland, Portland youth builders, school house supplies and hands on greater Portland among others, and whereas stand together week is a call to action by the city, Portland timbers, thorns and our community partners to inspire people to give back to community service, now therefore i, charlie hales, mayor of constituent of Portland, city of roses proclaim june 16 through 22, 2014 as timbers and thorns stand together week in Portland and encourage all

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residents to recognize and join in this week of service to our community w. That I would like to turn it over to kristel to tell us more about the festivities.

Kristel Wissel: Thank you, commissioner Fish. Mayor Hales, all the commissioners. We would like to thank the city of Portland, of course our partner in this hands on greater Portland, we're honored to be here today and honored to participate and organize the third annual stand together week coming up in two weeks. Just would love to thank the city for all of the support that we have received. This is a great opportunity not just for the staff of the timbers and thorns but also our players of both teams to give back. We receive a lot of wonderful support from our community and this is a great way for us to give back and participate in meaningful projects throughout the city that really have an impact within our community. So thank you all.

Fish: Where can people go for more information if they want to take in an event, hopefully one that matches up with their favorite players?

Wissel: We have 35 different projects in the city of Portland. You can just go to timbers.com and under the stand together tab it lists stand together week and it lists all the different projects. Starting tomorrow we will list all of the players of both the timbers and the thorns teams that will be assigned to each individual project. So we'll be sending out that list tomorrow with all the players.

Fish: Quick story, mayor. My 10-year-old son is a big fan and it turns out one of the timbers has a son who is in the same fourth grade, goes to the same elementary school as my son. So my son came home one day with Gaston Fernandez's signature on his shirt. He took the shirt off and asked me to frame it. [laughter] you want to say something?

Timber Joey: I would just like to say thank you. It's a lot of fun when we get together with the community to try to improve our city. It really shows that the city is behind it. The community is involved in making the city a more beautiful place.

Fish: Would it be helpful if we passed a resolution of displeasure at some of the recent refereeing? [laughter]

Timber Joey: I don't believe I'm able to comment on that.

*****: No comment.

Hales: Want to add anything?

*****: No, just thank you so much. This is our third year, and I think it's going to be the best one yet.

Hales: We appreciate everything the timbers does, not just on the field but for our community. This is a great example of that. Thank you so much. Other comments? Thank you for coming. Thank you very much.

*****: Thank you so much.

Fish: I have something for you.

Hales: Take care. See you all. Thank you. All right. Let's move to the consent calendar. I think we have one item that has been asked to be pulled off, 554. Any others? Okay, then let's vote on the balance of the consent calendar, please.

Fish: Aye.

Saltzman: I just want to acknowledge we are appointing Dan Anderson to the home forward board of directors. He's here as is the chair, David Widmark. Thank you for your service. Aye.

Novick: Aye.

Fritz: Also is the appointment to the parks board Kendall Clawson, Patricia Frobes, Gladys Ruiz, Tonya Booker are the new members. And Jim Owens, Sue Van Brocklin and Mauricio Villareal are the returning members. They certainly put in a lot of time. Aye.

Hales: Those are all great appointments. Congratulations. Thank you. Aye.

Hales: Let's move to time certain 543.

Item 543.

Hales: Good morning, Andrew.

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Andrew Aebi, Bureau of Transportation: Good morning, mayor hales and council members. Andrew aebi, local improvement district administrator. This is the final lid of the many lid items before you this spring. Unfortunately, sue lewis could not join us today from the Portland development commission. PDC has been a wonderful partner on this project. Mayor hales, this is the final, the last installment of some street paving work in the lents town center urban renewal area. Under your leadership on your former tenure on city council you set this program up and I thought it might be worthwhile to provide you an update of what's been accomplished and more recently under the leadership of commissioner novick. Since we formed the renewal area we have had six lids for street paving in the urban renewal area and reduced the back log of unpaved streets by slightly over two miles. We do still have unpaved streets left in the urban renewal area in the circled areas on the map. To focus on today's project the lents phase IV/ SE 118th ave LID, despite the name the lid, actually empowers Gilbert which has the largest population in Portland. Number one ranking. It's also an increasingly diverse neighborhood. It's gone from one of the least to most diverse neighborhoods in Portland. On this particular project we translated materials into two languages. However, east gilbert does have the largest backlog remaining of unpaved streets in the city. On this particular project we were able to not only pave a street but significantly improve emergency access by taking two dead end streets and connecting them into one street. This in particular is just what I wanted to share with the council. It's often easy to focus on what needs we have remaining for streets, but I thought it would be worthwhile to touch on what we have accomplished. Right now we have 56.8 miles of unpaved streets in the city. Had pdc not been such a wonderful funding partner we would have two more miles of unpaved streets. The bulk of the lents urban renewal area is in the neighborhood association, the second largest is powellhurst gilbert. The pdc funding for these lids completed over the years has resulted in powellhurst gilbert going from number one to number three and lents going from four to five. All in all there's been 11% reduction in powellhurst gilbert and 34% reduction in lents. This is what the street looked like. You may recall that pdc helped fund raymond park construction that was done prior to the street being put in, so this is the route people took to that newly constructed park. Then this is what it looks like today. It's a much more attractive street scape. We have on-street parking, much more pleasant environment for people to access the park. I just wanted to thank pdc for their contribution to this project. Property owners funded 30% of the lid with pdc covering the remaining 70%. As an example, a \$4,000 assessment with this lid otherwise would have been \$15,000 without the funding. So I appreciate the progress we have been able to make with pdc's assistance. We did receive no objections to final assessment. I'm happy to answer any questions you might have. Thank you.

Hales: Dramatic improvement. That's great, andrew. Questions? Comments?

Saltzman: Thanks for the global perspective too on that as well. Appreciate that.

Hales: Do we have anyone signed up to testify?

Moore-Love: One person. Jeffrey bruss.

Hales: Good morning.

Jeffrey Bruss: Good morning, mr. Mayor, council members. I'll give you one guess as to which homeowner was assessed \$4,000 instead of 15,000. I'm jeffrey bruss. I live near the intersection of 118th and holgate, far, far away from here. I'm not here to complain or do anything but say thank you for your help. My wife and I bought our house in 2010, the street wasn't paved, and it did dead end against a city park. The worst part it's hard to say there's a list of bad things, in the summers cars would stack up against the park and come up the street, and they couldn't be towed because you couldn't say, well, this car is in a parking spot, this car isn't in a parking spot. So that made it difficult in the summers. Then of course you have the dust and mud on your cars at all times. You saw the picture, the before. That was right in front of my house. We called it lake 118. You know, every couple years one of my neighbors would collect money from everybody on the street, go down to the gravel pit, load his pickup with gravel, come and fill in the potholes, so our street wasn't as

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bad as some of the others but only due to the efforts of the residents. The two worst things, though, were the negative impact on my home's value and I can't really tell you how much, but it was some and it made the neighborhood ugly. We found out about the paving project within a couple of months of buying the house, it was already under way. We started going to the project meetings. By the way, Andrew was very nice to work with, big props for Andrew. Can't tell you how relieved we were when we found out the government was going to bear some of the cost. It made it affordable for us. The process itself took several months, and our first clue was walking out one morning and seeing some of that bright orange paint on the gravel in front of our house. Then that led to scooping out existing road bed and I don't know if you have ever seen one of these projects up close but it's something to behold. Like an army moving in. It ended up taking the actual paving took a couple of weeks. Big pluses, they did -- the project punched through the park so it doesn't dead end any more. It takes a jog to the next street. Actually improves the safety too because I talked to the fire department and they said it's now a lot easier to get their equipment in should there be a fire. Of course no more dust or mud, no more lake 118. My home has no doubt improved in value by this. The biggest plus is directions to my house no longer include the phrase, then turn off the paved road. The biggest minus is my street might have to get ripped up when the fiber arrives.

Hales: Probably not. Probably be overhead in your case. [laughter]

Bruss: My last point, pdc's funding has made all the difference. It's improved our neighborhood looks, liveability, home values. My street is not the only unpaved street in town, even that part of town. It would be my wish for pdc to fund similar projects elsewhere. Thank you for your time.

Hales: Thanks for coming in. We get periodic reports from Andrew about these projects, but it's great when a homeowner comes in to tell us what it's like on the streets.

Bruss: You're welcome. It's really amazing to walk out my front door and see this brand new street. And sidewalks. It wasn't some hack job. It was a very nice job. Did an excellent job. We're very, very pleased. Haven't received the first bill yet. [laughter] thank you.

Hales: Thanks for coming in. That's great. Anyone else want to speak on this item? Then this is an ordinance which rolls over to second reading next week. Thank you for the good work as always, Andrew.

Fish: Mayor Hales, we have a time certain next -- excuse me.

Hales: We have a time certain --

Fish: Are you going to pull 544?

Hales: I'm going to take up 544 for the momentary purpose of referring it back to my office. If there's no objection, that's what we're doing with 544. Then we can't take up 545 yet.

Novick: If we can take it up in tandem with 554. I can put 554 on right now and the time certain to follow.

Hales: 554 please.

Item 554.

Hales: Mr. Fish?

Fish: Mayor, this was placed on the consent agenda by mistake and these matters per your direction and the agreement of the council, these will be heard on the regular agenda. This is Scott Gibson and Tammy Cleys. They're going to walk us through it.

Scott Gibson, Bureau of Environmental Services: Good morning, Mr. Mayor, City Council. We're here today to ask for permission to enter into a contract with CH2M Hill for the design of the structural tagged out fall 30. The amount is \$2,563,250. Five proposals were received and this firm was considered the most qualified. They actually did an excellent job of helping us meet our goals on this through some creative partnering and they have come up with 34% of the total contract amount will go to MWESB participating firms. With me is Tammy our project manager for this effort. She's going to walk you through some slides to show you what the project is about. What next steps will happen.

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Tammy Cleys, Bureau of Environmental Services: Good morning. Tammie cleys with bes. I want to walk you through why we think this project is important. This is the project as we scoped it currently. You can see it's just south of omsi, and right north of the ross island bridge. This is our largest outfall, 10 foot diameter brick sewer that serves our largest combined sewer basin in the city of Portland. Originally it was scoped for a larger section, in fact even pipes that are off this map. We did an assessment in 2012 and narrowed it down to the pipes of concern both structural and operational ratings. So you can see from the red highlights this is the scope that we're moving forward with. One note is if you look at the most western section, that pipe is not in right of way, it's actually in private property underneath buildings, so access is primary concern for us here. A reason that we're concerned. A little history on the brooklyn street district sewer, you can see here that in 1909, when it was built, city council fired a number of people working on it due to the ground water they found seeping through the bottom, which are the pavers there.

Saltzman: What year was that?

Cleys: 1906. This is actually the -- they are referring to the june 23 council.

Fish: This is an old fashioned brick pipe.

Cleys: Old fashioned brick pipe with the belgian pavers on the bottom with sand in it. I'm not surprised there is water in it but it's not what city council wanted to see. But they did get three miles worth of sewer for a quarter of a million dollars. But the important part is 108 years later it still looks pretty good. It's held up. Other than now we are starting to see some cracking in the crown and again, the reason that we're concerned with this at this time, 108 years, we expect wear and tear. You've seen worse sewers, but this outfall serves as an overflow point for the largest combined sewer basin, about ¼ of the eastside sewer basin, 3840 acres to allow it to overflow first to the east side tunnel then to the river. Without that in place we won't have any way to relieve that system. The size ranges from 66 inches to 128 inches in diameter. Depth from 23 to 64 feet as it exists. We have approximately 15.5 million dollar project. Just some cracking that you'll see at the crown. Again, the problem is major issues for this is the cracking, once it starts to crack and brick sewer unravels how to get it repaired. We need to do this, be very specific to have access points on private property. We have a flow of approximately 700 cfs, so we can only do this in the dry. There's no possible way to divert this. If it happens when we're not prepared. There's been previous repairs. They have sub cracking in the spring line, some other, larger deficits in the roof that they have went in and patched. Right now mlk, they have actually done in 1969 a relatively large repair where they put in corrugated metal pipe. You can see the original picture. It's not real clear on our cctv, but that's even started to deteriorate right now. Our next steps, the design contract, we would do more geo technical investigations, ground penetrating radar to see what soils we have outside the pipe. With that flowing waters that we saw from the 1909 council -- excuse me, newsletters, worried about there not being enough soil outside. We'll do a structural assessment to determine the soils outside, what the pipe can perform, how we can do a composite design to best utilize the existing pipe structure that's there. There are some additional risks to cost of the project in the sense when we do a larger investigation would that original assessment drive to us bring in more of the pipe segments that we took out. When we narrowed it down, did we narrow it down too far? Maybe there's some we have to put back in. Private property access, where do we need through, how do we get it. Then rehab technology, depending how much structure we have left of the pipe and outside the pipe -- these are no off the shelf technologies. This will take a combination of technologies, probably to repair the pipe there are some unknowns. We think we have put that in the contract, but there is some risk that we may find things we hadn't anticipated exactly. This is the picture of the pipe further up in the system. Again, this pipe looks great. We know what it can look like. The workmanship is spectacular.

Gibson: So just our next steps will be we're just getting into the design phase so the 15.5 lifetime budget for this effort, low to moderate level of confidence in that estimate. The design fee we have

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a pretty high level of confidence in this particular council action, which is authorizing the contract. We have a relatively high level of confidence that this is what we need to get through the design and construction phase. Further actions, once we get through design, will be back to ask for approval of the construction construct two years down the road, and this will be shown in the budget on an ongoing basis for your line item approval in the future.

Hales: Does the scope include potential relocation or just rehabilitation?

Cleys: Rehabilitation.

Hales: Could you go back to your map for a moment?

Hales: I assume you're fully engaged in this, but I want to make sure. Planning bureau and pdc, and the community, are involved in a pretty fast-paced station area planning effort about this area right here. In an ideal world -- maybe not, in the actual world we might actually change the street grid in this sub district, particularly in the area between the light-rail tracks southeast of milwaukie and powell, namely that gideon street is not exactly in the right place in terms of what the neighborhood is going to be like now. So my question is, are you -- does your design contract that you're asking us to approve contain coordination requirements with that planning effort or is that coordination all being done by bes staff, and secondly, are we considering design options that will provide a maximum flexibility to planning and pbot when they say, no, the street ought to actually be here. In other words, your location of manholes and equipment access might be different if the street grid is different. Is everybody coordinated here or are we just planning a sewer project?

Cleys: To answer that -- the ch2m hill public involvement, they have been a part of that planning process, they were a big part of the trimet, so they are well aware of what's going on in the area, actually one of the very strong points of their presentation was how much time they have spent out understanding what's going on. A part of that is that we have added in extra contingencies -- not contingencies, but we have a number of access points we have designed into the contract so that we can adjust those and move those as needed. We have if we need additional access points we put that into the design contract in order to implement those to get the access points where we need to to avoid being on private property as much as possible.

Hales: That's controlling the downside. I'm thinking about maximizing the upside of the coordination involved. Let me put it in terms of the five of us. Every one of us has a bureau that needs to be playing well with others here. That is, we could -- we will plan the neighborhood. We might move the street, move a fire bureau maintenance facility, build a community center, and do mixed use development. All in that triangle where your sewer project is. Are all of those bureaus communicating with one another and how will we assess the tradeoffs like it might cost a little more to build the sewer project this way, but it will give pbot much more flexibility about where the streets ultimately could be. How will those tradeoff decisions be lifted up out of this design exercise to an enter bureau and perhaps council level?

Fish: Let me pose a question. This is the design contract and I think just so I understand, are you raising this in the context of the scope of the contract or of the first responsibility of the party that we select to make sure they have done a 360 with everyone on this project?

Hales: Both. I realize there's 100 years involved but we're about to spend 10 times as much planning the repair of this pipe than we spent to build it in the first place. Granted you could buy a lot in 1901 for 250 grand, but before we spend 2.5 million on designing something, if there are, having been in the design process a time or two, there are tradeoffs. You may get to a point where it will cost a little more to do it that way, but it will give pbot three more choices than they have now about where the intersection would be. So how do we get to those discussions and make sure that everybody has a stake in the decision is engaged in it? Not just this bureau and its design consultant.

Fish: This goes to what commissioner novick is trying to do with pbot, make sure there's coordination on facility work. There's probably one of two answers. One is, an answer that gives the mayor the confidence that it's all keyed up. A second answer might be, we can put this over to

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next week and get some additional information to my colleagues so they can evaluate whether that's sufficient and if not whether they have a suggestion for making it more robust. What's your preference?

Cleys: I would prefer to do the second because virgil adderly -- [audio not understandable] [laughter]

Gibson: This is not an emergency item, so we do have a second reading next week. We can provide additional information to the council through the commissioner's office as is required. I just have confirmed with tammy, in how we scope this contract, we have flexibility for the number and size and location of our access points, both permanent and short term. We have enough flexibility in the contract to carry out the coordination and communication that you need and we both feel comfortable with that.

Fish: The question the mayor is asking, we're going to ask this question more and more on big projects, is a great question. Mayor, what's your preference, going to a second reading next week to see if the information you receive is sufficient or setting this over with an opportunity to slap an emergency clause on if you're satisfied?

Hales: I'm happy to let it roll over to second reading. I would like a report back to council, if you're confident that your contract language and your scope of work allows the coordination that you're hearing us insist on, then we all have work to do to make sure that our bureaus are actually doing that coordination. There's no villain of the piece and i'm not accusing you have designing a project without communicating with others, but this is a large project. We have five or six bureaus on a small piece of real estate with a lot of moving parts. We have been known to get it right, but I want to make sure that --

Fish: Not leave it to chance.

Gibson: We'll report back to council assuming this passes second reading we'll get you a written update to those questions and then if the council would like further discussion, we will be happy to put this off again or address those.

Hales: What we also need to hear from you is what you need from the other bureaus in order to meet your schedule. You may need the city engineer to say by july 15th or september 12th, here is the future street grid for this neighborhood. Work with it. The city engineer has that authority to tell you what the future street grid will be. But I would rather that be a collaborative process than hand-off.

Fish: This is precisely why the issues will be on the regular agenda in the future. I'm still in a state of shock. We have 100 year pipes. Here we have a brick pipe in essence. It's amazing that that can actually still be serviceable for the future.

Hales: I believe some are older than this in rome. [laughter]

Cleys: We will have that report for you, but virgil adderly, the cso program manager, has forwarded me all the information. The coordination has started.

Fish: You'll work with our office, we'll get a report to my colleagues and see if that addresses initial concerns about having the best possible coordination on this. I appreciate the comment.

Hales: It's a complicated one and I wanted to raise it. One of the reasons my conscience is particularly heightened on this. Was assuming gideon street was never going to move. I'm not sure that's a good assumption but we failed to communicate to trimet what we should do with that street in a timely way so they started with a redevelopment project. Thanks. Look forward to hearing back from you. Further discussion? Anyone want to testify?

Moore-Love: We have one person. Joe walsh.

Hales: He's declining. I thought you were declining. You're shaking your head. Come on up.

Joe Walsh: When you get to be 72 your head shakes. [audio not understandable]

Hales: Ma'am, you need to let people speak. Joe, you got three minutes. On sewers.

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Walsh: Most of my -- i'm joe walsh. I represent individuals for justice. Most of my questions were answered in the dialogue you just had. However, there was one question that came up about prior experiences with corporations, a company that come before you. My understanding, mayor, is you have prior associations with this company.

Hales: Nope.

Walsh: You have no association with ch2m hill?

Hales: I know them but never worked there.

Walsh: Never met them on the street corner and asked how they are doing? My suggestion is a company or corporation comes before you that you have prior experience with, either working for them, consulting for them, or have a relationship that you seriously think about stepping aside on the vote. That's our position. If we are wrong about your association, we acknowledge that we are not infallible sometimes. Not all the time but sometimes.

Hales: Thanks, joe. You raised a question of ethics and disclosure. Each of us when we take an oath of office are required to sever all business ties. I left my engineering company, hdr, not ch2m hill. I no longer have stock in that company or have any commercial connection with it. Others on council have business or real estate interests held in a blind trust. There's a line that says you have no other employment, period, and that applies to me as well as the rest of the council and we all adhere to that requirement.

Hales: We're ready for the 545.

Item 545.

Hales: Good morning. Do you have power point?

*******:** Yes.

Fish: Low tech. Going with the map. If you can tilt it just a bit. Thank you. We'll turn it over to jim hagerman and his team for presentation.

Jim Hagerman, Bureau of Environmental Services: Good morning. I'm jim hagerman, business services manager for bureau of environmental services. I'm here to talk about a proposed intergovernmental agreement between the city and three drainage districts there on the map, peninsula drainage system one and number two and Multnomah county drainage district number one. The purpose of the intergovernmental agreement is to recognize the storm water management work that districts do in support of the city and to provide for compensation for that work. It's a companion to ordinance 185690 in 2012 which resumed direct billing for storm water services in the districts. Residences and businesses there. A little bit about the agreement, the proposed agreement recognizes the direct benefits to the city of storm water management in the district. Although city properties in the district are assessed for storm water management, the city does not compensate the districts for managing storm water from public rights of way, city rights of way in the district nor for managing storm water that flows in from city properties outside. So under the agreement payments for city rights of way are calculated or would be calculated as for any other property. Payments for what we call influence storm water, the storm water flowing into the districts, are based on a cost share that's proportional to the city's share of the overall storm water flows. We have worked together with district staff to establish the area of the city rights of way within the districts and to calculate the share of the influent storm water the districts are managing for the city. The agreement also provides that the city pay for any additional pumping capacity required to manage the flood plain in the districts. Right now we have agreed that there is no capacity shortfall, so there are no city payments forthcoming for that at present. So that has not been included in our forecast. Should the need arise, however, we have made provision that we would identify jointly the pumping capacity required and that the city would pay a proportional share either by building a facility or by paying the district for the capacity. The district installing it. Whichever turns out to be more cost effective. We had initially intended this to be effective on july 1 of 2013 to take place coincide with the billing for storm water services. The work that we did, the

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model storm water flows, took a lot longer than we had expected and actually surprised us a bit. The city's share of storm water influent is substantially less than we had assumed it was, so we learned something interesting there. But we agreed with the districts that we would propose this IGA be retroactive July 1 to July 1, 2013 whether the direct billing in the district started so the amount calculated for the current year is \$545,132. That's in the current budget. It's in the rate forecast. We have also allowed for the projected payments going forward, so none of that influences the rate forecast you've seen. There's one other item about this as well. We have traditionally cooperated with the district in a number of projects in support of water quality in the Slew area. We pay them for flow augmentation during the summer. They pump more than they otherwise would. That draws in cooler ground water and improves water quality in the Slew. They have paid us for modeling efforts in support of their work as well, so we propose to continue that arrangement. We have included the ability to do task orders in this by mutual agreement. Any task order in excess of \$50,000 in a given fiscal year would require council approval and approval of the relevant board of directors. That's another feature of this. If you have any questions I would be happy to take them. Reed Wagner, executive director of Multnomah County District Number One is here if you have any questions.

Fish: Is he scheduled to make a brief comment? Why don't you come forward, Reed.

Reed Wagner: Good morning. Mayor, commissioners, I'm executive director for the Multnomah County Drainage District.

Hales: There was some pretty substantial property owner concern about this switch-over. Haven't heard a lot of noise lately. Does that mean we have most folks on board with this change?

Wagner: It seems to me, Mayor Hales, that over the course of the last two years we have seen a lot of cooperation between the city and the districts to try to manage into the equity goals that were set forth with the 2012 ordinance. I think most of the concerns had to do with the cost of paying for the storm water that was influent into the area, projects that seemed to be solely responsible or actually managed by the districts. And the levy situation. Well, I believe the constituents in the area are seeing that, one, we're trying to come up with a solution with this IGA for that influent storm water. B, we're working much more collaboratively with BES, in the areas, to work on projects that are necessary to keep the area dry. And C, we are working collaboratively on discussions as to how do we manage into this levy situation. So I think most of the concerns along with being able to escalate the new fees in over a period of time as decided by the board two years ago, I haven't heard the concerns that I heard in 2012.

Hales: Other questions? Jim or Reed? Thank you very much. Anyone signed up to speak?

Moore-Love: We have two people. Crystal Elinski and Charles Johnson.

Hales: Come on up. On this item, please.

Crystal Elinski: I actually need to leave.

Hales: Okay. Thank you. Take care. Charles? Go ahead.

Charles Johnson: I'm only coming up because rather than get this -- I was hoping when we see so many intergovernmental agreements -- I'm Charles Johnson for the record. I was hoping staff or the commissioner could speak to this plethora of governmental layers and if this in any way relates to decisions of the east side, east of Multnomah Southern Water District and speak to the context of how we get to these layers of government so that we have Peninsula Drainage District such and such and not I think that some of the policy wonk people who watch this and attend would be interested to know how we come to this place where we have to have intergovernmental agreements to affect natural water soil.

Hales: I often give people a pop quiz to name the top ten governments they are sitting on at the moment.

Fish: Or elected member of the board.

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Hales: Name a member -- quick, name a member of the Multnomah county education service district board. We have a lot of layers as you said. So this one involves the drainage district but not necessarily the soil and water conservation district.

Fish: These drainage districts are separate legal entities and hence intergovernmental relations.

Hales: In some cases these districts were created before it was annexed to the city. There was a drainage district because there was no city agency responsible in that area. It was a county service district. So counties in Oregon use special districts a lot, and we actually had fire districts operating within the city when I was first on the city council and we actually sun setted those fire districts into the city fire bureau but it's a slow process. Good question. Thank you.

Hales: Anything else on this item? It's an emergency ordinance, so let's take a roll call.

Fish: Mayor I want to thank my team at environmental services, Jim and others for a lot of hard work. Some of my colleagues will remember two years ago how challenging this whole process was and coming up with a formula, and then we phase it in. This work is challenging, and as reed alluded to against the backdrop of uncertainty of federal regulations with our levees generally. And those costs and how they will be apportioned. This is fulfilling an obligation to come forward with the intergovernmental agreement and we're pleased that the relationships are stronger today than they were two years ago, and we're heading in the right direction and i'm pleased to vote aye.

Saltzman: I'm pleased to support this agreement, and I would also point out that the whole discussion that we had, I think it was last week, about city support for levy recertification, emanated out of these original discussions about stormwater flows and who pays for them and the recognition that the levies needed to be addressed and the city needed to play a role and I think the city has stepped up with direct financial contributions as well as a commitment to work the government relations angle with the federal government to obtain funding for levy recertification as well. Aye.

Novick: I've been pleased to support the agreement. Thank you very much for your public service, aye.

Fritz: This is not only an example of governments working well, community members, bureaus and council offices working together. I appreciate everybody that has been involved. Aye.

Hales: Charles' question is good, how do we have all of these governments evolved over time, and sometimes we get to consolidate and reorganize, like I mentioned with the fire districts. I have seen situations in which cities were working with special districts where there was a lot of turf protection and buck passing going on. That is not the case here. Reed I want to commend you, I think the constructive relationship that mr. Wagner has built between the district he manages and the city is why we're getting things done and why we're tackling tough issues like the levies in a constructive way and I appreciate the good work on both sides of this agreement. [gavel pounded]

Hales: Let's move on to the regular calendar. A few minutes before the time-certain time. That would be item 560. And maybe we take -- let's take 560 and then the byrne grant ones. Take 560 by itself?

Item 560.

Hales: Good morning.

*******:** Good morning.

Hales: Welcome.

Allan Lazo: Good morning. Our goal today is to answer council's questions from last month and provide clarification. We have presenters here to discuss how the funds will be used and what the restrictions are. We appreciate you being here this morning. I'm not sure who is going to take it away first, but whoever --

Lazo: I can open. Good morning all. I had to edit my notes, I originally had good afternoon. My name is allan lazo, a member of the Portland human rights commission, and I've been a member of the community and police relations committee, which is a subcommittee of the human rights commission since the fall of 2012. I wanted to start off by taking this opportunity to provide some

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background about the community and police relations committee. Cprc was created as a follow-up to the racial profiling committee, which had been formed originally in 2007 to address racial profiling in the bureau. Cprc's scope was further expanded and extended beyond just the plan to discussion racial profiling at that time, and includes improving relations among the community and police bureau. Cprc is comprised of 15 members. Five of those members are human rights commissioners. Five members are Portland police bureau members, and five members are from the community at large. To become a member of the human rights commission, as you know, as with other city commissions, there is a public open invitation for applications, and applicants are interviewed by hrc's nominating committee, new members recommended by the hrc and appointed here by council. To further become a member of cprc, hrc commissioners either apply to be or are appointed by the chair of the human rights commission. The five police bureau members that sit on the cprc are selected and appointed by the bureau. In my experience, has been that the bureau has sought to appoint members who have been very dedicated to and very involved in working with the community. The folks we sit at the table with from the police bureau are folks that are very active in the community already. For the five community members at large positions, we announce those open positions and accept applications from members of the public. The nominating committee of that cprc, which generally consists of two human rights commissioners, members on cprc, one community member, and one police bureau member, and then interview those community applicants, recommend the applicants to the hrc, and then appointed by the human rights commission to the cprc. As with other city appointed commissions that we have here in the city, we strive to represent all members of the community as best as possible. Just like with many other commissions here in the city, we certainly can do a better job. But I do believe that the hrc members and the community members on cprc are individuals who are committed to improving the relationship between the community and our police bureau. My experience with cprc over the last year and a half has been that we all work to create a group and space where we can better understand the perspectives of one another, through respectful dialogue in that space. As we have continued through our work over the years, we are reminded that there are many different ways that we can bring about change. That there is a wide spectrum of how people -- and I think you know that well -- can participate in efforts to bring about change, from protesting in the streets, to court challenges, to independent oversight. We respect and acknowledge that all of those efforts can work to bring about change. And I believe that those who have chosen to sit at the cprc table have chosen a path toward building a partnership between the community and the bureau that can help improve relations and create a police bureau that reflects the desires and values of our community. The support that the cops grant we're going to talk about today will further one of the major projects of cprc over the past several years. Others will discuss that in further. But the goals of the cprc's institutional racism training subcommittee have been consistent since we started our work in 2011. Working to create organizational transformation around issues of equity, by implementing an organizational equity plan. We're working to improve the bureau's service to our community. And we're also working to strengthen the partnerships and trust between police and the community. We're also working to help increase the diversity and ranks and other areas of the bureau itself. To help again better reflect the diversity in our community. I will pass it on for others to talk more in detail about the project itself and the cops grant. Thank you very much for your time this morning.

Hales: Great. Thank you, alan.

Emma Covelli: Good morning, thank you for this opportunity to present. My name is emma, and I work at the Portland police bureau and with the pass project manager staffing for the community and police relations subcommittee. And prior to working at the bureau, I worked at Portland state university in the criminal justice policy research institute, and through that opportunity, I was able to work statewide with police agencies on both training efforts and analysis related to racial profiling and other community tensions around racial issues. And, so, the reason I mention that is I just want

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to say it has been an honor to work with this committee. I have never seen something so comprehensive in the state of Oregon, and when I have spoken with people who work in other states and at the Weisenfeld Museum and other connections who are doing similar type of efforts, they have not either. And we have also received that feedback from the cops grant facilitators as well. So, I think over time people are going to be really pleased with the outcomes of this work. The people who have already had the opportunity to be involved both within the bureau and outside of the bureau, in the community, have expressed a lot of encouragement that this is really an authentic and genuine program, getting down into the issues and finding solutions. So, I just want to provide some, you know, express some support for this work, and some enthusiasm for it. And certainly we can always improve our processes, and that is part of what we sought this grant for and also the equity position. Damon will provide you more details around the past accomplishment as a subcommittee and the community involvement that has taken place already. I'm going to just touch on briefly the components that the grant is for and so that is for funding the strategic equity plan for the bureau, and also the evaluation plan and both of those go really hand in hand. So, with the strategic equity plan and to respect the recent community concerns, Damon Isiah Turner has decided to decline the possibility of filling that consultant role to avoid the appearance of impropriety. We wanted to make sure that we clarified that. The CPCR sub-committee has developed general goals around the strategic plan, and the training strategy which we have been working off of for the last couple of years. But we need to further vet the goals and to get them to a level at a place where they are measurable for the evaluation plan, and also examine the best stages for the organizational change strategies with the desired outcomes and taking into consideration everything else that is happening in the bureau so that we can be successful with this work. We also need to create the estimate dates for both the training action items and the organizational change action items, and the CPCR subcommittee strategically postponed some of these details in order to get some of the initial trainings out, and the plan around this was that they wanted the command staff and the supervisors to go through the initial training first so that we could have more internal involvement around these discussions. So, this is both to help the next stages of the development, and to allow more accurate strategic planning in the bureau. But now it is time for us to do that work. And some of that information is critical for the command staff training, and the evaluation plan, and Dr. Nishishiba will be meeting to have very specific measurable goals in order to do her component of this work. The consultant is responsible for facilitating the meeting discussions bringing in resources and expertise for guiding best practices, coordinating additional community feedback, with the mayor's office as well, and also the incoming equity manager. These are really critical discussions and the process is really time intensive. So that is one of the reasons why we provide that within the cops equity grant so that we could ensure that the work progressed and completed. The second part, the evaluation plan, will be an organizational level evaluation plan that the doctor is going to assist the subcommittee with. This is critical for monitoring our progress over time and being sure that the program goals are being met. If certain program goals aren't being met, we want to identify those early on so we can review our strategy plan and make adjustments as necessary. And also it will provide us some assessment of when we are ready to move into certain stages of the strategic plan. So, both of these components are critical for success in assisting ability of this work, and I know that we had representatives of the mayor's office that we met with individually from time to time throughout this process. And they also joined in several of our meetings and expressed to us the importance to them that these two components were a part of this process, and we see that as well. And Maria Lisa and -- they are going to speak on some of the other questions that have come up.

Hales: Thank you very much.

Maria Lisa Johnson: Commissioners, mayor, thank you for having us here this morning. I just want to say I'm very proud of the accomplishments of this subcommittee and the committee that the community and police relations committee. It is a unique partnership with the police bureau and the

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human rights commission. As you can imagine, it has taken hundreds of volunteer hours to get to the stage where we're at and we realize for going forward, that sort of commitment was not sustainable. So, part of the reason why the cops grant was pursued was because we were foreseeing a change happening. I do this sort of consulting work in my real job, and acknowledge that false starts and stops can really hurt an organization's progress in moving forward. We have dedicated now two years to this work and have had to stall the committee a bit to staff it up. Our concern and commitment is that that stopping might hurt the work in moving forward because it might create doubt internally within the organization.

Covelli: Thank you. So I wanted to address the question that came up last time around why have a consultant and then equity manager come in sort of overlapping, and what we would like the consultant to do is really address the planning pieces and continue the facilitation process that we don't have the volunteer time to support. We are expecting that the new manager position will partner very closely with our committee, and with the community around these issues because the work didn't begin just now. It has been ongoing, and it is a vision of the community and police relations committee to continue. Specific aspects of the work that would be the consultant's purview and the manager position would come in and take off and work in partnership together.

Hales: Great. Thank you. Good morning.

Damon Isiah Turner: Good morning mayors and commissioners. I'm Damon Isiah Turner, and I serve on the human rights commission and community and police relations committee, and I chose cprc's subcommittee, developed and co-managing this initiative in partnership with the Portland police bureau. I served in effect as a volunteer co-project manager with Emma Covelli, and professionally, I'm a consultant and I presently serve as the project manager at the criminal justice policy research institute at Portland State University for statewide training program on bias based policing for law enforcement agencies. To reiterate, I will not be applying for the consultant position within the cops grant due to my role within the HRC and CPRC. I would like to add on to what the others have shared about the accomplishment history, development of the initiative and the purpose of the cops grant funding, telling you a brief story, which in essence is a local case study regarding what I think are two elements to collective leadership, partnership and commitment. And in addition to the feedback that the CPRC has given to the PPB Crime Analysis Unit on stops data, specifically in regards to this initiative. Emma, Deanna and I have conducted specific outreach to community constituents to make them aware of the partnership and commitment that both the CPRC and PPB have in addressing these issues. This has included, one, presenting at both the at-large CPRC, HRC members and community members, one session was held at the Miracles Club on MLK, open feedback on training goals and requests. Two, meeting with law enforcement officials at Multnomah County Sheriff's Office to share our initiative with them and to begin a discussion of their interest in our model. Three, meeting with community leaders such as pastors and organization leaders that focus on constituencies that are concerned with law enforcement's interactions with individuals from certain segments of the community. Four, engaging with Carl Goodman, retired assistant director of the Adult Services Division at the Department of Community Justice at Multnomah County. Specifically, Mr. Goodman provided two presentations to stakeholders within PPB and the CPRC regarding the process that Multnomah County DCJ took to address institutional race issues in regards to staffing and interaction with the clients. This greatly informed our processes and originally stemmed from the recommendation of a CPRC community member. Five, engaging with the Portland Police Bureau's training advisory council in their efforts to connect all of the work of the various PPB advisory councils with one another. Six, engaging with members of IPR, and members of the Portland Police Bureau's training division, in an informed strategy of discussing how best practice efforts from complaints can be implemented into future in-service scenario trainings. Seven, observing trainings at an in-service and at the Department of Public Safety and Standards and Training down in Salem, as well as participating in ride-alongs with the gang enforcement task force and other units to have a

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more informed perspective of issues that intersect with race and other underserved communities. I personally had the opportunity to confer with commissioner Novick on behalf of the CPRC at the community police academy last November in a mental health scenario, and a once in a lifetime opportunity to handcuff the mayor --

Hales: Let's hope it is once in a lifetime.

Turner: And eight, as previously mentioned here at city council, the CPRC directly engaged and contracted with Dr. Joseph Graves, an internationally known research expert on the biology of race based at North Carolina A&T University and the University of North Carolina Greensboro for both of the previous trainings to command staff and sergeants that Emma mentioned. And, nine, co-designing, advocating for and soliciting the support of over 16 organizations for the position of program manager within the bureau for there to be a staff point person within the office of the chief that can bring into alignment not only the work begun with the CPRC in the previous iteration of the racial profiling committee, but also the coexisting concurrent work within the bureau, under the equity leadership council, consisting of bureau members only, continue the intergroup dialogue model of police officers originally created by the Human Rights Commission. I reiterate, partnership and commitment. And while much of this work has been done in a volunteer engagement capacity, much of this has to be staffed in order to be done efficiently and credibly. To be blunt, this work cannot wait until the equity manager is in place given that the time frame for which there was last staffing from the follow-up last year and to the present, has already affected the time frame from the implementation of the work and key elements, such as the equity analysis tool kit designed by the committee. We have laid the ground work for the consultant and program manager to, a, not start at ground zero. This work has been informed by national best practice efforts and local community demands to continue to work with law enforcement to make it the best bureau on the west coast and in the United States. Be able to work with the existing advisory groups and key constituencies, and C, earn the trust of both bureau members and members of the civilian community. Which, in itself, is not an easy task, given the political nature of both. Articulating and implementing authenticity on how this work actually connects to helping to make officers the best officers that they can be. And how legitimacy and trust can be strengthened within communities that have not traditionally had it for law enforcement. I would like to conclude by stating that I personally lived in seven metropolitan cities and observed various interactions with law enforcement and the civilian community. And someone, like myself, who attended middle school and high school here, has observed, that we do have the capacity to do something different here in Portland to be utilized as a model for other cities if it is allowed to continue to grow and this grant will help us in those efforts. In fact, the cops office insisted on PPB accepting this grant after it was first refused because of the latter imposed ownership restrictions that the cops office had initially posted. And the cops office came back to PPB and insisted that the grant be accepted given the innovative nature of what we have built here so far and are continuing to build. In essence, they had not seen anything like it in other locales, that esteemed city council is partnership and commitment. Thank you for your time and support.

Hales: Thank you all. Excellent presentation. Any questions for the panel? Lieutenant here, members of the command staff, I'm not sure if you wanted to present anything or answer questions. Thank you all very much.

Covelli: Thank you.

Hales: Questions for the bureau? And if not, are there folks signed up?

Moore-Love: One person. Crystal Elinski.

Hales: Is Crystal still here? Okay. Then this item is an emergency ordinance, and unless there is further council discussion, we will take a roll call.

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

Fritz: Thank you for the presentation. Aye.

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Hales: Eloquent presentation on how this work matters. Members of the committee, commission, and good work being done with partnerships in leaders in the bureau. Aye.

Hales: A series of second reading items lined up here. I am proposing that we take those and have a brief recess after item 566, maybe 15 minutes, while we get ready to deal with the multiple items on the proposed street fee.

Fish: Mayor, I think 566 we may have a substitute?

Hales: I'm sorry, we are referring a couple of these back to my office. But they're all second reading items. Let's take 561.

Item 561.

Hales: Discussion, roll call?

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: 562.

Item 562.

Hales: Roll call.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: And 563.

Item 563.

Hales: Roll call, please.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: 564.

Item 564.

Hales: I'm proposing to refer this back to my office, thanks to commissioner Fish with his leadership in looking at the issues involved in this. Any objection?

Fish: Mayor, with your office and the chief was 566.

Hales: But also 564. Refer that back as well. Thank you. 565.

Item 565.

Hales: Second reading. Discussion? Roll call.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: And 566.

Item 566.

Hales: And again, thank you commissioner Fish. I will refer this back to my office, unless there is an objection. [gavel pounded]. Okay. Thank you. We are going to declare a 15-minute recess and come back at 11:30. Does that work? Thank you. [gavel pounded]

Council recessed at 11:14 a.m. and reconvened at 11:33 a.m.]

Hales: Council come back to order. [gavel pounded]

Hales: Before we read these in order, what my intentions are on the council after discussion and last week's public hearing, there is interest in moving forward in time for the november election on the referral to the voters of the charter -- however, there is still more work that needs to be done fine-tuning the language of that charter restriction. It is my intention that we get to that item to set that over for one week so that we can finish wordsmithing the words of that resolution. I'm sorry -- of that charter change. The sense of the charter change is not going to vary, which is the purpose of the charter change is to restrict the use of transportation and user fee revenues to transportation purposes. And exactly how we state that in words in the charter, again, we're going to work on for another week and bring it back to council in time to refer it to the november ballot. Because that's when people get to vote on charter changes is in an election and we have one coming and we have a few more weeks in which we can refer something to the voters and get it acted on in november. It's my intention to continue council discussion and public hearing on item 546 to november 12th.

Which is the council meeting which follows the next regular election, and it is my intention to take action on the third item, with some amendments today. So, that's 548. 547 is the charter provision.

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Because they're not in that order in the council calendar, I wanted to let people know what we have in mind and we will take testimony shortly. But I just wanted to let people know that is my intention. Let's read all three items, or would it be better to read them one at a time?

Moore-Love: I would think one at a time.

Hales: Let's take 546 then.

Item S-546.

Hales: Okay. I understand there is need for council discussion here and to read some things into the record.

Novick: Actually, I think we need to read things into the record on 547.

Hales: 547. Unless there is any further council discussion or objection, I will set this item over until november 12th. [gavel pounded] now, let's move on to item 547. Which is the charter amendment.

Item 547.

Hales: So, as I stated earlier, it is my intention to continue this item for one week. But we have some things that we need to read into the record first.

Fritz: Yes, mayor, I would like to just explain to folks about what i'm thinking on this charter referral and where I was thinking as of last night as to what the language might be. We want to, as you said, take the time to get it right. But I was wondering if we could change it to all funds collected through the transportation user fee strike adopted by the council in june of 2014, since we're not doing that, as now provided or hereby amended by the council shall be deposited into a special fund known as the transportation fee sub-fund and then adding instead of -- with the majority of funds used for transportation maintenance and transportation safety improvements, change it to at least 8-10th, and in case anybody is wondering about my math skills and my teachers in high school will rollover, hopefully not in their graves at this point, I used 8-10th other than 4-5th because that's similar to other language in the charter where they talk about tenths. And we had some discussion last week about not using percentages, and I am hearing lately that putting the percentage of 80% in would be a better way to go. So, that was just my thinking and I wanted to let commissioner novick and mayor hales weigh in with their thoughts also.

Novick: My initial reaction to commissioner Fritz' suggestion was that I think that the important thing, what would be important to voters is to make it clear that the money in the fund will be used for transportation, as opposed to other unimportant stuff. And that the percentage that goes to maintenance and safety in particular I didn't think was essential. But I amenable to the idea, I just didn't think it was essential.

Hales: Yeah, and I think, first of all, I will take your instruction that the charter uses 10ths and that tradition overrides mrs. Rosenwaser's instruction in class in my high school English class to always use the lowest fraction in verbal description. So mrs. Rosenwaser, i'm sorry, but you're trumped by the Portland city charter. And, secondly, I think I need to formally disclose that in terms of the open meetings law that I did email commissioner Fritz and commissioner novick and say that my counsel is that the earlier words are the most important ones, that is that all funds in the transportation user sub-fund shall be used for transportation purposes, I think those are the most critical words in this proposed charter amendment. But, again, the purpose of this discussion and then this delay is so that we get a finished amended document in front of the community published next week and considered by the council.

Fritz: So we will be filing it tomorrow and taking testimony on it so if there is further comments from community members, we're open to changes.

Hales: We will take testimony on the language itself next week. We will file it tomorrow, put it on the calendar next week, rather than having you react to a verbal discussion, we will actually have a document in front of you. Because, this, if it's approved by the voters is going into the charter. [inaudible from audience]

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Hales: That's why we're going to get a new version of this and it will contain the words all funds. So, that's one of the clarifications that we wanted to get cleaned up. So, further council discussion? Anyone particularly concerned about this delay? Okay. We are going to set this over until next week. [gavel pounded]

Hales: A week from today. And file the amended language tomorrow. Now, let's take up 548.

Item 548.

Hales: Commissioner novick.

Novick: Mr. Mayor, I have an amendment to propose -- actually a series of amendments reflecting the same language, amendment based on a suggestion by commissioner Fish, although not using the exact language that he suggested for reasons I will explain. The amendments would be in the opening paragraph after a transportation user fee for non-residential use of the transportation system, add the language and/or other funding mechanism paid for by non-residential users. Again, after the word system, before the word to, and/or other funding mechanism paid for by non-residential users.

Hales: And the purpose of that change is --

Novick: The purpose of that change is to give the work group that will be assisting us on further consideration of the non-residential transportation funding to possibly consider other options other than a user fee. We heard from a number of small businesses that they were concerned that the user fee approach doesn't take into account profitability of a business, for example. So, one option might be some sort of combination of the user fee, plus a change, addition to our existing business profits tax. I'm not saying that is where we necessarily wind up, but that is something that we consider but that opens up that possibility.

Hales: Okay. Thank you.

Novick: Then the next place we need similar language -- I have one copy of this and I will share it with commissioner Fritz for a moment.

Fritz: I see.

Novick: The next place the change would be necessary would be on page 2 in the 5th -- i'm sorry, the fourth whereas, where it currently says the council seeks to consider a comprehensive transportation user fee that assesses businesses and other non-residential users will be added there would be a comprehensive transportation user fee or other funding mechanism, or other funding mechanism.

Hales: Right.

Novick: And then in the two whereases down, the council is considering concurrent with this resolution an ordinance to create a transportation user fee. This refers to the residential user ordinance under consideration, however, we're not actually considering it concurrent with this resolution, but we are still considering it. So, I propose to strike the phrase concurrent with this resolution.

Hales: Okay.

Novick: The last whereas on page 2, where it says a transportation fee user methodology, we would add the language and/or other funding mechanism. So between the words methodology and to and/or other funding mechanism. Finally, and most importantly, in that concluding language be it resolved we would say now be it resolved that the council will consider an ordinance striking -- I think it was pass beforehand, instead of will pass an ordinance, they will consider an ordinance, and then after non-residential use, say and/or other funding mechanism paid for by non-residential users and/or other funding mechanism paid for by non-residential users --

Fish: I have a friendly amendment to offer.

Hales: Okay.

Fish: Commissioner novick, on page 2, you did not address the 5th whereas. Would you consider making the same change to the 5th whereas.

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Novick: I apologize, mr. Fish, absolutely. The 5th whereas -- and/or other funding mechanism paid for by non-residential users.

Hales: All right. Okay. So, commissioner novick moves that package of amendments. Is there a second?

Fish: Second.

Hales: Let's take a roll call on that set of amendments and then take testimony. Any further discussion before we adopt these or vote on these amendments? Okay. Roll call.

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

Fritz: Thank you for your work on crafting these amendments, which just clarify that we're going to be continuing to work on both the residential and the non-residential proposed draft transportation fee and/or other funding mechanisms through november. Aye.

Hales: I appreciate this. My test for this, as i've said repetitively for sometime now, is that it has to be sufficient to make a difference. It has to be fair and charges everyone, but if we have a different mechanism that it yields the same results from business rate payers, then i'm certainly interested in considering that and appreciate that opportunity. Obviously the two working groups are going to need to look at both sets of issues in this time that we have allowed, but I think this is a constructive opening and maybe will produce a new idea. Aye. [gavel pounded]

Hales: Okay. Now, anything further before we take testimony on the amended resolution? Okay. Anyone signed up?

Moore-Love: Yes. I have four people signed up. The first three are joe walsh, lightning, and charles johnson.

Hales: Come on up.

Hales: Go ahead, joe.

Joe Walsh: My name is joe walsh, I represent individuals for justice. And I would like to give you an opinion that this entire operation, presentation, ordinance, fee, tax, whatever it is you want to call it, has been bizarre. Absolutely bizarre. The fact that you're doing your amendments -- the people that are watching this on tv do not have the same paperwork that you have. They don't know what you're talking about. You're looking down at paperwork and making notes on amendments, and people don't know what you're talking about, and that to me is terribly unfair. The other thing I would like to say is in this process, there are people that came here today to testify on specific items and you make last-minute changes. And what you're doing -- you say to us, as the public, screw you. You took the day off, you took hours off, you took the bus down here, you spent a couple of hours to get here, screw you. I am the mayor. I'm going to put it over. You could have put it on your web site, you could have notified people, but you didn't. There are people here that took the time to come. You should be embarrassed that you would do that kind of stuff. This is outrageous. The fee is outrageous, you're outrageous, you're outrageous, thank you, you guys, for the first time in a long time I can say thank you, commissioner Saltzman, thank you commissioner Fish, and I don't know where you are amanda, I think you're lost.

Hales: Charles, go ahead. Sorry, lightning. Would you like to be next?

Lightning: Lightning company -- on the charter -- i'm at agreement that I think we have an understanding that the purpose of this transportation user fee is for transportation purposes. Where I would have more of an oversight type committee would be on the contracts, on the different types of projects that you might be looking at. A little bit more oversight on that to keep things in line and making sure that the money is going in the direction that we think it should. One of the things that I will say about commissioner novick is that in the past, i've seen that you focus on a lot of the safety issues on the vista bridge, you take action immediately. On seismic, you're watching that very close. On the roads, you're focusing on that. And I commend you for that. And I agree with you on that, and also on many environmental issues. What's catching me off guard on this, I think, is just the overall number that we're looking at. It is a big number. And I think everybody admits that. We want

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to have a more clear understanding of where the money is going. You have heard from certain people. I want to make sure if I pay something that is being invested in the direction that I want to see it go. And those are reasonable concerns, and I guess where I am at on this, yes, I want to see it refined. I understand, yes, you're in charge of the bureau of transportation and you need to come up with funding plain and simple. Nobody is going to debate that. And I think it is just a number. On residential, I think it needs to be adjusted as commissioner Fritz has stated. And on the businesses, that's open for debate right now from what I can see. Really needs to be looked at and refined, and I think you can come to some form of agreement on the overall situation, and I commend you on your safety position on a lot of different issues, and I would not want to be in your shoes right now on this. This is very difficult, it is a very complex situation, but I do commend you on making the effort and just keep a lot of people involved and try to refine this, because it is something that is necessary, something that needs to be done and nobody is going to debate on that. It is just that that overall number is scaring a lot of people. It is a big number thrown out there each year, and I want to have more of a closer look on year one, what's projected to be done. Year two, what is projected to be done. Year three, year four, year five, and have real numbers backing on where certain money will be placed. And that's my position. Thank you.

Hales: Thank you.

Novick: I appreciate those comments and we are going to be highlighting more some of the specific projects that we would anticipate moving forward over the next few years. And in some cases, we absolutely know this is something that we are going to do. In other cases, we could say this is something that we think is a priority, but we're open to further community engagement as to whether you think something else in that area is more critical but we will have that more detailed discussion and I appreciate the suggestion.

Hales: For example, on the maintenance side, we might not be able to specify every single street that is going to get a fog seal, but we could at least come up with a range of miles of street that we would be doing in year one, and a range of miles -- we could give people more detail without having to name -- we're doing -- we're not going to get to that level of detail when you talk about maintenance.

Novick: In the town halls, in terms of number of miles that will be treated, but I think that particularly on the safety side, we were cautious in the ordinance language to identify a very few things that we know for sure we're going to do. We can identify a larger number of things that we project that we would do subject to some further public discussion.

Hales: I think it is possible to get do that level of detail, at least number of projects, this many crossing improvements, that kind of thing, and maybe some idea about geography as well. Thank you. Good suggestion. Yes, Charles.

Charles Johnson: Good morning, commissioners, my name is Charles Johnson. And I echo some of the feelings of Mr. Walsh about this confusion and chaos that comes at the last minute, but I think it reflects the fact that people of Portland are also -- a lot of times have very strong opinions about this potential street fee, also because maybe of a lack of information, except for some people, not able to really come to a clear decision whether they can support it because it's still unclear where they're going, particularly the language opposed -- proposed for part 9. I think that there might be stronger support if there was clear that it was used for maintenance of existing projects. I don't think that a street user fee for new projects, street user fee money for new projects really would be consistent with the idea of the way we use lids. I think new projects we generally try to find new localized sources of funding for them. So, I invite you to consider the idea that personally and I think other members of the public would be most supportive of seeing the huge preponderance of this money go to maintaining and improving the quality of existing streets. Thank you.

Novick: If I may respond to that for a moment.

*****: Yes.

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Novick: We heard in the town halls a lot of people saying that the emphasis should be on safety and part of the argument was that if you spend all of the money on maintenance of the existing system, you perpetuate existing inequities. There are parts of town where you have got pretty safe streets. You have sidewalks, you've got crossings. You have got signals, flashing beacons, and other parts of town where you don't have sidewalks, you don't have signals, you don't have flashing beacons, you don't have crosswalks and the people in those parts of town in many cases can't really afford to do an lid and -- all of it themselves. Feedback we got at town halls, you need to spend some of the new money on safety, safety important in and of itself, and if you only spend it on maintenance, you are perpetuating existing inequities.

Johnson: I often walk from -- right around mt. Tabor park up to the 82nd max station and see a huge disparity in the condition of the streets. I know the gentleman who spoke earlier from lents went from unpaved streets to paved streets. People who have been underserved in the past to have hope of getting real safer roads in front of their home.

Hales: That lents example is an interesting one in that we used -- because it is in an urban renewal areas, urban renewal fans to match funds from homeowners to get it done. That isn't true for 90% of the city. Moderate income home buyer could afford to, you know, maybe raise their own taxes and pay for a better street, it's not going to be a huge lift. It will be a lift, but not as big a one, and that is the kind of formulation this would allow us to do over time. It is a better way than saying 20 grand or nothing. 20 grand or good luck with your mud street. I think we might be able to give more options than those two.

Johnson: Don't let this deter you from going to the sales tax option --

Hales: Thanks very much. Others signed up?

Moore-Love: Three more. Irwin Mandel --

Hales: Come on up.

Hales: Go ahead and give us your name, please.

Lili Mandel: Lili mandel. I was not going to speak at all, believe it or not. He had signed up, and the reason I just put my name down there is because my husband, I saw something that was -- really bothered him, and I said we have to go and point this out. Then what bothers me about this whole thing, this haste makes so much waste all over this entire thing from the beginning until now, makes so much of a problem. It is haste and another thing that happened, the tenor of the entire thing that bothers me terribly, since I attended last thursday. This was an attempt to separate us, the rich, from the poor. They have to have regulations here. This is for this. And this attempt, and then fear came in. Yes, we must do this now. That haste part, now, right now, or all of these horrible things are going to happen to you. I have not liked this from the moment I heard it. I'm going to say i've heard this before, this separation over any issue, be it fees or taxes or whatever it is, and this is what I heard last thursday, and I am appalled by it. I do not like fear and separation in any decision -- I don't care what it is. And I think this is -- started off as a flawed process and attitude, and i'm sorry I have taken up your time. Thank you.

Hales: Thank you. Thank you. Good morning.

Irwin Mandel: We often work together. I have to go back to your statement in one of the -- I think 547, the majority of the fees collected are going to be used for transportation --

Hales: All of them are going to be used for transportation.

Irwin Mandel: Let's see. I may have the language wrong out of memory. Let me read what it says. Funds be used for transportation purposes, with the majority of the funds used for transportation, maintenance and transportation safety improvements. What is a majority? Is a majority 60%? 70%? Or is it 50.0004?

Hales: That is why commissioner Fritz proposed the amendment that we adopted, 80% going to maintenance and safety, all for transportation purposes but 80% for maintenance and safety.

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Irwin Mandel: I missed that. Because as a former statistician, the majority is a nice term, but, boy, is there a wide --

Lili Mandel: She just mentioned it darling.

Irwin Mandel: I'm glad you did it, amanda.

Fritz: We haven't quite done it yet. I shared your concern. And I was suggesting the 80% -- we will have the language available by the end of the week.

Irwin Mandel: And just throw a curveball into this. You may put this in as a charter amendment now, but any future council can override this -- you can't change the charter?

Hales: Only the voters can change the charter.

Irwin Mandel: So this could be put to a vote.

Hales: That's why we're doing it, exactly. Thank you.

Irwin Mandel: I give up, you're right. [laughter]

Fritz: That is helpful.

Hales: I will say the same to you on a regular basis. Thank you.

Irwin Mandel: That will be music to my ears, charlie.

Hales: Thank you. Good morning. Good afternoon.

Adam Kriss: Good afternoon, morning, whatever. My name is adam kriss. So, I was going to speak on the language, but now that I know that you're putting it off until next week, I will save some of those comments. I'll either put them in email or come back. But I did want to talk about because we talk about, you know, I hear commissioner novick talk a lot, you know, in this language, you talk a lot about safety and maintenance. And I agree with the safety and maintenance part. I do think that we have to kind of define maintenance and safety because coming from my standpoint, being on the commission on disabilities, I look at safety in terms of the outfitted -- curb cuts and sidewalk alignments. I live at 11th and clay downtown. And a lot of times, people -- with disabilities, or even not disabilities, when they cross the street, they have to orderly, almost go into the middle of the street to get to the curb cut. So, I believe that that is a huge safety concern, and that has to be immediately addressed by the charter, by this amendment, by this user fee. The other thing that being on the commission I think it is important to get the opinions of people with disabilities. I think it is important to, you know, include people with disabilities in this discussion, and last week during the public hearing, I didn't hear much talk about that. And I encourage -- I encourage you guys in the next couple of weeks, you know, when we talk about this amendment and charter in the future, that we include, you know, language that specifically speaks to people with disabilities and this specific safety issue. Like I think amanda pointed out a couple of weeks ago, you need to have a system of prioritizing some of these items, instead of just saying we're going to sort this money out and we're going to decide where best to go. I think pbot needs to put a list of priorities and kind of, you know, monitor the situation rather than just flowing it out there and just saying oh, we will get to it when we get to it.

Hales: Okay. All right. Thank you very much. Anyone else?

Novick: Mr. Vanderveer was part of our advisory committee.

Hales: He was. Thank you.

Moore-Love: That is all who signed up.

Hales: Further council discussion. Roll call on the amended ordinance, resolution.

Fish: I want to begin by thanking mayor hales, commissioner novick and commissioner -- I want to applaud the focus on the impact on small businesses as well as low-income families, and the expressed intent to explore a range of options beyond one particular fee or tax. The public that is watching this, this resolution does not call the question. It merely sets forth a time line for further council consideration of any proposed fee or tax. And in november, when a recommendation comes back to council, here is the test that I will apply. The first is, do I believe that the tax or fee that is being proposed is fair and balanced and appropriate. And, second, do I believe it is something that

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council should decide or the public should decide? And as I have previously stated, my general preference in this area is to refer it to the voters for the final say. I thank my colleagues. Aye. Saltzman.

Saltzman: No.

Novick: I appreciate commissioner Fish's comments. The purpose of this resolution is to ensure that we will consider both a residential measure for transportation and consider something that would involve non-residential users paying by november 14th. And since council meets on the 12th and 13th, it would be probably one of those two days rather than november 14th itself. We have talked about the fee that -- for non-residential users based on the institute for transportation engineers modeling which indicates how many trips a given business generates. There are concerns expressed by small business owners that that doesn't take into account the specific volume of their sales or their profitability. Of course, there are taxing mechanisms that specifically look to sales and profitability. Such as a sales tax or a profits tax. So, there is no alternative that I think you will see a huge groundswell of support for, but I think it is appropriate to give our advisory committee and ourselves more time to think about various options or combinations of options. Aye.

Fritz: Thank you to commissioner novick for taking on this assignment from mayor hales for the transportation bureau. And for opening the discussion that we have a problem. We have a problem in funding basic street maintenance and safety. And it is a huge problem -- and it is a huge problem, tens of millions we don't have, and for every year we delay it gets worse. I appreciate that you have taken on this challenging issue and taken leadership of it and mayor hales for your partnership in that. This has been a Portland process, and I very much appreciate everybody who has emailed, sent letters, phone calls, and participated in all of the public hearings, because it is clear that people care very passionately about this. Most people agree that we have a problem. Some people still think that we have a hidden bucket somewhere that i'm not quite sure what they think we're doing with it, but I don't believe that we do have the money that is needed for these crucial safety improvements. I'm glad we will be continuing the conversation. I hope we will be engaging a lot more citizens and community members in the discussions both on the residential and non-residential side, the business side, as to what is fair and equitable and what will get us to what we need for funding our streets. Just recognizing what commissioner novick put on the table at \$12 per month still wouldn't get us to where we need to be in funding street maintenance and safety. Huge funding problems in parks and in housing. So, together as a council, we need to grapple with these things and we need to consider everything that -- all of the possibilities. I very much appreciate the -- first of all, the hurriedness and now the willingness to slow down and do more consideration of how we're going to move forward. Thank you for that. Aye.

Hales: Well, first we had a long and passionate public hearing last week, and a lot of people came and testified and we heard three things -- I heard three themes to that. One is don't do this. I'll get back to that. Two, this is going to have a big impact on small business and please think through the mechanics and details so that you moderate that impact on small business. And we heard that and that is one of the reasons for this extra work that is going forward. And, third, we heard this is going to have a disproportionate impact on low-income people. Please do everything you can to moderate that. And we heard that. And that is why we have another working group to address that question. I understand that some people feel like this is happening in a hurry. I don't. Because this has been -- we have been talking about this issue for 21 years. We have been talking about this particular mechanism for 13. There is a store in, I believe, hillsdale, a used clothing store, and the name of the store is new to you. Perhaps this discussion is new to some people, but it's not new to me. And, in fact, 17 years ago, when I was the commissioner in charge of transportation, and I was sitting in that chair. I had dark brown hair, no grandchildren, and no need for these. And I had two pieces of asphalt sitting on that counter right there, which I took to salem and advocated for a miserable little increase in the gas tax or the vehicle registration fee, which I think in that case they didn't approve,

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but did approve a session later. The legislature has occasionally bestirred itself to do something about this problem. Congress, which created this problem -- not our current members of congress -- congress which created this problem by failing to index the federal gas tax in 1993, has done nothing since 1993. So, this issue is not new to me. Now, I am perfectly willing to take a little more time to measure twice and cut once. But we have to do this or something like this that produces at least \$50 million a year. Yes, it is a lot of money. It is half of what we need or two-thirds of what we need depending on which report you consider. The auditor's report or the transportation bureau's. But it is an enough to make a difference. And I am not willing, although I am willing to take more time and although I was concerned by comments that I read from one business leader in the newspaper, but I always take what's written in the newspaper with a grain of salt since i'm occasionally quoted there myself, saying well, thanks for the delay. But we still have real worries about this. No, we have to do this. We have to do something like this or we pass on a much bigger bill to our children, and now my grandchildren and perhaps your's as well. So, this is a big problem. It is a big, ugly problem. It is a long-time problem that we have been talking about for a long time. We have been talking for years. I'm willing to talk for five more months and then we need to act after our voters have put side boards around this proposal, in time to stand up at the 19 -- at the 2015 session of the legislature and say Portland has done its part to fund transportation in our state and our community, now we want you to do your part. We will have no creditability in salem on this subject if we stay in denial, delay, and dithering and anymore in the next five months. We need to act. We have a few choices. None of them are good. I'm willing to consider modifications, refinements, discounts for people that deserve them, let's tune this to make it work for people, but understand that we have to pay our bills and now we have to start paying our street bill. So, I look forward to the discussion. I look forward to improving this necessary idea, and then I look forward to finally doing something. Aye [gavel pounded]

Hales: You need to wait and testify when you get called on. Let's move on to the next item, please.

Hales: Let's take this one and move to 575.

Item 567.

Hales: Good afternoon, christine. How are you?

Christine Moody, Chief Procurement Officer: Good afternoon, mayor and commissioners. You have before you a procurement report, real underground construction for the inner northeast sanitary sewer extension project. Engineer's estimate on this project was \$1 million. On april 17th, 2014, the five bids were received, and real underground is the low bidder at \$1,048,688. The city identified seven divisions of work for potential minority women and emerging small business sub-contracting opportunities. Sub-contracting participation from real underground is at 62.6%. And they are responsive to the city's good faith effort requirements. I will turn this back over to council if you have any questions and there is representatives from environmental services here to answer technical aspects of the project.

Hales: Okay. This is on the regular agenda because of our policy of taking large items and making sure they're acted on regular agenda. Any questions about this particular project? Is there anyone signed up to testify on this, on the bid of real underground, you are signed up on that item? Okay. Thank you. Come on up. And you need to speak to this item in particular, and none other.

Veronica Bernier: Good morning, mayor charles hales. Always good to see you. And good morning amanda Fritz. Commissioner Fritz -- and commissioner steve novick, hi, and commissioner dan Saltzman, and commissioner nick Fish. You're all doing well. I support what you're doing here with the real underground, I think the need to -- keep current. I also wanted to say that if you keep going with everything else in the city -- keep it short and sweet. I wanted to let you know I was still here.

Hales: Thank you. Thanks for coming.

Bernier: Okay. You're welcome.

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Hales: Motion to adopt the report.

Fish: So moved.

Fritz: Second.

Hales: Roll call, please.

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

Fritz: I enjoy your testimony. Thank you for coming to council. Aye.

Hales: Aye. [gavel pounded]

Hales: Let's move to item 575. I think commissioner Saltzman has some people here to speak. Read that one, please.

Item 575.

Hales: Commissioner Saltzman.

Saltzman: Thank you, mayor. I think we're all aware of a recent survey, Portlanders were asked to rate services provided by the city of Portland and it was no surprise that parks and recreation scored very high, 87% approval rating. Police and public safety, 82%. Planning and sustainability, 63%. Affordable housing, only 36%. You can always read different messages into poll results, but I think that says two things. One it says -- maybe we need to be doing more to deal with the affordable housing crisis, but I also think Portlanders astutely recognize there is an affordable housing crisis in this city at this time. Our vacancy rate and our rental market is 3%. Which is one of the lowest vacancy rates in the nation. And it certainly does say that we need to be doing more to increase our supply of affordable housing. I want to thank the mayor and council for recognizing that in the budget that we are poised to adopt soon for the next fiscal year. What I'm promising, promise to remain diligent to look for additional sources of revenue to continue to develop more affordable housing, continue to develop programs that respond to people who are homeless and their needs. And we need to be thinking creatively, because as we all know, our tax increment funds are projected to decrease over time. Federal resources are always problematic and unpredictable and generally trending downward. That is why I'm asking for council's help today with this resolution. Short-term rentals are a new phenomenon in Portland and really indeed around the world. And while this is a point -- we cannot quantify their effect on housing availability, we do know that there will be one. I think most people can connect the dots and see there is a nexus that when people can choose to rent their rooms -- rent a room in the house or two rooms in the house on a short-term basis, it can be more lucrative than perhaps the pain and suffering of a long-term tenant, somebody who can afford -- who needs that housing stock. What I'm asking, and I appreciate the -- street roots for pushing on this today, and this resolution that I'm putting forward, commissioner Fish and I are going to ask for a substitute to be considered in a minute, but the long and short of it is to capture a percentage of the new revenues that will be coming in through transient lodging taxes from these new short-term rentals and put it into the housing investment fund so that it can be invested in creating more affordable rental housing in particular. We started out with an approach that had some push-back from the budget office. I always appreciate their pushing back and what we have -- the substitute that we will offer in a moment takes a somewhat different approach, and in essence says that we will start in the next year, '15-'16, dedicating at least \$300,000 of the incremental transient lodging tax from the short-term rentals to the housing investment fund. And we think that -- and we will recognize that at the fall bump coming up. And we think that that conservatively is at least 50% of the estimated revenue that will come in from short-term rentals and I think that is a fair amount to be dedicating to affordable housing. With that, I guess commissioner Fish, would you like to offer the substitute --

Fish: Why don't you offer it?

Saltzman: I would offer the substitute, gets away from dedicating a specific percentage of the hotel tax -- sorry, transient lodging tax and puts in in the verbiage of current appropriation level.

Fish: I will offer the second for the purpose of putting this before the council.

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Hales: Moved and seconded.

Saltzman: People who wish to testify.

Fritz: Why are we considering this before we have even decided whether we're going to expand the transient lodging regulations?

Saltzman: Well, we, you know, timing is always problematical. I think it's a safe bet one way or another we will do something on transient lodging. If we don't, this resolution is moot.

Fritz: Perhaps I could suggest that we hold our vote on this until we decide whether we're going to do the transient lodging expansion, because it is pretty insulting to folks coming in this afternoon if they believe it is a done deal already.

Saltzman: I think that is a fair point, but I think my point is fair, too. If we don't do anything this afternoon, then this resolution becomes moot. I'm open to putting the vote over.

Fish: I don't think dan's intent was to insult anyone. It was to frame an issue, establish a nexus and begin this conversation. Procedurally i'm less concerned about the sequence than I am putting this before the council. And I think, mayor, we can put this over. We also have people here who are interested in testifying. We could amend it so that it is conditional. Or we could take some testimony and set it over, but I would say since we have some folks here, let's give them a chance just to be heard.

Fritz: Happy to hear their testimony and I have questions for the city budget office.

Hales: Let's take testimony then and consider amendments and discussion --

Fish: Mayor, do we need to adopt the Substitute just so it is before us --

Hales: Let's do that put the substitute before us and then we can go on on hear testimony and decide whether we will set this over or otherwise act on it. Roll call on the substitute, please.

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

Fritz: Willing to support putting it on the table for discussion, aye.

Hales: Same here, aye. [gavel pounded]

Hales: Who do we have signed up?

Moore-Love: We have two people. Scott, sorry, can't read the last name. And Tristin Webb.

Saltzman: I guess the people I had were invited then. Did you have israel bayer and marc jolin?

Moore-Love: Not on the sign-up sheet. I'm sorry, I did not have a sign up sheet for this one.

Saltzman: Let's consider them to be invited testimony, then. And jess larson from the northwest pilot project. My apologies.

Hales: Come on up. Good afternoon, thanks for waiting.

Israel Bayer: Absolutely. Thank you. I guess I will start. My name is israel, north Portland, executive director of street roots. Thank you for your support of housing and homeless services. When people ask me if city hall is a friend to housing and homelessness, I often tell them that we not only have one advocate, but we have five advocates at city hall for these important issues. I'm here today to basically advocate given the circumstances related to gentrification, rental market, relationship between business and homeless people on the streets, to have the short-term rental fee go towards housing given the current circumstances and climate that we're under. I wanted to voice my support for this. I understand that it is a process. And there may be a lot of questions that have to be answered, but I just think understanding that we're opening up a whole market towards tourism and other folks that are going to benefit from our great city, as it relates specifically to housing, that it only makes sense that some of that money should go to people experiencing homelessness and poverty. Thank you.

Jess Larson: I work at northwest pilot project. We're one of the regions oldest nonprofit providers working to address issues of poverty for people in downtown Portland, especially seniors. We have started exclusively almost focusing our work on affordable housing because that is the greatest issue that people living in poverty experience. I have worked on the pilot project for the last eight years advocating for people at risk of homelessness or currently experiencing homelessness trying to solve

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that. And I can mark year by year the change in homelessness in our city by the stories of homelessness that I hear and the faces that I meet. I think a lot of time when we talk about homelessness, our minds conjure up the picture of someone who is disheveled, maybe disabled, on the corner with a cardboard sign or waiting in line for shelter, and that simply is an inaccurate and incomplete picture of homelessness today. 20% of homelessness today is the result of people with disabilities or severe barriers, and these are things that agencies like ours can solve. We are skilled and knowhow and we are doing it every day. 80% of homelessness is an economic reality. And this is a problem that our agencies can't solve. It is the sheer lack of affordable apartments, low-wage jobs, not enough employment, and that's why we need the help of our public systems to really truly solve affordable housing. Incidentally, i, along with my husband, host -- guests at our home in northeast Portland. We used to rent out our second bedroom and we love sharing our home. We love introducing people to Portland, showing them a good time, telling them where to eat and not eat and, you know, the story, it is really fun to show off Portland. And every time we do, we're so aware of how many people don't have a good, safe, dry, warm place to sleep each night. And we know that the short-term rentals has a direct connection with the decreasing available apartments and increasing in rent. And, so, this seems like a perfect solution, a perfect first-step in the right direction to attribute this new resource to addressing our growing problem and in time we can really solve the problem for 19,000 families who are in Portland who don't have an affordable home to live in. So, thank you for the proposal, commissioner Fish, and thank you for hearing our testimony.

Marc Jolin: My name is marc jolin, executive director of join, one of the non-profit partners in the effort to meet the needs of homeless people in this community. I appreciate having a chance to talk about the specific proposal. Thank you commissioner Saltzman and commissioner Fish for bringing it forward. I hope the council will support it. Portland is such a wonderful city. I sit on the Portland housing advisory commission, and yesterday's meeting, we heard a presentation about Portland's many strengths, including the fact that people are bringing their skills here in large numbers that our economy is starting to get stronger, and as someone who works with people every day who are looking for jobs and as the director of an organization that depends on the economic health of the community to support the work that we do, it is extremely exciting and encouraging to think that we are seeing an economic strengthening in our community. But the presentation to the commission yesterday also called out one of the most significant challenges facing our community. The enormous unmet need for affordable housing. Among comparable cities nationally we have one of the highest percentages of rent burdened households. Tight supply and growing demand has driven up rents double digits year after year for the last several years. This has had a profound impact on the currently homeless people that join works with. They are struggling more than ever to find units. And the units they do find are often costing them more than 70 or 80% of their limited incomes. And the declining affordability of our rental market is also impacting the currently housed families we have who find themselves one step closer to being homeless again with each rent increase. By itself this dedicated revenue won't solve the affordable housing crises. The flexible local dollars like this are among the most important tools in our community's tool box. We can use them to provide vital gap financing for traditional affordable housing development projects. To pilot innovative permanent housing development concepts and implement creative strategies like short-term rent assistance to help low income families access and sustain private market options. This dedication of lodging tax funds to affordable housing will help insure that homeless and low income Portlanders share in the benefits of the economic growth that this form of tourism brings. And I expect that those people who use short-term rentals will appreciate Portland all the more knowing that this is how we are using some of the revenue they are helping generate in our community. So I encourage you to support this proposal. Thanks.

Hales: Are there others?

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Novick: Actually, can I ask a question of the panel? I understand that there is a bewildering array of housing related programs. It's my understanding the city has been sort of on and off in this investment of the city every year, invests in housing affordability. It's my understanding the city has gone back and forth to the housing investment fund in particular. There is speculation about why it's appropriate to put the money into the housing investment fund, as opposed to some other housing program.

Jolin: I think I saw Traci Manning here, the housing bureau director, and she would be better than I am to answer that question.

Novick: Thank you.

Saltzman: I will take a stab at that, too, but, to me, the housing investment fund, regardless of what it may say somewhere in the budget document, it's a place where I want to see moneys go that are dedicated to increasing the affordable housing. So, that's, that's why it's the housing investment fund. The name sounds right, seems like the appropriate depository, for money, to go for affordable housing. So, and if there are formal restrictions on it, I would propose to change those at the appropriate time. But Traci, I don't know if you wanted to take a stab at that? Or? I think we are using it as a general placeholder term for money to go to invest in affordable housing.

Novick: Could it be used for purposes of the fair, like the fair housing council talked about, the importance of doing more investigations of conditions in existing housing to make sure that the housing is habitable, which they presented, made a compelling case that's a way of in effect, increasing the supply of habitable affordable housing?

Saltzman: I would not rule that out, but, you know, I'm seeing it more as we want to increase the supply of affordable housing, to the extent the fair housing council did make that point, that's intriguing. Ultimately Council will be involved in appropriating money from this fund.

Fish: Commissioner Novick, the issue you raised, which is an excellent one, is a policy question for the council to address, but, I want to ask you a question, so one of the issues that I have heard, and by way of pushback, is what's the nexus, and put aside the question of whether we should, we should dedicated future revenue streams for particular purposes? One issue that has come up is what is the nexus on why the funds for affordable housing, and I thought about that, and I was reminded that you were involved once upon a time in a debate about a 30% set aside for affordable housing. That, when it first came to council, actually, did not have unanimous support, in fact, it had a skeptic in the person who then was the housing commissioner. About that approach, dedicated funding and whether a dedicated funding would end up in effect, creating a ceiling, and have other unintended consequence, but my recollection is, the debate about the 30% set aside was like this, when we do urban renewal and invest in these geographic areas, one of the intended or unintended consequences of urban renewal is property values go up, and we price people out, and there are impacts on, on people who otherwise may choose to live there, so if we dedicate a portion of the moneys for housing, we're ensured that we are investing in a stock of housing that allows people to stay, or to, to be able to afford to live in an area that's going to see a rise in property values, generally. Is that, is that fair?

Jolin: I think that, I think that's right, that's how that argument went, and in my mind, it's, it's this, this concept of, of equitable economic development, right, that we want to see tourism increase, and we want to see the, the industries flourish, and we want to anticipate what the consequences of those are going to be for lower income folks, folks who haven't had access to opportunity in the same way, so, As we, we further the economic development strategies of the, of this sort like the, the, the temporary rental housing, we're also cognizant of the impacts, and Jeff touched on them, that they can have on the housing market and the other goals, and if there is a mechanism, we can put in place like this, that tries to counter balance the impacts, and I think that we do that in the interest of insuring that the benefits are equitably distributed.

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Fish: The impact alluded to in the final whereas, is that the legalization of short-term registrations, in certain circumstances will impact the availability of long-term rental housing so with this -- what this contemplates is, if we bring this industry out of the shadows, regulate it, and it grows, we are likely, I would say, I think dan's language is potentially modest, I would say likely to have an impact on the available affordable housing in our community, and therefore, that would set up the nexus, which would give us a basis to say let's take a portion of the revenues generated from that activity and dedicate it to funding replacement housing so people have choices. Would you care to respond?

Jolin: Only to say it's the case that shared housing arrangements, which is what this sort of is replacing, right, is those are one of the strategies that we have available to us to help people of restricted incomes find place to live. So it's renting out a bedroom in someone's home. So this will create an Alternative way to raise money where they may not look for that person who may be a long-term tenant. Yeah, that's what we're trying to address, the impact of that.

Novick: Isn't it also a matter of, if the, the -- we start assuming that anybody with a home can rent out a room for \$6,000, I think the average is \$6,800 a month, landlords will say, we can jack up the rent by a year, by \$6,848 a year and rents will go up for everybody based on that assumption?

Jolin: I think that, yes. I don't know about the numbers, but the idea, to the extent that there are -- even more limited choices for low income people, who are out there looking for rentals, the, the landlords who, who control the properties will be able to further increase their rents.

Hales: Thanks very much. And there are more signed up to testify, I believe?

Moore-Love: We have three more. Go ahead. Whoever would like to be first.

Scott Breon: Thanks for having us today. I am the past present of the king neighborhood association, and a past board member of the northeast coalition of neighborhoods. I am also the, the chief strategy officer of the vacasa, one of the fastest growing companies in Portland. We are a vacation rental property management company headquartered and based here in Portland with 300 employees and looking to hire thousands more. We cannot operate within the city of Portland. It's a very complex conversation, and complex -- it's a complex situation in that we don't know how short-term rentals will impact Portland. The -- some of the real questions that need to be asked is what is affordable. Right now the regulations do not permit five bedroom houses in the west side from being taxed as a short-term rental. That's not an affordable house, but yet it's being limited as an income source to support initiatives like commissioner Saltzman's idea of, of having short-term rental taxes go towards affordable housing. So, my point is that limitation is not the answer. It's shared housing and, and wholly rented houses are two different animals, and the recap process doesn't address that full conversation. So, if there is two things that I can give you today, is that the full conversation around how taxes and affordable housing and the implications occurred within the process, it needs to be addressed, and as the vacation property manager, we want to give our support to the northwest pilot project, and join in echoing that we support that some of the taxes that are possible from the short-term rental in the industry go towards affordable housing.

Hales: Thank you.

Tristan Webb: I am also an employee at the vacasa rentals. Tristan web. The casa rentals is at 3934 northeast martin luther king boulevard. As one of the 300 employees, as a stakeholder, I would like to Also recommend that the transient room tax is a good source for various city budget projects, including the affordable housing. I am also a stakeholder as a board member of the Oregon-based, over 30-year-old vacation rental manager's association. A nonprofit based in Oregon, which, which serves to educate and further advance the professional operations and impact of professional vacation rental managers. We were pleased to hold our western conference at the nines hotel in 2009. We're also excited to present our western conference at the marriott waterfront in april of 2015. So, there have been and will be a lot of professional property managers in the city of Portland, although not operating in the city of Portland. I have also presented, as keynote and the presenter, regarding working with governments for the benefits of the neighborhoods, and their

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traditional short-term vacation rental management industry, from monterey, california, to orlando, florida, to barcelona, spain, and while Portland is unique and has its own looks and needs, this, as commissioner Saltzman suggested, this is very, a very similar thought and suggestions are occurring in amsterdam, and barcelona, and in paris and, and all over the united states. And what I would like to offer is that the vacation rental manager's association and vacasa rentals would like to be your support in finding data. There is a lot of assumptions, which I am sure that you would love to have data showing. We have a lot of data from, from local, national, and international markets, which can help you make better decisions, and we stand ready to do so. We support this as we have seen other communities and other neighborhoods and other cities benefit from the green funding that is tourism, that a performance fund that supports tourism almost always returns a much higher roi than other budget line items, and that this industry can serve, I think, a much bigger impact than the suggested \$300,000. So thank you for your time.

Hales: Thanks. Questions?

Saltzman: Thank you all, sorry, charles, go ahead.

Johnson: That's all right. I am glad that the conversation went around to barcelona, and barcelona, when the government and private developers moved to displays very poor people, the working class people riot and stopped that, and if you don't get your act together, here, we can have riot tourism. We have these conversations where miss manning from the housing bureau and mr. Bayer from street roots come together. But, we never talk, really, about the painful numbers. One day, we need to talk about exactly how many people are on fixed incomes and exactly how many people are working, but not getting into much money as people on fixed incomes. And we need to talk about, about Why, why you are happy to, to collect property taxes, which are probably disproportionately low, and off the west wind hotel and the joy's hospital and, and, and still have a tourism environment where people who visit old town chinatown walk past the people sleeping in doorways, and not completely by choice. If there was shelter, if there was adequate low income housing, what a much more wonderful tourist-friendly, safe environment that we would have. So, i'm glad that this small proposal is coming forth, but I want you to keep it honest in the context of, of all this time and discussion is going into helping a small fraction of the people in need and, and the committee to end the homelessness join tpi, sometimes they spend so much money focusing on protecting or enhancing the revenue streams, that we, we don't be honest with, with our employees and working class and, and, and new industry neighbors like the gentleman said behind me about what we really need to do, and how many people in this town receive ssi, ssd, and why are we betraying those people and not creating enough housing for them. Thank you.

Hales: Thanks. Others?

Moore-Love: Mr. Lightning.

Hales: Thank you all.

Lightning: I represent the lightning company, and my name is lightning. On the transient lodging tax, why not do 50%. I have no issue on that, the more the better. You want to put it in the housing investment fund, absolutely. We need more development, we need to focus on the chronic homelessness, and anything that we can do is beneficial. Now, on the short-term rentals, as you know, we're going to come back at 2:00 and have a discussion on that. This resolution needs to be held over until that discussion is finalized because it affects this. Not just my opinion now. Also, on the short-term rental, in my opinion, by allowing people in houses to be able to rent out their rooms, is a great benefit to, to the, the homeless community because any time that you can have additional housing inventory out there, that will, by the supply, bring down the rents to a more affordable level, and that will happen, the market will dictate that and, and anyone can say otherwise, but the market will dictate that. More supply will bring down the rental prices, and that will also help the homeless community because we will have units in housing, out in houses that, that people very well may be able to rent at a, at a very reduced price because a lot of people in

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houses are just trying to make their property taxes, insurance, and if they can do this program, the recap six of the program in a reasonable manner, without having to pay a lot of up front fees, they are going to pass that on throughout the community at lower rents, bottom line. So, the short-term rentals, I find very interesting, and if you allow that to happen throughout the city, that's going to benefit reducing homelessness, and the more inventory out there, the more supply of housing, more development that we're talking about through this housing investment fund, is, absolutely, beneficial. That creates more affordable housing, and it gives a lot of the people in houses the ability to, to, to make sure that they can make their property tax payments, make sure if there is other fees, they have another avenue to look at and say, hey, i'm ok with this, and I won't be fined by doing this, and I will just notify my neighbors, and I will let the city know what i'm doing. So yes, this is very positive to, to, to, to drop the prices and overall apartment units. Thank you.

Hales: Ok. No one further signed up?

Moore-Love: That's all.

Hales: Questions for staff?

Fritz: I would like the city budget office directors to please come up. I want to make sure that I understand what we did in the budget last week. So, what was the -- what did, do we currently get from short-term rentals that are currently submitting taxes in what was in the forecast for that?

Andrew Scott, City Budget Director: I'm going to call Terri up, who can talk about the breakdown of short-term rentals, but I will say that everything that we were aware of has been included in the forecast, in the Five-year forecast going forward.

Fritz: Thank you.

Fritz: Can you give me a breakdown of what's in the forecast last week and then spent?

Terri Williams, Revenue Bureau: Ok. Currently, we have a number of different short-term rentals on status with us, and collecting and remitting transient lodging taxes, so, we have what are often known as the bed and breakfast establishments, so those are --generally they are going to have three to six bedrooms, and they go through a huge conditional use process, and so, there is approximately \$67,000 in transit lodging taxes, collected annually from them, and that is in the forecast. We have other short term rentals, and those are folks that we've been trying to find short term rentals over the last few years to get taxes collected from them, and we have an auditor that has been doing that a lot, and so, we have a, we have approximately from those that we found, 50,000 to 75,000 additional, and in transit lodging taxes from, from that group that is currently also in the forecast.

Fritz: About 150,000?

Williams: Yes, roughly, we've been collecting year after year along those lines. I believe that there is something else in the forecast. It was in anticipation of what you might be hearing this afternoon. And some discussions going on and additional funds put into the forecast, and that's a half a million.

Fritz: So, total, about a little over 600,000 that we thought that we would get, estimated we were going to get and put in the budget and spent it?

Scott: Correct, yeah. As with all general fund revenues, right, it was one of the pieces that went into the, the total revenue forecast.

Fritz: What did we give extra to housing in the budget last week?

Scott: The budget includes, in addition to the normal appropriation level, initial \$1.25 million of ongoing revenue and a million dollars of one-time revenue.

Fritz: So what we did, is did more than what is being called for, in this resolution, and we already added 1.25 million of ongoing revenue for the housing investment fund.

Scott: That's all of the housing's budget, total. The housing investment fund, got a million dollars at one time.

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Fritz: It already got a million dollars, so we figured we would have more money this year, the five of us agreed we would put a million dollars into the housing investment fund, is that correct?

Scott: Yes.

Fritz: That included the projection on the transient lodging taxes?

Scott: Yes.

Fritz: So we have done it for this year? That's already -- as long as we all vote on it in June. That's how we allocated these funds for this year? What does this proposal do that then -- what it's asking for is another \$300,000 above and beyond the million.

Scott: What this would do is create, and again, the substitute creates, an ongoing current appropriation level target of \$300,000, and that would go into the housing investment fund starting in 2005-06.

Fritz: We don't know we're getting another 300,000 in addition to the 600,000 we budgeted for, that's correct? Are we estimating we're going to get--?

Scott: So, it's, essentially, establishing a cal target for the housing investment fund. It is related, I think, to the short-term rental discussion that's going on, but it would actually be occurring separate from that. And the substitute also asks us to report in the fall bump on what the short-term collections are, and make an adjustment so that this cal target would adjust to roughly 50% of what the short-term rental revenues would be. But, it's not dissimilar to some of the other actions that council took in the budget in terms of saying in 2005 and 2006, adding cal target increases for other bureaus.

Fritz: Just to be clear, we don't expect we're going to have an extra \$300,000, this would be coming from other general fund sources?

Scott: That's right, yeah.

Fish: Help me understand something, prior to us taking up the recap, how is it that you put in over five years into the forecast, the projected revenue on something the council hasn't acted on?

Scott: There is always a gray area when we do the forecast, and we want to include everything that is sort of known at that point. Actually, there was, at that point, some discussion about agreements that were reached about new revenue, which is why that was included. Yeah, it was a decision in terms of what to include and what not to. I would point out had we not included it, the conversation doesn't change, and we would have had 500,000 less in the approved budget you approved last week.

Fish: So one of the challenges in the discussion we will have this afternoon is there is currently a market for short-term rentals outside of our regulatory framework. We believe that this is going on, illegally. So, one of the ideas behind our proposal is to bring people under a regulatory framework so that we get life and health safety issues addressed and other things. How did you get to the half million and, and what's your estimate of the potential ceiling that we might collect once this thing is, --if the council moves forward with the regulations?

Williams: Let me -- I will take an extra step before I think that I answer that. So, what you are hearing is everything involving the zoning code. There is nothing that's happening, happening with the transient lodging code. So we have always looked at, it's, whether you are in the illegal or the legal, if you are providing these services, you need to pay the taxes. So, we've been working, as I said, to get everybody who should be collecting and remitting these onboard. We've been working with, with folks to get agreements and get them on, and we believe that that will be happening as of July 1. That's why that, that estimate came out because we're, we're on the doorstep of finalizing that agreement. That's why that is there. So, the cap, it's very hard that we don't have a lot of information about all of these rentals, it's hard to find them. We've been working over the last three years very diligently, and have only been able to raise, you know, the bar so much. I don't know, and it's very difficult to calculate right now what that cap might be. Could there be more, absolutely.

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Fish: What's the figure the planning bureau is using? When they briefed us, they were talking about a range.

Williams: I believe, I believe -- I don't know for sure because i'm not in the -- they have been using some of the information, and then they also have done some, some work looking at a couple of different websites that report about how many are in this area and have used calculations based on that.

Fish: The figure they've been talking about is closer to a million, right?

Williams: I'm not sure that they have. I know that some folks that are in favor of that proposal have, have talked about it being about a million dollars. But, i'm not -- i'm not 100% sure.

Hales: So, other comments or discussions?

Saltzman: I think that it's easy for the public to get lost when we get into the discussions about current appropriation levels and things like that. I just want to go back to the fundamental point here. Portland is undergoing a multi-family apartment development boom here, and not enough of that market share is being captured as affordable housing. Similarly, I think we're seeing, we're going to see and seeing it already, and we're going to attempt to legalize it and, and zone it appropriately, an increase, of short-term rentals, and we are trying to capture some of that revenue stream, that incremental revenue stream to help develop affordable housing because we are, I think, everybody can, can make the connection here, that people are going to make it available on a short-term rental basis rather than long-term. That will diminish the supply of affordable rental housing.

Fritz: We already did that. That's what we did in the budget. We knew we were going to get this new revenue and we allocated a million dollars to the housing fund.

Saltzman: That was one time.

Fritz: Ongoing.

Scott: The housing investment fund was one time.

Fritz: What about the ongoing?

Scott: 2.5 million, I don't have it in front of me for different programs within housing.

Saltzman: It was the homelessness program.

Scott: Some of it was short-term.

Fish: I don't remember in any of my conversations with the mayor that, that the, the money that, he put into his proposed budget was linked to the short-term rental revenue. It was in response to a community desire to have additional housing funds invested, and it was an area that they had identified as a priority item. The mayor had a menu of options to choose from. I don't remember a single time we discussed it in the context of short term rentals.

Hales: That is true, it's part of the forecast. There are some fundamental budget practices, issues that we need to discuss, so it's my intention to set this over for a week since you brought these amendments today. But, I wanted to give commissioner novick a chance to comment.

Novick: I just have a question about one of the whereases, which says an amount that equals half of the city of Portland's 5% portion of the transient lodging tax for short-term rentals, I assume that, that the short-term rentals includes existing b&bs. I wanted to know what the revenue is from that, do we have a historic practice of dedicating that revenue?

Scott: I believe that that is, that refers to the totals that commissioner Fritz was mentioning between 600 and 650,000, that would include sort of, of --

Fritz: The existing is -- 75,000, and plus 67,000,

Williams: About 150,000 or so is what the existing short-term rentals that are on, on the status with us and remitting the taxes.

Scott: But there's a portion that's been going -- a portion of existing transit lodging taxes, that would go into this cal target. I think the overall point, because in terms of the linkage, I think what we're getting here, and we talked in the last couple days about, city policy around, you know, earmarking general fund. That's, actually, the purpose of the policy is to say, general fund money

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comes into the general fund, council gets to decide on policy the rationale of how to allocate that out. We try to avoid saying this dollar from this revenue source goes to this program. The reason is on a yearly basis as you do your budget being able to do that. Now, to the extent, and the mechanism that we have come up with here is, essentially, says, you know, you want to make that connection, which is fine, we'll do it through a cal target adjustment, and every fall bump council will have an opportunity to say, yeah, that is, in fact, what we want, what we want to do going forward.

Fish: I would say that we often, some of us complain about inertia, and resistance to change. I think that the fact that this issue has been placed on the table for discussion gives us a look at establishing linkages and the cause and effect of other decisions we make, and while I share some of andrew's, caution, about, about creating too many triggers and diversions from general fund money, i'm also mindful that, that in some of our most interesting discussions the last couple years, we have talked about going upstream and asking what Is the impact of a decision, and what are some of the intended or unintended consequences? So the idea of thinking about short-term rentals and what the fall out is in our community, particularly around affordable units, and then saying could we take some of that revenue to address it, and i, actually, think, it's not perfect budgeting and andrew your job is to always call that out, and you do it well, but, I appreciate the fact that dan has framed this because I think it's an interesting conversation.

Hales: Let's set it over, we'll have the hearing this afternoon, and some concerns about the budget policy issues and what the boundaries are there, so, I would like to have those conversations, and then here -- hear the hearing. As we just saw, sometimes the schedule changes.

Novick: I was going to say that although, I mean, i've been reading the national articles about the concerns, housing advocates have about, about the impact of short-term rentals and the housing market, and I very much appreciate commissioner Saltzman's intent, I want to raise another concern, which is that, that once we have a particular policy attached to a funding mechanism, there is a strong incentive to continue the policy, for example, once we decide that 30% of the urban renewal money goes to housing, every advocate has to support the continuation of the urban renewal, and I don't think the money seems likely enough to have this effect, I would be a bit worried, i'm going to use extreme hyperbole here, about, makes me worried about the prospect that two years from now we find out that one out of every 10b&b users is an ax murderer but we cannot shut it down because we are getting money --

Hales: Let's hope that scenario doesn't come, or any percentage at all.

Saltzman: I would request it be placed on the agenda after we vote on the zoning amendments.

Hales: I am going to set it over for one week.

*******:** Thank you. Thanks, andrew.

Hales: Any other comments? We'll continue this for one week. [gavel pounded]

Fish: Can I talk about a scheduling issue?

Hales: Yes, we have a little more work to do.

Fish: And we have staff ready to present. Some of us need to grab a bite, and keep our blood sugar up, what's your intent?

Hales: Let's take a look at what we have remaining, and who is standing by.

Fish: We have staff here on 72, 73, 74, excuse me, 72, the others are second readings.

Hales: Let's, let's just, let's try to power forward for the next 20 minutes, and then take a half-hour break at 1:30?

Item 568.

Becky Chiao: And good afternoon, mayor and commissioners, I am becky with risk management. And this is the ordinance to settle a lawsuit brought by a former police bureau employee, and although we don't agree with all of her allegations, we think that it's an appropriate use of resources to settle the case at this time.

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Heidi Brown, City Attorney's Office: Heidi brown from the city attorney's office, if you have any questions of me, I would be happy to answer them.

Hales: Questions? Anyone signed up?

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

Hales: Anyone want to speak? This is an emergency ordinance. Let's take a roll call.

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

Hales: Thank you. Aye. [gavel pounded] ok. 569.

Item 569.

Hales: Good afternoon, jonas.

Jonas Biery, City Debt Manager: Mayor, commissioners, jonas, the debt manager for the city.

This non emergency ordinance authorizes sewer revenue bonds to finance up to \$207.3 million of expenditures of the bureau of environmental services, and capital improvement plan over the next 18 to 24 months. The bonds for the cip projects will be paid over the next 25 years, and repayable solely from revenues of the sewer system, and the debt service on the new bonds will add approximately \$5 million to the bureau's annual payment obligation in fiscal year 2014-2015, and the debt service will be 14.5 million annually beginning in 2015-2016, and those amounts are reflected in the bureau's current rate forecast. There is outstanding sewer revenue bonds, we expect to refund approximately \$101 million alongside the new bond issuance. The refunding will reduce the debt service costs by \$1.2 million annually through fiscal 24-25, and that's a savings of \$13 million over that time period. We expect to sell the bonds via a competitive sale in august, and have bes staff in the room to answer any questions that you may have.

Hales: Questions for, for them? Thank you. Anyone signed up?

Moore-Love: I did not have a signup sheet.

Fritz: I want to say thank you to jonas and jennifer for their outstanding management of the debt service and to emphasize to citizens who are watching, we are saving 1.2 million a year and 13 million over the course of the debt by looking at how we can refinance this. Thank you.

Biery: Thank you.

Hales: As jonas says all the time, well, he hasn't but he probably thinks it, a million here and there, and eventually you have real money. Moves to second reading.

Item 570.

Hales: Second reading and roll call.

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

Fritz: Thank you to mary beth, aye.

Hales: One more piece of what we hope is a success story, thank you, aye. 571.

Item 571.

Hales: Second reading and roll call.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: 572.

Item 572.

Mike Stuhr, Chief Engineer, Water Bureau: good afternoon, mr. Mayor and commissioners. My boss has abandoned me.

Hales: It happens.

Stuhr: What i'm here to do today --

Fish: Who are you?

Stuhr: Mike stuhr, chief engineer, what i'm here today is to talk about a contract we proposed to authorize to infra terra incorporated, a certified mbe firm for a water system seismic study in the amount of \$1.1 million. In april of 2011, the house of representatives passed a house resolution 3, which directed the Oregon seismic safety policy advisory commission, to lead and coordinate preparations of an Oregon resilience plan that makes recommendations on policy direction to protect

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lives and keep commerce flowing during and after a cascadia subduction zone earthquake. That plan and recommendations were delivered to the Oregon legislature, february 28, 2013. It's our objective to, to comply with the Oregon resilience plan by completing a seismic risk assessment of the water distribution system, and providing an infrastructure mitigation plan as needed to become part of the capital improvement program. Key features include development of the liquefaction and spreading maps, a model for a back bone distribution performance, assessment of the rest of the distribution system performance, and mitigation measures where appropriate, and evaluate any emergency preparedness things that we might need to do. The solicitation was done using the formal rfp process, and we had 65 firms view the rfp, and on the, the city's e-bid site, and we received three proposals they were infra terra, genie engineering systems and kennedy jenks. To evaluate the proposals, we appointed a five-member committee including one minority evaluator program member, maria rivero, and four employees from, from the engineering services group. This committee evaluated the proposals, and we required all of them to come back in and, and do, basically, an oral exam. The group that came to the top was infra terra, we are proposing to award the million dollar contract to them. It's a minority business firm. I would also point out that there is going to be 10 sub-consultants on this, and two of those sub-consultants are also minority business firms, so 40% of, of the amount will go to the two, two minority sub-consultants. I hope you can support the initiative.

Hales: A quick question. We are running low here, but, so, we have projects in the capital improvements program designed to respond to seismic vulnerability of the system, and will this study likely change the order of the priority of those projects.

Stuhr: No. With the cascadia zone, the Oregon resilience plan, is a 50-year plan to, to put us in a position to, to be able to be responsive is, post-earthquake. What we have in the works, the willamette river crossing, among Them, are large projects on identifiable facilities. This looks at the distribution system, itself, and we have got 3,000 miles of pipe and a bunch of pumps and tanks and so on that also need to be looked at, and that's what this is going to do, and we're hoping that this will help us to optimize the response, lay out a plan for the next 50 years, and we can include other things that we're going to need to do over that 50-year period in our cip.

Hales: Other questions?

Fish: Help us make the argument, I was alarmed, a month ago when the tribune ran a story and someone proposed that we defer indefinitely the willamette river crossing. Now, three of my colleagues live in southwest, two on the east side, and charlie, you and I would be fined so the other three it, might cause an inconvenience in the event of a tremor. So the more science we have to back this up, the better the case we have to make our rate-payers that these are the investments that we should make even if we have a short-term rate impact.

Hales: Thanks, mike. Thank you. Anyone signed up on this one? I don't think so. Anyone want to speak? Second reading. 573.

Hales: Second reading and roll call.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: And 574.

Item 574.

Hales: Roll call, please.

Fish: Aye.

Saltzman: Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye. [gavel pounded]

Hales: 576.

Item 576.

Hales: Good afternoon.

Sherree Matias, Auditor's Office: Good afternoon. I am sherree, from the auditor's office.

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Mike Zeller, Sidewalk and Maintenance Operations: I am mike zeller, an inspector with sidewalk department and maintenance operations.

Matias: This ordinance is for a sidewalk repair on the property required by the city, and any remonstrances have been pulled from this assessment and are not in this ordinance.

*******:** Ok.

Hales: 109,000 worth of sidewalks, all right, any questions for staff? Anyone here to speak? So, no more remonstrances. This moves to second reading. [gavel pounded]

Hales: We are recessed until 2:00 p.m. Thank you.

At 1:14 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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Key: ***** means unidentified speaker.

JUNE 4, 2014 2:00 PM

Hales: Welcome to the afternoon session of the city council on June 4th. Welcome everyone. Wait a minute to call the roll because I think commissioner Fritz is on her way. Just some ground rules while we get organized. Many of you may have been here before, but we're going to have a couple of items on the council calendar this afternoon. We'll hear them together. Regardless of which one you signed up to testify on, if you have, you will get to come up. Staff presentation at the outset. We typically allow three minutes per person to speak. I'm not sure how many people we have signed up. We might reduce that depending. If you have been here before, you now all you need to do is give us your name. You don't have to give us your address. And put your testimony into the record. If you agree with somebody and want to show that, you can wave your hand or something, but we ask you to not have vocal demonstrations either in favor or opposition of fellow citizens so each of us gets a chance to have our say. If you have something in writing to distribute to the council, give it to Karla and she will do that. If you are a lobbyist representing an organization, please disclose that and let us know what organization you are representing. And with that, would you please call the roll. [roll call]

Hales: Would you read the two items together, please.

Items 577 and 578.

Hales: I have just a few comments in opening you this hearing. This is the first reading of legislative action to amend our city's zoning code. Regulatory -- ricap 6 amends a number of zoning code chapters and includes new regulations pertaining to short-term rentals. We will have staff presenting the planning and sustainability commission's recommendations and we will hear testimony from community members. Council will deliberate and at some point take appropriate action. I want to start by thanking the bureau of planning and sustainability and bureau of development services working effectively together to bring the project forward. These two bureaus work together well and it has been a successful process in that sense and also in engaging the community on this issue. I want to thank and I think we will hear from some of them today, members of the Portland planning and sustainability commission, because they put in a huge amount of time as volunteers to try to craft the future of our community and the regulations that guide day-to-day development. We appreciate them very much. So, now, I will call on Susan and Paul to come up and make the staff presentation. Susan Anderson and Paul Scarlet. I should be more formal.

Susan Anderson, Director, Bureau of Planning and Sustainability: Good afternoon, Mayor, Council, Susan Anderson, Director of the Bureau of Planning and Sustainability. We are pleased to bring forward to you today regulatory improvement code amendment package. 6th time the city has done this process. It is a great way of continually improving the zoning code and offers us a chance for the community to bring up any specific concerns that it has with the code and to deal with those things in a somewhat timely manner. There are 34 amendments in the package before you today. As you know, the topic that has been discussed most is the short-term rental issue. The Portland planning and sustainability commission reviewed the issue and developed a recommendation that I think anyway balances a regulatory approach with the freedom to let the market evolve. So, Ricap continues to be a great partnership with Bds and I will let Paul make a few comments and we will turn it over to the staff to do a brief presentation.

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Paul Scarlett, Director Bureau of Development Services: Thank you, susan. Good afternoon, paul scarlet, director for the bureau of development services. I want to thank susan and her staff for all of the good work that has been done on ricap 6, and I want to echo that the work and the changes for the zoning code proposed are aimed at clarifying and streamlining various chapters and provisions of the zoning code, which will help the development review process, our customers and/or employees to administer and enforce the zoning code, which is what bds's role is in this process. There are a couple of major changes. The one susan just mentioned, short-term rentals. I'm excited about the changes to the cell tower regulations, that will bring provision closer in compliance with the federal regulations that are in place now. There are things that are sometimes the market outpaces the regulations. So, the work that bps and of course the work with bds, it's very collaborative. I'm very excited about the partnership that we have, as two bureaus dealing with the same code. I look forward to this process that has been in place for sometime, and ricap 7 which is coming up as part of the next budget process, will have the same approach of working closely and interactively and hope to bring forward some new improvements to the zoning code that are in time, at times, way overdo. Excited about this. Thank you.

Hales: Thank you very much. So, we will hear from the staff and then from katherine schultz on behalf of the commission, I think. Good afternoon.

Morgan Tracy, Bureau of Planning and Sustainability: Good afternoon, mayor, members of the council. I'm morgan tracy, with the bureau of planning and sustainability project manager. And with us is mike with development services, interim commercial inspection section manager. Today we will briefly review the recommended code amendments, including amendments to the zoning code, administration code and vehicle code and you will hear testimony from community members. Ricap 6 has had considerable public outreach. We started with a seven week review period on the discussion draft. During which time we sent notice to over 1,000 individuals and organizations. We met with neighborhood coalitions and associations. We briefed the Portland planning and sustainability commission, historic landmark commission and design commission. We held a well-attended public open house and as you can imagine, we heard a wide variety of viewpoints. We published the proposed draft, held a four hour hearing at Portland planning and sustainability commission and heard from 37 testifiers and received over 100 written comments. The recommended code amendments in ricap 6 cover two categories. I passed out a summary of the entire ricap package. If you are following along, you will see a list of seven minor policy topics, and 20 clarification items. So, I will first start with the minor policy items. Minor policy items are those where there is a change from the original intent. Modify existing policy rather than create new policy. These minor policy changes can be initiated at the state or federal legislation changes address involving needs or respond to innovations and development or technology. I'll cover these first few and sandra will come back and walk you through the short-term rental proposal in a few minutes. First item respond to the federal telecommunications act and other more recent federal law. Ricap proposal will replace distinctions between types of wireless providers based on effective radiated power, also known as rf emissions, radio frequency emissions and will define two broad classes of wireless facilities. Personal wireless services, like your smartphone, and radio tv broadcast facilities, like the towers up on top of the hill. We have replaced the city's radio frequency emission standards with federal communication commission standards, and we have also allowed limited modifications of existing facilities, provided that they -- this follows a more recent federal -- change to federal law that requires local governments to approve modifications to sites that do not substantially alter the physical dimensions of those facilities. The next minor policy item addresses several changes to the temporary activities chapter. Clarified temporary warming and cooling centers may be operated during periods of natural emergencies. Added regulations -- we expanded regulations for off-site construction staging, and we clarified the time limits for each activity listed in the chapter. Third item raised by a request from the Multnomah county drainage district to

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evaluate the need for environmental review -- standards crafted as part of the airport plan district and -- this allows projects to be reviewed through a streamline -- the fourth minor policy item addresses revocable permits. A legacy of the past. Prior to 1991, the city could grant a permit to essentially waive certain use or development requirements. Some are still in effect but become void when ownership is transferred to new owners and continue on -- this next amendment is intended to simplify the process, substitute public art for ground floor windows. When -- instead of meeting ground floor window requirement, land use adjustment would no longer be required. Finally, this change addresses the zoning code. And where it applies to. Zoning code, as you know, applies to property, and only applies to public rights of way in a few select situations. This amendment clarifies alterations to historic structures located in a public right of way, such as vista bridge, will be subject to historic review. So, going back to the two-page summary, recap items. List of 20 clarification items. These items resolve technical errors, code language more consistent, or clarify regulations to ensure that the outcome is consistent with original policy intent. They don't change the original policy intent, they simply clarify. Unless council has specific questions on these items now, why don't we wait until we have heard public testimony and I can address any questions that come up later.

Sandra Wood, Bureau of Planning and Sustainability: Good afternoon. Sandra wood with the bureau of planning and sustainability. With me is mike liefeld who is the supervising planner at bureau of development services, which is his department will be administering the program for short-term rentals. He is available for questions should you have any. Terri williams in the audience, with the revenue bureau, in case there are questions about the transient lodging tax which has come up during the year-long conversation about this topic with the public. So, this portion of the presentation is only about short-term rentals. I will get right into it. Focuses on the emerging trend of peer to peer rentals, internet sites make it possible to connect people who want to rent bedrooms in their house with people who are looking for places to stay. This is part of the informal economy that has been growing. And there are many sites that provide this service, as this slide shows. And Portland, like many other cities in the u.s., and actually throughout the world, is grappling with how to regulate this new way of doing business. What do we call these? How do we regulate this? How much is too much? Etc. We have been exploring this for the past year. And so we always start with what our current regulations are. In Portland, we regulate short-term rentals like bed and breakfast facilities. Those regulations have been on the books for awhile now and they require conditional use review. It is a type two conditional use review, that is an administrative land use decision done by the bureau of development services. It is appealable, takes eight to 10 weeks, about \$4,000, and notice sent to property owners within 150 feet. That is what is currently what the requirement is for anyone embarking on this. The next slide, please. So, just to share a few numbers with you. A lot of numbers have been going around. There are many internet sites as I mentioned before. Airbnb seems to be the one with the most listings in Portland -- we look at it every month. Last month, may, there were about 1,600 listings. That is in sharp contrast to the 24 bed and breakfast facilities that have been approved by the city in the last 10 years. So, that is one of the issues that definitely came to light early on in the proposal. As a code compliance cases in 2013, we received 1,068 zoning code compliance calls, and 27 of those were related to short-term rentals that were actual verified short-term rentals happening without a permit. So, that gives you a lay of the land of the numbers we have been working at. So, getting into the proposal, let's talk a little bit about different rental types. The first distinction we made was between long-term and short-term rental. Long-term rentals, rentals more than 30 days, and that originally was a little confusing to the public. I want to make it clear that more than 30 days is not subject to the regulations we are talking about. So, we're not talking about that. This proposal does talk about short-term rentals, which is defined in the zoning code as less than 30 days. There are three categories within short-term rentals. First is hotels and motels. We can all imagine what those look like, allowed in commercial zones. We are not proposing any

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changes to hotels and motels. Next two, peer to peer rentals. And that is the first discontinuing we made. The first is accessory short-term rentals which take place in the operator's primary residence. We will talk more about that in a little bit. The second is the vacation rentals, which is not occupied by a long-term resident of Portland. The proposal before you is to not allow the vacation rentals, but to concentrate on the short-term rentals. The second distinction, distinguish between the small ones and big ones. The one and two bedroom and three to five bedroom. We call these type a and type b. Because we needed to call them something and that is how creative we get, I guess. So, the regulations for the type b, the three to five bedrooms are going to be the same as the current bed and breakfast regulations on the books. There is a couple of tweaks, but for the most part, same process, same costs, same regulations for that. I won't walk you through that again. We will concentrate on the type a, the small ones, one and two bedrooms. So, getting into that, there are 10 provisions within this proposal. I will try to run through them quickly here. The first one is an accessory use. So, the proposal is to allow these as accessory uses to a primary residential use. That means the individual or family who operates the accessory short-term rental must occupy the unit as their primary residence. The second provision is to allow these in single family structure types, which are -- can you go back one? Sorry. We deleted a slide. There was a slide there that said we are proposing to allow this in houses, attached houses, duplexes, manufactured homes on their own lots, and accessory dwelling units. All of those fall within the building code of one and two dwelling building code. All single-family like structures. And i'm going to pause there for a second. I think you will maybe hear testimony or you might have a discussion about why building types matter and let me share with you what I learned during this project, which was that the one and two bedroom -- one and two dwelling type code, the building code divided into two. One and two dwelling and commercial. One and two dwelling, single dwelling code, occupancy type of r-3 for residential uses. In the occupancy type, inspection for lodging houses which allows you to rent up to five bedrooms. Very consistent with bed and breakfast regulations today. So, allowing the type a, the one and two bedrooms to be rented on a short-term basis is consistent with that and doesn't require a change of occupancy permit per the building code. So, trying to take that logic to the multidwelling code, which is actually the commercial code, residential unit in -- like an apartment or a condo has an occupancy type of r-2. But when a long-term residency changes to a short-term residency, occupancy type changes from r-2 to r-one which is more like a hotel occupancy and requires different life safety requirements. Requires that the architect do a structural analysis, research, corridors be rated. This was in their words kind of a deal killer for somebody to come in and do those physical changes to an apartment or condo --

Saltzman: What does a rated corridor mean?

Wood: I'm actually not sure.

Hales: Fire rated?

Mike Liefeld, Supervision Planner, BDS: Fire rated, yes.

Wood: I took their word for it that it was like, wow, these are big obstacles. So, we had originally proposed to allow multi dwelling zones, we had the seven week comment period. We pulled that from the proposal and that is what we took to the Portland planning and sustainability commission. They did not discuss this at length. Proposal stands to allow it for single dwelling structure types, not apartments and condos. Sorry for that long digression. We will get back to the other provisions. Third provision is that bds will verify, the inspection requirement, verify that the bedrooms meant the building code requirements for sleeping rooms at the time they were created or converted. The fourth is that the permit process would be administrative. Take one to two weeks to process and an inspection would be required, renewed every two years, estimated fee of \$180. That includes the inspection, and permit may be revoked for failure to comply with regulations. Next the required notice that the operator would need to send notice to property owners surrounding their property and organizations. And the number of guests are limited to the same number as is allowed in a

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household. So, households are defined in the zoning code as one or more persons related by blood, marriage, domestic partnership, legal adoption or guardianship plus not more than five additional persons who live together. Domestic partnership provision is an amendment that is proposed by the Portland planning and sustainability commission that they added during this process. Next, these are the four final provisions. The first one is that home occupation would not be allowed in conjunction with accessory short-term rental. Home occupation currently allows up to eight customers a day. Idea is that you can have either eight customers a day or your overnight guests but not both of them. The eighth one, no non-resident employees allowed, commercial meetings not allowed, and private social gatherings are not limited. Currently for bed and breakfast they are limited to 12 a year.

Fish: Can I ask you a question? Under type a you recommend that we limit it to single family and not condos or apartments? What if it is a row house organized as a condo?

Wood: If it is a row house, it is under the one and two family dwelling structure type.

Liefeld: Generally, yes.

Wood: Generally.

Fish: So it would be allowed? If it is a -- we have some developments where you have a number of row houses --

Wood: But they're all on one lot?

Fish: Well, they are part of a condominium association.

Wood: So, I think the zoning code would define that -- we call them attached houses and attached houses are on their own lots. It would not be allowed in that circumstance.

Liefeld: We might need to get back to you. There are a few distinctions for that example you've laid out, and I think there are a few scenarios where that type of structure may be subject to the one and two-family building code, even though it may still be set up as a condominium. So, there are some nuances how we process that particular development type.

Wood: But in the building code, it says attached house and it wouldn't meet the definition for attached house. This is where we try to make sure that both of the codes mesh. That concludes the 10 provisions for the short term rental and a quick summary of everything in the ricap six project. Unless we want to address questions now, I will pass it along to vice chair from the Portland planning and sustainability commission, katherine schultz.

Hales: Anything else from the team? All right. Thank you. And we will obviously need you back in awhile, but katherine, come on up, please. Good afternoon.

Katherine Schultz, Planning and Sustainability Commission: Good afternoon. My name is katherine schultz, i'm representing the Portland planning and sustainability commission. I would first like to thank staff. They did a great job with the package and it made our job much easier. We decided to split ricap six into two votes because of the amount of interest we had in the short term rental -- we voted unanimously for all of the minor and technical amendments. For short term rentals, voted 8-1 to approve the amendments as proposed by staff. The entire commission was supportive of daylighting and legalizing this new shared economy, and we recognize the importance of these regulations at the same time. This recommendation provides clarity to both the operators of the short-term rental units, their neighbors, and right-sizes the permitting process with the impact on our community. We heard a good amount of testimony at our hearing. The short-term rentals, the testimony range was concerns from the fact that there are now businesses operating within neighborhoods, concerns of permitting requirements, inspection requirements, and kind of a lot of conversation and concerns regarding whether owners or operators should occupy the dwelling. We had one commissioner cast a descending vote, his concern with the potential impact of this new industry on the rental market and in particular the affordable housing market and not knowing what these impacts may be. But after considerable deliberation, we felt quite comfortable voting to put forward these amendments, because businesses are currently allowed to operate out of neighborhoods and residential neighborhoods, and this just puts short-term rental units on par with

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other home occupations. Currently short-term rentals are going to be allowed with only permanent residents, which gives a conduit to the neighborhood to be able to contact the permanent resident if there is any issues. There is relatively few short-term rentals compared to the entire housing stock and even fewer in the rental market. We felt as a body that the impact on rentals and affordable housing should be negligible. And finally currently allowed through a conditional use review and this just right-sizes the permitting process for its impacts. With that I thank you for your time and welcome any questions.

Hales: Questions for Katherine?

Fritz: Could you tell the rest of the council what you told me in my office regarding the rationale for not allowing this use in a multifamily building?

Schultz: Yeah, sure, a little background maybe for others. I am an architect here in Portland. What we talked about was with multifamily dwellings, there is kind of an extra level of life-safety code requirements, such as like with hotels. Hotels have more stringent life safety requirements, and that is due to the fact you have occupants within a building unfamiliar with a building. In an emergency, it takes them longer to get out of a building, versus a home, a smaller building and it is easier to get out of and you have permanent residents who understand how to get out of it. Following staff's recommendation, it seemed on par to leave that as is and take multifamily dwelling units out of the equation.

Fish: A few as to the inspection requirement generally, and I know an idea has been floated as a process whereby the owner occupant gets to self-certify somehow their inspection.

Schultz: We have a lot of deliberation on inspections and concerns of that process. Overall we felt confident that staff's proposal makes sense. We had kind of a range of maybe it should be inspected every year versus the two years that is proposed. There was concern expected within the two-year amount of time, certainly there could be changes made to a dwelling unit, and that may not meet the requirements. Whether self-inspection gets you there or not, I guess I will somewhat leave that up to you personally. I think you probably could make that clear. Codes don't change that much. It is fairly straightforward, you could set standards for that but as a commission, we did not discuss that.

Fritz: Is now the time to put an amendment on the table?

Hales: Unless there are other questions for Katherine.

Saltzman: A follow-up on the multifamily issue. So, part of the -- as I understand it, part of this process, whether it fits within the nice neat definition of zoning code changes is to make legal what's going on already. And so to the extent that there is a lot of -- at least I'm told -- there are a lot of people in multifamily dwellings renting out their units for short terms. Is it not better from a policy perspective? I can't figure out maybe all of the zoning angles, but from a public policy perspective, is it not better to sort of bring those out in the daylight and make sure that at least they have, they do get a permit? They do have smoke alarms and things like that? Than not? Than to continue to sort of just --

Schultz: I personally struggled with that myself, but I think it is a clear -- and this wouldn't be zoning code, because it would be a clear building code, safety code -- it is a conundrum that you have there. You have a very similar situation to hotel use. And that is more stringent as a life-safety thing. I felt comfortable that staff addressed it appropriately.

Saltzman: I get it. I absolutely agree with you, it is more -- it is a different type of use and should be subject to more stringent life safety code.

Hales: This is both a policy issue and a technical one in terms of this state building code, right?

Schultz: Correct. And not only state building code but national building code. So, state adopts an amendment from the national building code and that is in the national building code.

Hales: There is a request into the building code division for a clarification on this issue and there may or may not be somebody here from building codes division, is there? Ok. We didn't invite

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them to come but we understand that the discussion is underway at the technical level at what does the state building code require or allow and we need to know that. Other questions --

Novick: I have one other question. I imagine this will be addressed in the public testimony.

Elaborate on some of the concerns that people had about short-term rentals where the owner is not present in the home at the time?

Schultz: Certainly. I think you can imagine the situation where you happen to have somebody who is running a short-term rental, not home at the moment, and perhaps a guest creates excessive noise or has some issue. We felt that -- we highly encourage that bds put out a pamphlet. There is a neighborhood notification process so that people in the neighborhood have a phone number to contact should that happen. A lot of discussion about making sure that there is a pamphlet that says be good to your neighbors and be available by phone call in case something should happen. I think that was the majority of the concerns with the neighborhood seemed to be around noise and rowdy contact, you could say. And the relationship with that particular issue.

Novick: Thank you.

Hales: Before we get to the testimony or before we get to amendments? Okay. Katherine, thank you so much.

Schultz: Thank you.

Hales: For all of you and your fellow commissioners do.

Hales: Worst paid longest hours volunteer job. Commissioner Fish had a question for staff.

Fish: Bds.

Hales: We will take that and then take amendment proposals. Come on up.

Fish: I have never been the commissioner in charge of bds. Very briefly the commissioner in charge of the fire bureau. The question I want to pose to you, to what extent can we feasibly craft a limited inspection program? I guess what i'm getting at, once an inspector crosses a threshold into a house, how do you -- how do you limit what he or she inspects? And from a practical point of view and liability point of view. I'm particularly interested in those things that are just clear as day. You are walking by and you see exposed wires. You see, you know, newspapers in front of a fireplace. You see something else. As a practical matter, no matter how you -- what other guidelines for inspectors, particularly when they're asked to do a limited inspection.

Liefeld: We currently have guidelines for every inspection we conduct. Request for inspections, obtained permits, public pulling permits for work and inviting us into their home to verify compliance. We deal with this on a daily basis. I would say all inspectors have an obligation under their inspection certification to identify imminent hazards. And that's how high it has to go.

Fish: Imminent hazards?

Liefeld: Yes, something that they cannot walk away because it is so dangerous and hazardous. For the most part, we are there to perform inspection on the scope of work proposed. For permits, what is proposed on the permit plans. For inspection such as the short-term rental, it would be show us the bedrooms. We would like to inspect the bedrooms that you would like to use under this program, and it would be go to the bedrooms, inspect those areas for the items that we have put forward in the code, and thank folks and walk out of the home. We are not there to look at the basement, if the bedrooms aren't in the basement. We are not there to do an exterior inspection, go to the kitchen or bathing facilities. We are limited to items to make sure that this space was legally created as a sleeping room per code at the time it was created.

Fish: And within that framework, are we potentially liable as a city if an inspector does not report visible safety hazards? I'm reminded, the inspector the city sent out to inspect a house I wanted to buy. The inspector produced a five-page report of problems. Are we on the hook if an inspector goes for a limited purpose but does not report something that clearly has an imminent hazard but is not within the scope of their inspection?

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Liefeld: There is always going to be some debate about that. I believe we are covered. We would want to get information from the city's attorney office. We are covered to perform inspection for the scope of work proposed. We are under duty, an obligation and support to call out imminent hazards. However, there is -- that's pretty subjective when you get into these situations. I guess we would respond to that concern when it was raised. I think our inspectors have a pretty good lens in terms of what rises to the level of needing to be called out during an inspection, and what is really beyond the scope of work that we are there to inspect for.

Fish: Thank you.

Saltzman: What do you mean by calling out something?

Liefeld: Addressing, you know, sparking wires hanging from a ceiling that the inspector has to duck under as he makes his way down the hallway to inspect the bedroom. That would be something that we would want to call out and have them work on to address so when the public comes into the home, they are not in danger from that situation. That would be an imminent hazard example.

Saltzman: I guess, since bds is up here, the issue I was trying to inquire about the multifamily restrictions so, if i'm understanding what was said by commissioner schultz, there is -- or mayor hales, I guess, was saying this, the state building codes division, we could need some change in state law in order for us to even consider allowing multifamily units to use short-term rentals?

Scarlett: One issue has to do with the changes that would be needed to multifamily and development to meet the occupancy requirements, and so part of the debate is the impact financially that it would have and change in the occupancy to comply with -- to be considered a hotel or motel which is less than 30 days. So, that is one piece of it. The state does delegate the authority to the city of Portland to administer and enforce the various building codes, electrical, plumbing and so forth. In this case, we would need an interpretation because there is debate about how we're interpreting r-3 and r-1 occupancy with the industry and others. We would need the state to affirm or to clarify what they feel the right interpretation is about that particular building type. And then we would be able to, again, that then ties in with the policy that we want to have those type of structures also fit in with the short-term rental.

Saltzman: And then I guess if peer to peer rentals are the wave of the future, which is kind of why we're here today, is it possible if a future building developer wants to allow its residents, its owners or whatever to take advantage of peer to peer rentals, they could build to the occupancy standards of a hotel and we wouldn't have any issue with that if they did? Understanding it is probably a lot more expensive and all of that. If they do the rated corridors, they do everything else necessary, but it is a condominium, or it is an apartment rental building, is that possible?

Wood: Well, currently, with the proposal that is before you today, that wouldn't be possible, because it is restricted to the single-family structure type and we haven't had the debate of whether it would be a good idea in multidwelling structures and zones or not. Because we pulled that from the proposal earlier on for the building code issue, we didn't want to create a conflict between the zoning code and the building code in setting people up with expectation that they could do something when in actuality they wouldn't be able to under the building code. The code before you today would not allow that unless the council amended it.

Saltzman: Okay. Great.

Hales: Other questions? Thank you very much. Okay. Commissioner Fritz, did you have an amendment to propose?

Fritz: Yes, I asked development services to tell me about the breakdown of the proposed \$180 fee. And it is \$159 plus a 12% state surcharge were currently looking into whether the state surcharge would apply. If not, we would be able to reduce the fee to \$159. But i'm concerned about the reinspection every two years. I certainly support, from what i've learned so far -- let me just break off the testimony we have been sent so far. Dozens of emails, letters, phone calls, and such very, very helpful. If I have not responded, they were buried in the hundreds phone calls and emails on the

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street fee. Very, very good testimony so far. I'm hearing a lot about the expensive reinspection every two years. I think most of us do not do major changes to our homes every two years. We may possibly have the first inspection and then an affidavit that you would sign every two years and we notify the neighbors, because neighbors can change every two years for sure, that would reduce the fee for the renewal of the permit to \$64, which would be the cost of administering the processing of the paperwork. I would like to propose an amendment for discussion because I want to hear folks' feedback on this, that we would ask the bureau of planning to amend the proposal to have that initial inspection and then a renewal every two years that would be administrative, rather than a reinspection.

Hales: A motion, is there a second to put that on the table?

Fish: I will second it for discussion. Commissioner Fritz, are there examples of where the code currently allows for that kind of streamline process?

Fritz: I will ask my director to speak to that.

Scarlett: Again, Paul Scarlett, director for bds. Similar process in place with the home occupation permit. It is also every two years, and so we have an initial registration fee, and then the reregistration of the business, and it is lower. And, so, we looked at what is in place, what currently exists in that chapter.

Hales: Self-certification for that renewal for the home occupations?

Scarlett: Mike, you might have to help with that part of it. It is a form that is filled out.

Liefeld: We do conduct a limited inspection on the renewal just to -- it could be an exterior inspection just to see if conditions have changed with the home occupation regulations. It is not necessarily that we get inside the home. There is a limited inspection, less intensive inspection.

Fish: Is that one of the reasons that it is therefore, less expensive?

Scarlett: Yes.

Fish: Have you had any history of that with people abusing the privilege or of, you know, having people certify erroneously or fraudulently?

Scarlett: We rely on the complaint basis. If we get a complaint, we would research and verify. I guess you can speak to whether that happens or not.

Liefeld: Not for home occs. For the elements proposed for the short-term rental inspection, we do get complaints about smoke detectors through our housing cases. That is a very common complaint that we respond to. And ensure that those life safety mechanisms are in place for dwelling units. I would say that they're apple and oranges a little bit. Home occupation to the interior conditions the home are a different beast all together. We receive a high number of housing complaints for interior conditions of living units.

Fish: If we went lighter on the regulation after the initial one, can we mandate for example that a customer in this transaction be given a disclosure of some kind that says a word for the wise, make sure that there is a smoke detector in your room or these are some of the safety issues that you may want to on your own verify?

Liefeld: I would envision that the renewal process, if we went to a self-certification component for renewal, would include a statement of facts, a check box where they are verifying that those conditions verified for the initial inspection remain intact. Self-certifying that smoke detectors are there, and that there haven't been other changes.

Fish: With a penalty system if someone misrepresents that?

Liefeld: Penalty system, subject to the normal process, penalty system already exists, it would be a matter of receiving a complaint to bring us out there to verify that that wasn't true.

Hales: Other questions? Let's first take a roll call to put that amendment on the table and have the hearing include that.

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Novick: Commissioner Fritz, would you consider a friendly amendment to your amendment? You say people probably don't change their houses extraordinarily every two years. What about saying there would be another full reinspection every 10 years?

Fritz: Or a change of ownership? Something like that.

Saltzman: Change of ownership.

Novick: Every 10 years or change of ownership.

Hales: Is that feasible, I assume, from a record stand point?

Scarlett: Yeah, every five years is what we try to aim at. 10 years is a long record-keeping, and sometimes so much changes, we usually recommend five years as --

Fritz: We'll have our fancy new computer will be able to tell us.

Wood: May I add that I guess I would recommend that all of the triggers be triggered when the permit comes in for renewal, because the city does not get change of ownerships and the new owner might not do a short-term rental because a house is just a house. So, it would be very difficult for us to operationalize that enforcement.

Hales: Go with the year trigger but not the change of ownership --

Wood: Right, each renewal, and the 5th renewal --

Fish: Are you recommending five year or 10 year?

Wood: Up to you.

Fritz: If it was a 2 year renewal it would be 4 or 6.

Wood: Yes.

Fritz: Seems to me our computer would be able to track that.

Scarlett: We can track just about anything, but it is what is practical.

Liefeld: We could track an ownership change. The new owner, if they wanted to continue that practice would apply for a new permit under their name.

Fritz: I would leave it to staff to craft what this would look like.

Hales: If you are comfortable with Steve's friendly amendment, let's put that on the table with a roll call and take up your proposal, Commissioner Saltzman.

Scarlett: The fees, just for clarification, what's proposed now, those would be subject to the yearly review as part of the budget process. Wouldn't mean \$64 for an eternity.

Hales: Roll call on the amendment.

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

Hales: Aye. Okay. Dan, did you have another amendment?

Saltzman: Yes, I just wanted to add an amendment that would require that it is already proposed that each room proposed for rental have a smoke alarm, I would add an amendment, that the room has to be located on a floor occupied with a functioning carbon monoxide alarm.

Hales: Help me, is that -- I know they are becoming more common, is that in the code now for new construction?

Scarlett: Yes, it is.

Hales: That's in effect bringing that for that house up to current code in terms the requirement for both a smoke detector and carbon monoxide detector. Is there a second?

Fritz: Second.

Hales: Further discussion.

Fish: Estimate on the cost of that?

Hales: They're not that expensive.

Liefeld: Information from any large retailer, big-box retailer. They are ranging from \$20 to \$30.

Hales: Like smoke detectors, they got cheaper over time. Any further discussion about that amendment? Roll call to add.

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

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Fritz: One more. Amendment to the ordinance, it says on this that the -- now therefore the council directs and under e it says direct the bureau of planning and sustainability monitor the affected amendments as part of the overall monitoring program. I propose an amendment, provide a report to council on short-term rentals by september 2016. I would like to know how this is going.

Hales: How it is work. Reasonable request. Further discussion on that amendment? Roll call.

Moore-Love: Who seconded?

Hales: Dan did.

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

Fritz: That way I get to hear about it before I leave office. Aye.

Hales: Aye. [gavel pounded]

Hales: And maybe after depending on how it goes. All right. Thank you very much. Unless there are any questions for staff, we will go to public hearing. How many do we have signed up Karla?

Moore-Love: I believe about 78.

Hales: Wow. I would suggest we go to two minute testimony. We do allow three minutes of representatives of neighborhood associations. Please try to be succinct so that we give everyone a chance to speak. If you are a neighborhood association, representative, we will give you three minutes. Everybody else try to hold yourself to two. If somebody else covers your testimony brilliantly just raise your hand and you can wave your right to speak if they covered it for you.

Fish: If someone is here with 10 friends that will essentially make the same point, you might get from the mayor a little more time for one person who is designated than everyone else standing, but overwhelming us with the same point doesn't necessarily get points. It is the -- it is making the record on what your concerns are. Just something to consider.

Hales: Okay. Let's move to the sign-up sheet.

Hales: Good afternoon. Welcome.

John Beck: Good afternoon. I'm john beck. I will start and say my significant other and I have engaged this a couple of times, we have done peer to peer rentals. We have gone on vacation and let a family use our house. We have done that a couple of times, and right now i'm looking at this and saying that we have a three-bedroom house, as i'm looking at these regulations, I would see that the couple of hundred dollars that we made are going to require \$4,000 in conditional use review, and, you know, I can understand a need for inspections and other things, but i'm worried that this proposed -- the proposal as it is right now for a three-bedroom house is exceptionally, I guess, harsh and -- not harsh as much as additional procedure, more than what would be necessary. I think the type a, type review for that, would be sufficient. And maybe you would want to consider looking at how often people are doing this. Because I imagine not only are we doing less than 30 days' rental, but we will probably do this less than 30 days over the course of the year. It is really a matter of getting a little extra money for a vacation and getting out of the house and letting someone use our place while we're gone. As far as I know, there has never been any impact on the neighborhood. It is consistent in -- as this process goes from peer to peer, at least in the -- it is -- there is some review of the people who are going to be rental, renting the property, because you're sharing your house. You're -- so, you at least have an incentive not to turn it into a party house. That is all I have to say.

Hales: Thank you. Good afternoon.

Tristen Webb: Good afternoon. Thank you for the time. Tristen webb, vacasa rentals. I represent a stakeholder that this ordinance does not represent and I think there are many more stakeholders that this ordinance does not represent, and i'm asking frankly for the opportunity to be part of the process. Employs over 300 people here in Portland, and this ordinance would effectively ban their operations as we know it. I'm also speaking as a stakeholder for many, many businesses and people as the vacation rental manager's association, 30-year-old non-profit organization based in Oregon, traditional rental of short-term rental homes. I would venture that many of you have stayed in a vacation rental homes either in the mountain or beach that did not have sprinklers, that did not have

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a hotel muster, but had a very enjoyable family experience. That is what we represent. We are very different from what is being proposed here. We represent homes three, five, six, 10 bedrooms, which allow families to connect relationships. These are represented by professional managers who have a very high stake in representing the home accurately, maintaining that home accurately, and the guest expectations are far higher than any ordinance you could ever draft. We have to respect the professional requirements of our customers, and, in that, there is a fundamental difference between the ordinance proposed and what is likely going on in the city and what is going on in many cities across the country. I only have two seconds left so I would, again, ask for our inclusive -- to be included in the process, and to be given the opportunity to educate the council and the staff on working ordinances. Vacasa is uniquely placed as a company based in Portland that represents almost 1,000 vacation rental homes throughout the northwest. Each district has an ordinance that governs those homes. Vacasa will not represent a home that does not have a license, and, therefore, has been effectively banned from the city of Portland, allowing unregulated, unprofessional rental of homes that we are seeking to be part of the solution for. Thank you very much.

Hales: I will give you extra time because I wanted to understand. Were you involved earlier in the process, planning commission or with staff before now?

Scott Breon: We heard about it in the news, and came to some of the meetings, but as you can understand, the best arguments aren't necessarily heard in those meetings.

Hales: Planning commission had a long hearing. I'm trying to understand why this is -- why this is so injurious -- you are saying your units --

Beck: We won't operate in areas where it is illegal for us to operate, obviously. So, it is illegal for us to operate within the city limits with the current and proposed regulations.

Webb: The question was that owner-managed -- or owner-occupied is outside of our business industry. And for that we put upon ourselves requirements of inspections, responses, 24 hour phone response, 20-minute on property response, all of those concerns that may have been addressed by a live-in property owner, have been addressed by professional companies, and active individuals who provide the same assurances.

Hales: Okay. Go ahead, dan.

Saltzman: If I understand your business model, your clients are people who do not live in the homes over six months. They in essence own second properties, maybe third properties --

Webb: Majority of our clients --

Saltzman: And you manage all of that.

Webb: The majority of the homes we represent are going to be a second home. They are going to be held by the individual, whether it is rented out or not, as a second home. And they are not primary residences. But any smart person when they have a residence five bedroom beautiful home, that has the opportunity to make revenue on it, is going to rent it out, and they can either do that under the radar or they can do that within the regulations that are proposed that are appropriate for that property. For example, a number of bedrooms is not relevant. If I have a two-bedroom home with zero parking, versus a five-bedroom home that has 10 parking spots, it's the ratio that is important. Similar to occupancy. It's under ordinances which are in many municipalities that have looked at these things and have drafted ordinances that are appropriate for this type of business. And i'm sure there are other stakeholders that have a different business model, but we represent the traditional vacation rental market, of which, as you know, you probably have been a customer.

Hales: You're saying the current regulations don't work for your model, not the bed and breakfast provisions?

Beck: Correct.

Hales: They don't work because --

Beck: Nobody is going to pay \$4,000 to enter into the marketplace. Nobody has.

Hales: It is the cost threshold that you are saying is the problem.

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Webb: Not necessarily. In our experience, ordinance drafted many years ago do not address the current market, market demand and the travel trends that have changed dramatically. In 2007, focus right estimated 11% of americans have used a vacation rental home.

Hales: That is what we are trying to adapt to here. That is why we have this process of trying to keep up with the market with the code. What is the functional difference between one of your properties and a hotel?

Webb: Very different demographic of users.

Hales: No, no, what's the functional difference? What happens there that is different? You check in, you stay in a room and you leave in a property that you don't own, right? What's the difference functionally --

Beck: Being a part of the community. People stay in vacation rentals because they want to be near where their grandchild was born but there is not room in the house. They want to be down the street. They don't want to be 20 minutes away. They want to -- when they have family in town, we want people to maximize utilization of housing. There is no space for them when all of these Portland transplants have their family come visit. They want to be down the street and have the room for family gatherings.

Hales: Maybe we should have this debate off line. I would say that is a locational difference, and not a functional difference.

Webb: It is very much a design difference, having a kitchen and shared space. If i'm going to bring my wife and three children, we're not going to stay on someone's couch and not going to get a hotel room.

Fish: What percentage of your business is people who do long-term rentals? More than 30 days.

Beck: Zero. That is not our business model. We make more money for our homeowners doing it as a short term rental than a long term rental.

Hales: We may have to have a separate discussion about this particular business type. We are not a slavishly regulated city but there is a reason why you have zoning code and regulations, so far in your testimony -- I have heard a locational difference -- functional difference between what you are doing than a hotel, just scale and location.

Webb: But the difference is is have you rented a home for your family that has been functionally different for your family? There is not, you know, ada compliance, there is not sprinklers in the ceilings, not the same requirements, yet you still enjoyed that beach home?

Hales: I hear you.

Beck: From an operational model, you are correct, it is a similar path. There is a reason no hotel on the street has gone into the vacation rental markets -- it is a very different demographic. Specialties in the short-term rentals, higher occupancies --

Webb: Higher spend.

Beck: It is a very different consumer base and being in tune with that consumer base is a variation. It is not a big variation, you are correct.

Webb: The other aspect within that demographic, if you have two families traveling together, they will choose to go where there is a vacation rental home, not necessarily a destination base. They will not stay in a hotel. So, we add to the number or complexity of demographics of people who are coming to Portland, and enable those different demographics. It is really non-exclusionary. One person at a hotel is a very different customer than a family. And, so, the use, the spend, it is not one or the other. It is adding more to the travel demographic.

Hales: Okay. Thank you, appreciate you letting me cross-examine you. Go ahead.

Beck: You bet, any time.

Scott Breon: My name is scott breon, king neighborhood association and past board member of the northeast coalition of neighborhoods, strategy officer for vacasa one of the fastest growing companies in Portland, if not the fastest. We have 300 employees and plan to hire thousands more

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over the next three years. Short-term rental property management company, properties in many of Portland's -- due to the current and proposed regulations, you will hear a lot of emotional testimony from others today. That can provide basic data and examples of why this draft needs to be delayed and reviewed by a committee. As a result of this project being outside of the permitted scope of ricap 6, stakeholders and experts excluded from helping in a meaningful way. Left with draft recommendation that fails to address live ability, taxation, affordable housing concerns, future and current jobs. Ricap process failed to review traditional regulations and best practices that would have highlighted -- even the definition of occupancy is discriminatory and lacks basic safety considerations. Families with 20 kids, one-bedroom condo, it does not permit four unwed couples in a four bedroom house. Property managers, housekeepers -- there are no mechanisms in place for the community or renters to have issues addressed. The owner out of the city or out of the country as the current proposal on the table permit -- cut off 80% of the 30 to \$40 million rental market that is on the table today. That is three to \$4 million in total revenue. When you were talking about \$50,000 in revenue earlier today as a Portland taxpayer, I was a little concerned. That tax revenue could support affordable housing initiatives as commissioner Saltzman suggested earlier today. We manage 1,000 homes with 300 employees -- second homes, larger homes, preventing in-home occupations, it is easily stated that immediately kills 100 to 300 jobs and prevents hundreds of future jobs with that activity that has existed for decades. Current and proposed regulations kill jobs, lose millions in tax revenue, fail to address safety and liveability concerns. Draft needs to go to a real committee stakeholders having a conversation and creating a plan to -- Portland is known for being a leader. This document falls far short of that vision in every respect. Here to help and guide the process going forward.

Hales: Thank you very much.

Breon: Thank you.

Hales: Next please.

Hales: How are you? Welcome.

*******:** Thank you.

Hales: Go ahead.

Kathleen Escriva: My name is kathleen. I am a resident of the rose city park neighborhood. I do have -- have hosted short-term as well as long-term people in my home. It is just me and my dog. I have three bedrooms, two of them I open up to visitors of Portland. I really applaud Portland for trying to look at this situation legitimize it, bring it out in the open. I have no issue with permitting and even inspection to some degree. I am a responsible person. Smoke detectors in the house, carbon monoxide thing there. I live in the house. It has been in my family since 1957. I grew up in that neighborhood, went to rose city park school, my partner owns a landmark iconic restaurant in rose city. We're responsible. We love our community. We want to work with the city. So that's really why i'm here today. I want you to see what a responsible short-term rental person looks like.

Hales: Thank you.

*******:** Thank you.

Bob Low: Good afternoon mayor and city council.

Hales: Apparently you have some fans out there, too.

Bob Low: Before I get started, I want to say after my wife and I started meeting with commissioner Saltzman and the other council members in the past couple of years, it is amazing to be here today and be able to talk about this at this point. Planning commission, one thing we heard there were concerns about how -- this is not about airbnb. It is about ordinary citizens, my wife and myself, attempting to get involved in the shared economy by renting available bedroom or two in our house. That's what it is about. Now, I would like to make three points about what you might hear today. One thing that came up in the planning commission the concern about the long-term rental and the cost of the long-term rental rates as a result of short-term rentals. Planning commission, I heard

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225,000 households in the city of Portland, about half are rental is, long-term rentals. If you think about -- my data was 1,300 short term rentals. It has gone to 1,600. Growing rapidly. That represents about .5% of the total households in the city of Portland who are one percent of the rental, the rental pool. So, given this information, I find it hard to believe that the short-term rental is going to have a material impact on rental rates or the rental pool. The other comment I wanted to make -- you're probably going to hear about short-term rental guests and it will be called transient people and how they may be intrusive to the neighborhood and etc. Our experience is that they are just people like you and myself. You probably have done -- you probably have been guests as well. The fact of the matter is that short-term renting has been going on in Portland for years and I have yet to read a newspaper article or seen any data that support the notion that short-term rental guests have been a negative impact to the city or neighborhood. Only data I have heard was that as reported in the Portland tribune that mike reported out of 5,000 complaints to the city in 2012, only 12 involved rentals and we don't know how many of those are short-term rentals. My last point concerns the about the impact and character of the neighborhood. I recognize this is a generalization, I would contend that long-term rentals have a bigger impact in the neighborhood -- long-term rentals, landlords don't care as much about the houses, as owners such as ourselves. Tenants don't care about the yard as much as us. Short-term rental people they need to keep the house up, keep the yards looking good or they will not attract renters. In summary, we are pleased with the progress the city has made, and by approving the proposed regulations, once again, Portland will be demonstrating it's a progressive city and will join leadership to provide a model short-term regulation to other cities in the state and u.s. Thank you for your time.

Hales: Thank you very much good afternoon.

Terry Parker: My name is terry parker. Primarily purpose of -- provide a safe haven refuge where people can live, have yards, potentially raise a family, and be with the direct contact with commercial activities. -- only one or two bedrooms is in direct conflict with the regular sanctuary of these neighborhoods. Not only does the concept set up neighbor to neighbor clashes, unscrupulous individual could buy out numerous -- homeowners could end up with motel row across the street or in their back yards. When a police officer is invited to speak at neighborhood association meeting, likely first thing that officer says in terms of safety is to know who is coming and going in your neighborhood. Short term rental scene ricap six -- it is not a minor code adjustment, requires broader community discussion. A requirement for an annual fee that includes proof of liability insurance, requirement that places limits on outdoor activities and noise. You have been elected to represent the people of Portland, not big out of town business -- coupled with a better vetting process, requesting the short-term rentals be removed from ricap six. Please listen to their testimony which is to come. Thank you.

Hales: Thank you very much. Thank you all. Okay. The next three.

Hales: Good afternoon. Whoever would like to start.

*******:** I have a couple of notes on my phone. I'm very nervous. I started my brother and I --

Hales: Your name.

Michael Kaiser-Nyman: Michael, I live in -- my brother and I signed a one-year lease on a house there a little over a year ago, and then I just days later he was accepted in a program to study in bangladesh for two months and we didn't have time to find a subleter and we started to use -- my brother cover his rent while he was with the state department. And after that, we continued to occasionally go out of town for the weekend and going to see our parents, being able to rent out our house over the weekend helped us pay for the plane fare and whatnot to make those kind of trips. It has been a really good experience for us. I have stayed with a guest at airbnb locations a couple of times, and the whole -- I guess it is -- i'm glad that Portland is taking steps to make this legitimate and to be regulated. I'm worried about the overregulation in terms of I don't think that we would have in that short of period of time to set up something for someone to come in and inspect the

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house and pay these kind of fees. If you have ever -- if any of you have ever tried to put your house on -- one of the appeals is how simple it is to get going. Sign up on a web site. Take pictures of the house, and then you kind of regulations -- would make it harder for people to be able to put houses on there and another part of it, too, that we always screen people who come into our houses. We make sure that they have good reviews. We talk with them beforehand and we're very concerned about the right people coming into our neighborhood and being good neighbors to people who live by us and we go to rent out a place, we do that same kind of screening on the people that we're renting from, and I think that is one of the big appeals of using a service like this. That's all I have.

Hales: Thank you.

Fish: Owner occupied requirement a deal killer for you? You mentioned going off for a weekend.

Kaiser-Nyman: Right, so we would not be -- we would not be home at that point.

Hales: You're still there.

Kaiser-Nyman: I'm still here -- i'm not entirely clear for the owner occupant. We try to visit our parents on a regular basis. We would be gone for three, four days and we won't be at the house at that point. When my brother was out of town for two months, I was there the entire time and made some really great friends from out of town. A couple who ended up moving to Portland later.

Fish: We will get clarification of what owner occupied means in terms of continuity of occupancy.

Hales: Good question. Thank you. Good afternoon.

Linda Fitzgerald: My name is linda fitzgerald, I live in the overlook neighborhood in north Portland. I have been hosting with airbnb for about 6 months. And I started doing this after my husband died, after a long illness, and I needed to make extra money to pay bills. I talked with all of my neighbors, and explained that all of the guests would be carefully vetted, and they would be staying with me through airbnb. At first they were -- some of them hesitant, but as the months have gone on, they have always supported me and they have gotten into it many of them, and have great conversations with people. I've had guests from every continent now in six months. I have people, 28 out of 30 days every month. I have become quite a popular host, and I have made friends. Someone told me to say this and it may not be the right thing to say, but it is the oddest way to grieve that I have ever known, but it works for me. I have interesting, fabulous conversations around breakfast. One morning, one couple was from -- the woman was from mumbai. The man was from cape town, we discussed geopolitical issues about cape town one morning and mumbai the next and I just learned so much. My life has been truly changed by this experience. I've sent guests to all of -- all kinds of businesses, everyone of them wants to come and move to Portland. We're ambassadors. We are ambassadors. So, please let us continue to represent the city. Thank you very much for taking up this issue.

Hales: Thank you. [applause]

Hales: I know she's great, but we might have to make an exception.

Angela Arment: Hi, i'm angela, and I live downtown. And I share my apartment on airbnb. And from a financial standpoint, it has helped me to focus more on my studies for school so I don't have to work so much. Which is a huge impact in my life. And charlie hales talked about what's the difference between a hotel and what this shared housing is? And to me, it's a partnership with your guests because you are creating a partnership. They don't just click a button and book your place. You talk with them beforehand, establish an understanding and connection and you either accept and decline them. It is different from a hotel. When you stay at a hotel, a certain standard of what you expect or when you stay at an airbnb or another one of these types of things, you're staying with a friend -- it is like you go to a friend's house and you stay there. And there is just a little bit more accountability because you are paying a fee. It is a lot lower than a hotel, but it is different because you know that things aren't, you know, the towels might not, you know, you might not have two towels per day. Things like that -- I think it is entirely different than a hotel. You are staying with

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your friends and paying money so you're accountable. It is more of a community-based thing. That's my opinion.

Saltzman: Did you say you live in an apartment downtown?

Arment: Yes.

Saltzman: So right now under our proposal that's illegal.

Arment: That's totally illegal and I would have to work 40 hours a week or whatever and then also go to school full time or have \$100,000 in debt when I graduate. So, that's my situation.

Fish: Not to out you here about your arrangement, but whatever the council does, we could not be governing the relationship between a landlord and tenant. An owner of a multi-family apartment could put in the lease a prohibition against this. That's not something that we would regulate.

Arment: One other clarification for me is why -- why is there such a clamoring to put a big hold on this. There haven't been a lot of like injuries or complaints. I mean, I think the complaints have been minimal and most of the complaints are from people, like hotels thinking that they're losing money from the situation. But the type of customer that is going for this boutique experience, is going to book a place like the ace hotel or Northrup station. But those places are booked out. The demand is much greater in Portland than the places that people are able to stay. And, so, it is a completely different clientele. I'm not sure that argument is valid for stopping this.

Hales: Okay. Thank you. Thanks very much. Thank you all.

*******:** Thank you.

Hales: Next three. Welcome.

Robert Hertert: Good afternoon mayor and city council. I'd like to go back and address the inspection subject for just a minute. The planning commission and staff had a fantastic set of workshops and hearings on that. We aired all of those issues. The issue of inspections came up and that night with -- I think it went on until 10:00 and I was a little blurry and couldn't figure out what was bugging me. One of the commissioners had a lot of experience in inspections in the other city. And it brought up some concerns and I would like to include his comments along with mine that I have written up here. And I will start off by saying a lot of the homeowner hosts might just be involved in a very small -- they might put their toe in the water and make an airbnb listing and have a first guest. They want to be legal about it and apply for the permit process. Occasional host may be surprised at the unforeseen consequences of inspections that might happen as a result. The homeowner host would enter in the process feeling like the home is safe enough for their own family. Bds, as far as I know, require safety inspections to the other homes in Portland and those not for long-term rentals, as far as I know. I don't think they're really more concerned about safety of airbnb guests and owners and long-time renters. It seems logical to want to do something. But at the planning commission, the bds staff tried to assure the commissioners that they wouldn't be overly zealous in the inspections. They went on to say, all due respect to bds. I was encouraged by what we heard today. They commented, bds inspectors are highly trained to look for and spot any change in material types, construction methods, etc. Any alterations are required to be code compliant and inspectors could not walk away from violations that they find. In summary, I think applicants may be getting more than they expect when they put the permanent applications in and with the city's goal to daylight the short-term rentals in Portland might be eclipsed or dimmed with the bds inspections being overly broad, and -- I recommend to the city council drop the inspection requirement unless limited to the presence of the require the interconnected fire alarms. Thank you.

Fish: I checked with staff on something. I might have misspoken. Under this proposal, we're talking about single-family residences, but the -- our requirement is they be a primary resident. As long as you are a primary resident, not saying your vacation home, you don't actually have to be in the house when your guest is there. I want to clarify that. Somehow I wrote owner occupied -- primary residence, but you don't have to necessarily be there when your guest is there.

Hales: Good clarification. That is good to know. Thank you. Thanks very much. Yes, please.

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Julius Wylie: Hello, i'm doctor julius wylie, a physician at the providence immediate care in bridge port. I went to the providence family medicine residency in milwaukie and have been practices for the past seven years. How home sharing has allowed me to boot strap my own business. I have two people working with me on a contractual basis. There is many, many reasons that I like doing home share, but I will just talk about this more specifically. So, four years ago, I decided to start my own business. Using funds from home sharing. It is called tap care -- I use mobile devices to evaluate and treat skin rashes, urinary tract infections -- doctors have known there is a lot of things that can be handled without an in-office visit. With people who are uninsured and people who have high deductible health plans that might have to spend \$1,750 before their insurance kicks in, there are certain things that can be handled with my service for \$50, and follow-up calls for up to three weeks afterwards. So, in this completely through home sharing. In the last year and a half I have made over \$6,000 from home sharing, which allowed me to hire a local web developer, a small business owner to build the site. Through my local entrepreneurial group, I connected with an experienced marketer, who is working with us to build social media blog and email newsletter plan. And she is, again, a small business owner. So, there are many different reasons I decided to do this, another reason I like to take a sun break in the middle of the winter. Last year I went to ecuador and eco-ranch and bird watching and hiking and on the way down to the coast, I got two notifications from airbnb and \$400, and so freedom of location and kind of my own business.

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

Phil Finch: Greetings to you mayor and commissioners. I'll phil finch, i'm retired teacher from a private college. I opened up an airbnb, my condo, separated five feet from the neighboring condos, I don't know if that is technically an attached house or not. I wanted to just mention how positive this has been for me. Positive economically, obviously, and positive also culturally. I bought my condo four years ago to have the right place for my wife, who is here with me now, from china. So, I wanted her to be in the most diverse neighborhood possible, southeast Portland, and that is a very diverse neighborhood indeed. Well, as I live there, it is a -- it's rich for me just in the people that I know, my daily neighbors, but now I have imported people from other countries. Not that I expected that to happen. I had a gentleman from australia come and stay. He was one of the shorter-term people. I tend to be over a month in duration of my rentals, but he was two weeks. I had a gentleman, a physician, a medical student from pakistan, who stayed with me for a month, and, indeed I shared with him all of my medical textbooks and we had good discussions and I learned how hot his food is. In this process now, I have a lady from vienna, austria, who is staying in my home. She is going to a seminary here. I loan her my bicycle. It is like they become family. It really is a wonderful experience. Yes, financially, yes, culturally, and also I would like to say that these people are minimalists when they come here. Can you imagine traveling from another country to stay here for months with multiple suitcases? They're going out shopping and using the local community as their resource area and purchasing. So I think we're distributing in this case, it's air bnb, but it could be other units as well, we're distributing the purchasing power of our guests throughout the whole community. Not in just one area. So my experience is it's very positive for me, financially and culturally as well as it is for Portland which deserves this cultural enrichment and financial enrichment. Thank you for considering the process to go on.

Betsy LaBarge: My name is Betsy LaBarge, I own mt hood vacation rentals, a company I started almost 23 years ago. I've also been very active in the short-term rental activity the whole time. I served for 5 years on the board of directors of national vacation rental managers association, also served on multiple committees and task force for the association. I was a founding member of the mt hood tourism marketing alliance and served on that board. I currently serve on the Clackamas county tourism development council. Our job is to determine how to spend the transient occupancy taxes that come into the county. And I'm also the chair of the marketing committee of that council. Why I'm here today is to ask you to take a little more time to look at this issue. I don't believe that

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what we've created here is really going to recognize all of the challenges that have already been mentioned regarding neighborhood liveability, safety, transient occupancy taxes. And it doesn't address the traditional short-term rental activity which is what I represent, vacation rentals. They've been around for decades and now in Portland operating under the radar. They are not collecting or remitting transient occupancy taxes and they are not going to go away with this regulation. I recommend we wait until we have stakeholders at the table who talk about this a little more. And I include myself as a stakeholder, I am effectively eliminated from starting a business in Portland. You have made it illegal for me to do what I do in Portland. Why not make it legal for me to do this, and represent professional management scenario for us, and the peer-to-peer is not what we do, when I talk about vacation rentals. I don't live in the home. I represent a home for other people. It's really not much different than long-term month-to-month property management, except we're doing it for less than 30 days, it is a visitor, not a tenant, but we're going to be recognizing the livability factor and many of the other things people talked about. So I kind of was swayed from my script, but I would like to ask that we wait a little longer before we pass this so we can talk about these issues and challenges that have been brought up and probably some that haven't. Let's see what we can do, and i, as well as I know others are happy to help you with this and happy to share with you what we know. I am active nationally and I know a lot of people, there is best practices. We can help you find one that's going to work for this.

Hales: Thank you. [applause]

Tom Milillo: Good afternoon. I am tom, and I applaud the work you are doing, and I don't envy the seats you are sitting in right now. But, I sit here as a single father of three amazing boys. As a physician who serves the Portland community, and as a struggling but proud owner of a record label here in Portland. I also sit here as a concerned owner and host of a condominium unit in northwest Portland. Now, I say all this not to impress you but to impress upon you what my role is and how proud that I am being a part of the business community in Portland. A great source of that pride has come through being an airbnb host for the condominium unit in northwest Portland. When my girlfriend, melinda, and I had the opportunity to purchase a condo, we saw it as a place for us to retreat to, away from our daily jobs and the stresses of single parenthood. It was in the northwest where we would be able to walk to all our favorite shops and restaurants. It would also bring me closer to my passion, as being part of the music community in Portland. As often happens in life, we found that our increasingly busy lives meant less time for us to be downtown, and more days going empty in the condo that we had purchased. Hosting through airbnb became a way for us to continue to afford our retreat and a way for me to continue to afford to support my music habit. We have also learned what an amazing boom it has been to the local community. One of our favorite things to do with our guests is to see the places that they have been and the things that they have done. It gives us a window into who we are hosting and to where the great places are around town. We see shopping bags from noble home, crafty wonderland, powells books, food containers from bridgeport brewery, little bird, and oven and shaker, and invariably, voodoo doughnuts. Ticket stubs from Portland center stage, the doug fir lounge. Weeding to see Portland through their experience, and it makes us more proud to be residents, and more determined to be visitors in our own city. These people are want travelers, respectful people, and weekend adventurers, world explorers, and all experiencing the bounty of all that is Portland. These are people who enjoy the intimacy of sharing someone's home, people who gladly put their money into the local community, and people who are happy to spread the word that Portland is open for business. What we have found through airbnb is that just supplemental income or a way to support the local music community, but also, the community of people and places that are helping to grow and sustain our local economy. As you deliberate on these issues, I urge you to consider condos in the proposal and to help us to continue to be a part of that community. Thank you.

Hales: Thank you. Thanks. [applause]

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Hales: Good afternoon. We let you get away with that once or twice but just wave your hand. Once we get it started, it's hard to stop.

Mary Mayther-Slac: I am mary, a Portland native, grew up in lads addition, and I am representing my mother, 87 years old, and has lived in her home there since 1949. I manage an airbnb in her small guest house behind her house, and that would make me a non owner, operator, I guess. And, and my sister and I are caregivers for my mother. Like I said, she's 87. She has diabetes and requires 24-7 care. Her income is fixed, she's a retired educator. And, and, and her taxes on the house are \$8100 a year and rising. There is no possible way that I can keep my mother in her home without doing this activity. By your guidelines, I don't fit in. My mother is not capable of managing the property herself. I need to do that for her. Her caregivers' expense is 62%. Her taxes are 17% of her, her gross income, and as you can see, we have, we have less than \$8,000 a year to pay for heat, food, and medication, and other expenses, including an occasional trip to the movies. This allowed me to maintain her historic home. It keeps her engaged with the people and, and we have started to pay off the back taxes and penalties. And most importantly, we get to keep her in her home. Where she feels safe and not disenfranchised. She's been in many, many care facilities, and she deteriorates when she goes for rehabilitation. We have always rented a house in the back but the most that we can get for it does not cover the taxes. So, I would, I would request that, that you guys take a bit more time to think about the ramifications of, of the primary residence and, and who manages it, and how it is managed. Airbnb, they have, they have -- people are very, very particular about who, who they stay with. They vet us very carefully and will not stay in a place not well maintained and is not comfortable and safe. Airbnb sent me carbon monoxide, smoke detectors to put into the cottage so that we would comply with what building codes are. I've been a realtor and owner of my own company here, and i've been a realtor for 27 years. I know what it takes to maintain a safe and comfortable place. I have owned rentals for 25 years, and so, there are other people involved in this whole situation that, that are thoughtful and, and respectful and, and, and acknowledge that we need some, some regulations, but the ordinance, as it is proposed, does not cover a huge part of who participates in this opportunity.

Hales: I appreciate all three of you. The next three, please.

Hales: Go ahead and -- oh, there is the third. Who would like to go first? Go ahead.

Jere Fitterman: Thank you. Hi, I am jere fitterman, and I live in the elliott neighborhood, and I have had a master bedroom on airbnb since february. I am recently retired as a teacher, and my husband is home with health issues. So, airbnb is a good option for us to be able to maintain our home and be able to stay there. Some of these issues have already been brought up so I am trying to eliminate them. And, and, and when I was walking in england, I stayed in many homes where the farmers would keep their houses and their ranches and farms, and they were mostly sheep because they could rent out rooms to, to people walking, and I thought that was a great idea. When I got back home, I took the steps to set that up in our room, and we have had people stay almost constantly since then. We have mostly young women stay with us, and I don't know if it's because my picture is on there or why. We have had only two times that we have had men. One was visiting his son in the neighborhood and another were two young russian and english people. So, they were used to this thing. But, the women say that they like staying in a home that is in a neighborhood they feel safe coming and going at night. I have had people come to town for new jobs looking for an apartment, and they stay with me until they find one. I have helped them. And now I have a medical student, young woman, at emanuel hospital on a rotation, and she comes and goes at all hours. She walks down the block, which is very nice for her. So, I appreciate this, the airbnb because they do a lot of the work for me. They advertise, and they take care of the money, and I appreciate them helping with the taxes. I appreciate the, the city government departments that have set up this proposal. I would like to be legal. I didn't realize when I started that I wasn't, but I found out because of your review process that I wasn't. So, thank you.

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Malia Sajko: I am ready, I am malia, and my husband and I rented our condo for a year when we would go on vacation, and then we moved to foster powell, and been renting the basement out for about a year and a half. It's really, really has given us a ton of financial freedom, and the owner owns a business downtown, and after having our second son, it has made it so that we were, we were able to have a little breathing room while our business grew. I also want to talk about the people that stay with us, our families because we have kids, so they are drawn to, to, I don't know, our layout, I have a family in copenhagen, and they have two -- in copenhagen. And we had beers with them, playing soccer, had dinner, and they are supporting piper cafe, and they had dinner at Portlandia, and they are giving Foster powell a lot of their dollars, which makes me really happy because we're up and coming. I think that my big concern is the inspections, a small business owner, I know that inspections, he's saying imminent things but we have inspections all the time. They are never easy and cheap, and the idea of someone coming into my house where my dad stays, and, you know, my grandmother stays all the time, and going through and, and, and it just -- I know that it will not go well, and I know that it will be very expensive. My last point is that, is that both my neighbors on both sides rent out their houses long-term. Neither of those people mow their lawn. They don't go to the foster powell neighborhood association meetings. They are not participating in our neighborhood. So, anyway, that's my spiel.

Hales: Thank you, thanks very much.

Bryan Scott: I am bryan scott, and thank you for hearing this and the work you have done. It is immense. I returned to Portland last year after a bit of time away and deciding that Portland is where I want to make home for the majority of my life. I wanted to move back into my home and realized that due to lifestyle shifts, I could not afford the mortgage. So, I tried to continue renting that out, but finally, through creative engineering, and what the city has passed in terms of the adu allowance, converted my Garage into it so I could rent out the house and live in the square feet. My neighbors suggested I term to short-term rental because in the amount of time I was gone the house was rented to individuals, whether that be a group of three or four college kids or bartenders that go out and then come back and play video games or band practice at 3:00 a.m., my neighbors did not love that. They loved the idea that I will be on the site managing short-term rentals. I am involved in my neighborhood. My neighbors were happy to see me come back. I attend neighborhood meetings and designed this place to better not only my life but the street, itself, and I am now the -- they were listed, as well four others, in a "new york times" article a few weeks ago, and touting Portland for being responsive and proactive with its, with its neighborhoods and with community needs. I think that's why we are having this discussion. /thank you. The short-term rental is allowing me to continue to survive and keep my home, otherwise I would not. The thing that I would ask you to consider, and I very much promote the inspection process, and I promote safety issues, the things that I think is going to be really difficult, is anything that's a three bedroom, having the large set of fines and being in a different category. The doctor we heard from earlier, that 4,000 fine takes away over 60% of his income from what he said. If I do my math on what that looks like for a year, it's taking 20% of the initial income. That hurts as someone who is trying to a business and merely trying to get by and keep my house. So, I would ask you to consider that, as well, but thank you for your time.

Hales: Thank you. Thanks very much. Appreciate it, thanks.

Hales: Go ahead.

Ashley Ager: I am ashley ager, and a lot of people have said the things that I was planning to say coming up here, but I really wanted to share my experience with the airbnb. I am a very -- i'm new to airbnb. At first I was reluctant to do it, not sure if it would be financially viable. Then I was accepted into grad school, and I had to make a choice between doing grad school full-time or finding a job, and so, airbnb has allowed me to do that. I am pursuing my master this is education with an endorsement in special ed. And because of airbnb, I am able to do that. Honestly, I really --

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I love airbnb. I like getting to know everybody who comes. I would just encourage you guys to take more time and think about it because my situation is a little different. I, actually, am an owner-occupied triplex, I own a triplex so I rent out two of the Units through airbnb. I started doing that again, as I said, for grad school. It allows me to make more money and make ends meet. And I would not be able to do that anymore, and so again, it would prevent me from doing something that i, I love to do, or want to do.

Hales: Sorry to interrupt, you live in one of the three units and rent out the other?

Agre: There is a three-story house, and live in the middle so I can hear both, if they are too noisy, with grad school, I shut that down pretty quick. I need my sleep.

Fish: So because you are a triplex, with -- there are three different apartments, separate entrances as in.

Agre: Yep.

Fish: And we'll add this to the list.

Agre: There is a variation.

Fish: But it began as a single family residence?

Agre: Yes, and then, and then over time, we did not live in it when it was converted into a triplex.

Fish: How would that be different than someone who took the third floor, turned it into a residence for an aging parent and gave them a separate entrance? It seems to me people do that for a lot of good reasons, but that may, actually, be disqualified. It's something for us to think about.

Agre: And actually with the city, technically, it's not recognized as a legal triplex anyway, it's recognized as a duplex with, with an attached inlaw suite. But, all about the city taxes -- Oh, well.

Hales: Thank you. I appreciate you giving us that variation on the idea. Thank you. Ok.

Corrine Foster: Good afternoon. I am corrine foster, and I appreciate your time in listening to my story. So, I was unemployed due to [inaudible]. My neighbor told me about airbnb, and it has allowed me to stay in my home that I love very much. I live in the ladds addition, it's fantastic, and when I have airbnb guests, I introduces them to this wonderful city and neighborhood, and no one has mentioned this, but we pay income tax on what we earn from airbnb. I have never -- I stayed in lots of hotels and traveled the world, and I have never had an experience where I have, actually, gone to movies with my guests. I have gone to restaurants with my guests, so it's a very different experience than a hotel experience. I meet the people that, I think the people who stay in a hotel want a certain expectation, but at airbnb, like people have said, it's, it's whatever you want to make it, but it can really, really introduce people to this wonderful city where again, you know, they want to stay again and again. I have had guests that come several times. Thank you very much.

Hales: Thank you. Good afternoon.

Joelle Budinich: Hello, I am very nervous. I am joelle, a 31-year-old single female, hosting with airbnb for over three years now, in my primary residence, and engaging with the community has transformed my world. I'm happy to say that I am currently fully supported financially by sharing my space. After two years ago, almost foreclosing on the home due to a layoff. This has allowed me to focus on my passion and goal, which is to live, share, and educate others on sustainable living. My home is an urban culture homestead complete with an edible landscape, flock of chickens and honeybee bees. My space provides a Portland experience for eco-conscious travelers from around the world creating inspirational connections and relationships, at least 50% of the guests travel here without a car. I own four blocks from a max stop and walking distance to the mississippi arts, and 90% of the my guests spend a great deal of time patronizing the business, and thoroughly enjoying the Portland culture. Because of the support airbnb has provided me just over a year ago, I was able to realize a long-term dream of expanding my property onto the house next door, purchasing it has enabled me to triple my income, through entertaining this three bedroom, private family home, through the peer-to-peer sharing. This has allowed me to expand on the education piece that I desire to share last week, I was able to host a fifth grade class field trip where

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they got to experience this first hand. I am concerned that this, this new -- my new second home is not included within the recap, and that I live on the property, essentially, but it is directly next door - there is no fences, it's all one, one piece of land, separate properties, a three bedroom home. I am so grateful for the sharing economy and the financial stability it has brought. Thank you.

Fish: Can I ask you a question? You did not seem nervous.

Budinich: I am shaking.

Fish: Nice job. In your three bedroom home, do you normally rent that to, to a single family, or could you rent it to three different people?

Budinich: Only to, to one renter, I don't rent it, the individual rooms, I rent it to a single family.

Fish: So someone with a couple of kids and they need an extra bedroom?

Budinich: Correct.

Budinich: Right. Right now, I have a family that works for design matters from boston, and they are only using one of the three bedrooms.

Fish: One thing we have not talked about is, is what it cost to stay, to access one of these services, and maybe at some point we'll come back. I am curious to get a sense of, of what's the price point and how does it compare to other options? I am guessing in my mind that everyone has been discreet about it.

Budinich: My primary residents, I want Rent out two bedrooms, are about \$60 each, and then the, the second home, a three bedroom, it's \$170 a night.

Fish: 170 a night?

Budinich: Yes. It's allowed me to triple my income.

Hales: Great, thank you very much. Appreciate it. Thanks.

Rachel Elizabeth: I own a mixed use building in north Portland, and it's commercial on the ground floor, and four apartments on the second floor. And I also live in the building, and I rent out two apartments, and just recently, I started using airbnb to be a host, and I would like to continue to do that. I also would recommend maybe scrapping the home inspection part, as a commercial landlord anyway, I pay the fire, you know, I have an annual inspection for, for my building every year. So, I am already safe and, and, and of course, very transparent with my neighbors because I live in the building. And I am also a host. So, those are my two recommendations.

Hales: I was thinking through that, so you get a commercial fire inspection --

Elizabeth: Every year.

Hales: Does that extend to the rental units?

Elizabeth: They go upstairs. So I have exit signs. What they don't do, and it's like, of course, I live in the knowledge, and it's a beautiful, old building, and it's very safe. It seems like the inspection part is more, more cumbersome with the new rules than it is for just a commercial landlord because they don't -- the fire department doesn't go into each individual apartment, but they go into the hallway, i'm like really, really complying, but i'm not because I own a four-apartment, you know, four-unit apartment building, and I would really like to continue and of course, i'm part of a community, and so my other tenants are also, you know, we live in the building, and everybody knows what's going on, and we, we like it. We would like to continue to do that.

Hales: Thank you. Ok. Who is next?

Deborah Woehmann: Thank you for listening to us today, I am deborah and, and we have been renting our space through airbnb for just over a year. It allows us to utilize a house that's much too big for us and keep the studio that we rent out for our family and friends to visit when they are in town. So, we don't really want to rent out long-term. We are a bit surprised about the inspection, because I feel like we're more in the renting out a space business than, you know, a business in our home, and so, I would hope that, that we would be under the regulations of rentals more, and if there is a complaint that, that we would have an inspection and, and we comply, and we have a fire alarm, and all of that and, and a first aid kit, as well. And one of the things that I want to talk about was

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neighbors. We've been careful to talk to our neighbors, and for the first time, just when I was sitting there, one of our neighbors, their aunt called and wants to stay at our place because, you know, they know us, and they are going to come in the summer and, and so, that's really the main thing, it's really allowed us to live more creatively and do what we are driven to do, which includes arts and, and, and buildings, so, thank you.

Hales: Thank you. Thanks. Good afternoon.

Mandie White: Hi, I am mandie white, and my husband and I host on airbnb. We live in the piedmont neighborhood. He was born and raised there, and we live blocks from, from the childhood home he grew up in and, and i'm also a real estate agent, so i'm really connected with the housing market, and I am just passionate about how the houses in general, and living, and getting to know people, and building the relationships in our community. And, and, and we currently host so, so we're really excited and, and happy about our experience. And just like many of these people, we have an entrepreneur spirit and, and we have chosen to be the host because we enjoy meeting people, and having people in our space. My husband and I don't have children. I think that, that sometimes, at least from that perspective, we feel like you get connected to Your community, oftentimes you go to the soccer games, or when you are connected in the school, and we don't have that opportunity, excuse me. Other people can get connected with churches and other things that we don't do, so this has given us community. I've been able to find out about our homeowner's association, that I didn't know existed before, and i'm a part of that, and I have -- we have signs in our yard about upcoming events. We participate so much more now in our community, and we feel a part because of this. We would not have, if we did not have the airbnb. If we did not have this opportunity, and it does serve a financial piece to us, but, it is so much deeper than that. And I don't envy you because right now, you are hearing all these different people, all these different perspectives, and while we all have something in common, about short-term renters, we all do it differently. And, and sometimes, with my home, when we built -- when we moved in, it was a bungalow, and we added a kitchen downstairs so people could stay and be the in between where they wanted to connect with us, and we can open up the door and connect and have family, you know, meals and share that. But, if they don't, we keep it shut, and they have their space, and they go to the neighborhood pub, and they enjoy themselves on their own, and sometimes we've been out of the country, even, and rented -- rented the entire home, so of the 1600, I Represent three different listings on airbnb because we have an option of upstairs, downstairs and, and the entire house as options, and I manage that calendar, it is a full-time job. We do it with excellence and, and because we care about our neighborhood and because we care about the people that are coming to stay with us, so, for me, it's, it's -- this, this kind of opportunity is like, like a facebook, but, but, but almost, almost exemplified because it's a way to connected with people. This is connecting us face-to-face with people and giving us that opportunity, which, with technology, but we're not getting. So, i, honestly, after today, I don't know how I would want you to vote on this. I want to keep doing what i'm doing and be legal and fall in line with whatever the city regulates because I am, I am happy to do so. But, I also know that, that with regulations, it's hard because there are so many different circumstances, and the ownership occupied piece is one of them. We are purchasing another home because we felt out that the home that we originally purchased, now, now that it's split up, we don't have enough space because my nephew is going to live with us. We have another one, three bedrooms upstairs and downstairs, renting that, as well, is our hope. So, the other house, it's literally miles away. I am always within -- I have never had a smart-phone until I Became an airbnb host. I found the need to be connected to my guests. When we travel abroad or we're not in the area, we're not within ten minutes, our family, this has become a family thing. Everybody makes fun of us, just like Portlandia, and you are crazy. You are a community. This is weird. They all participate, so my father-in-law, who lives by them, blocks down the road, he's there, at a moment's

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notice. My sister-in-law helps to clean and turn it over because it's, again, a lot of work, and so, it's given our entire family something to do and participate in.

Hales: That's great.

White: I am really sorry. It sucks to be you guys and try to decide this.

Hales: We don't think so, but thank you.

Hales: Good afternoon and welcome.

Sue Carter-Law: You heard from my husband earlier, bob, and I want to start by, by saying how much we appreciate the time and the effort that you put into this. It's very well thought out. After listening to all the, the testimony, I don't want to repeat the same kind of, of experiences. You have heard about how airbnb has allowed people to keep their homes, or take care of an elderly parent in a home, meet people from all over the world. There is no crime reported and very few complaints. What I would encourage here is that you don't delay passing the, the regulations that are, Are right now. That's the baby step. I think what this has allowed to happen is to have the bigger issues come forward that need to be discussed at a later time, and under a different policy circumstance. Why hold off on this change, take more time on the larger issue of the apartments and non owner-occupied and the vacation homes. That is a bigger issue. I want to, to, to support the sharing, the sharing economy that we have all been talking about. The short-term rentals are very different than the vacation rentals, the hotels, and the b&bs. They offer a different experience to the visitors in Portland. And I think that the, the indication rentals and the non owner occupied, we have a place in cannon beach that we pay taxes for that's allowed. It's licensed. And so, that's a different kind of licensing. The last thing that I want to say is that, under the inspections, I believe, and I did send a letter around that, I believe that, that, that the long-term rentals aren't inspected, that you should probably have random inspections to start off with and, and make sure that there is a hold harmless agreement for the city, that people sign that they have insurance and escape routes and, and smoke alarms, and try it this way to see how it works. It can always be changed, added on, reregulated, but start with what you have. I liked your, your every ten years, and but, what i'm afraid of is if you make too many guidelines, too many regulations, and overregulate it, you are going to have still people flying under the radar. It's going to be more and more. So, keep it simple and, and start off and evaluate it, keep data on it, and then move forwards the bigger issue.

Fritz: I want to thank you, and bob, I don't know if everybody is aware that it was you and bob who made the rounds at the city hall and made me aware of this issue two years ago now?

Carter-Law: Yeah.

Fritz: Something like that, so, thank you for doing that.

Carter-Law: You are welcome, and we have since then, had 30 day or more renters. One lady works at providence part-time, and there is no hotels near there. And I have heard other people that live near hospitals, like isn't vincent that have visitors, so it has been ok to rent 30 days or more, but I believe in some of the causes that people have brought up, so thank you for listening.

Hales: Thanks very much. Welcome back.

Elise Wagner: Thank you, I am elise wagner, and I am an airbnb host in north Portland in the overlook neighborhood. I have been a working artist in Portland for 30 years or so. I lived in every quadrant of the city, and I have watched it grow, and it's been incredible. So, I really enjoyed being a host just simply on the level of being an ambassador to the city, and feeding the economy by telling people where to go and what to do. I love hearing my guests' stories about where they go and on the other end of it, I am a self-employed artist, and I have a business at my house, and I teach, and I attract people to my classes from all over the world. So it has a dual component to provide space for my students to stay with me. It helped me keep my house, so it's been a nice supplemental income, to go -- someone said earlier, engineered, you know, engineering ideas, to, to survive or whatever, and I think that, that -- i've been resourceful in, and airbnb has helped me be a resource. I'm not too keen on the inspections, but especially if they cost a lot of taxpayer dollars, to perform,

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but, I feel that, that minimal inspection of the quality of the room would be good, and I am good with anything that, that we can, we can come up with to come to a reasonable agreement on this. Thank you, thank you all for taking the time.

Hales: You bet, and thank you.

Naomi Campbell: Thank you. I am Naomi Campbell, and I am, I am a small business owner, and a homeowner in the King neighborhood, and I've been an Airbnb host for three years, and it's truly enriched my life and my home and, and I think that my neighbors would say it has enriched the neighborhood, as well, and I won't repeat how it supported businesses in the area, and so on. So, in doing this, I enjoyed it so much, and that I did look into getting a second residence to sort of keep the spirit going into another building, maybe closer to where the tourism likes to occur. And, and but found, to do it in a warm environment, that I have become accustomed to with Airbnb, it was cost prohibitive to, well, to go to the hotel, motel room without -- and, and even looking into buying a larger house to do the bed and breakfast, although, you know, initially it looks like it's a low charge, asking around, most people pay on the low end when all neighbors were happy with the situation 15,000 and then on the higher end, up to 30,000 to get the bed and breakfast. That's the permits so you can have, have more than two bedrooms. So, although I agree that this would be a great opportunity, a -- ideally, we'll move along the one to two bedroom situation as fast as possible, but I hope that this is an opportunity to, to reexamine the entry fees to be able to host over two bedrooms, and does not have such prohibitive fees and inspections. Thank you.

Hales: Thank you very much. Thanks all three.

Hales: Good afternoon, go ahead.

David Laws: I am David, and I live in the Boise, Elliott neighborhood. I have had -- I have a complex of houses that are a cluster of four houses, and I live in one of them. Three of them are long-term, and then a year and a half ago, we started in Airbnb unit in the basement of one of the rental units. I won't repeat what everyone else has said, but it has been a fantastic experience, and we met many wonderful people. What I would like to go into is that I feel it's the balance between short-term and long-term, they are very beneficial, and that they kind of complement each other, so, so I realize that there is a shortage in rentals in the Portland area. I also feel that if we look at it in a way that, that we're not taking away from rental units, and so if we are in a non-owner occupied space, we're not taking away from a rental unit, that was preexisting, and we're adding additional units, such as an ADU, that possibly we could look at, at adding this to the recap that rental units could, possibly, have short-term mixed with a long-term unit. Especially, in my situation, I think that each situation is different within, with everyone who has been up here. We're right there at the house, so it's like we are living in that house and, and, and if we are not there, our tenants are helping out with the unit, and so we kind of operate as a big community in our situation because of the cluster of houses. So, one of the tenants that live above the unit, actually, helps to clean and, and is there if I cannot be there. But, like people have said, with smart phones these days, we are pretty much in contact with everyone that's there all the time anyway. I think, also, to add, that there is a benefit to the long-term rentals in that because of the short-term rental, we're able to subsidize the rent for the long-term rentals, and so we're able to rent for less, for our long-term tenants, and we're able to rent -- we would be, otherwise, because we're, we're able to cover it through our short-term rentals. Thank you.

Hales: Thank you. Good afternoon.

Eric Steinmeyer: Good afternoon. I am Eric Steinmeyer, and I am a, a renter and, and an Airbnb host. I am here to urge you to work to revise this ordinance, to remove the inspections and, and to protect the right of renters to take part in the Airbnb process in Portland. Commissioner Fish, I support your notion, earlier, of disclosure to Airbnb renters. I think that would be the simplest way to address the concerns here. I've been going through a divorce, and my former wife and I are faced with maintaining a life for our children while maintaining separate households. Airbnb has

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provided an offset to the expenses, and has allowed us to keep our home so our children do not lose their sense of space and place through this process. Mayor Hales, I live around the corner from you, so I am sure you are familiar with the property tax burden we're carrying at this point in time. I find any proposal that restricts this avenue to generate income and limits the right of renters a bit tone deaf, at a time when incomes are not keeping up with inflation. And in the best of circumstances. I believe that it is inconsistent to be a city that supports livable incomes while supporting a provision on how they are generated, and I believe that it is not consistent with the civic values to support affordable housing, and while proposing a provision that would take away an avenue that families have to afford that very housing. By the way, my current unit has a fire suppression system and, and it is immaculately up to code. I support the goals of the ordinance, it clarifies the legality of the activity by prohibiting renters and those in condos from participating, is inconsistent with our values of inclusion for all citizens regardless of their financial situations. Please send this back to planning, sustainability to revise this proposal, to allow renters and dwellers to participate in a source of income that allows them to pave their rising rents. Thank you.

Hales: Thank you.

Alejandra Favela: Good afternoon, I am Alejandra Favela and I live in the Clinton neighborhood. Thank you for the opportunity to speak, and thank you to everybody that has shared your testimony. It has been really interesting for me to see what a broad and wide ranging community this is. I want to share a quote from our renters because I think it will give you a sense of what it's like to stay at a place in Portland, and this is indicative of the comments that we get. Great location, gracious host, and comfortable apartment, this place is a gem. One of the reasons I love Airbnb is I want to live like a local, and this provided everything we needed. The kitchen was stocked with a few items, so we can begin with a cup of coffee, granola and yogurt. When we headed out on our bikes to do our own bike tour. This location is perfect, awesome grocery store, two blocks away, very good bars on nearby Clinton Street for, where the locals hang out, and rock star worthy restaurants and bars on Division Street, and easy access to public transportation so you don't have to take a cab to the airport. Alejandro was helpful and easy to contact if we had a question. I think that gives you a sense of what a lot of people have said but the people that stay with us are a mix of out of towners and people that are also moving in Portland, people that have moved away and want to come back to the neighborhood, that they support, we have heard from all the local businesses. Thanks for sending people our way, and if there is one down side, I think more people will move to Portland after having their Airbnb experiences, and the other thing, is we encourage people to stay with their dogs, and that's important with us, we like to bring the dog, and we use Airbnb when we travel, so I think it's a niche for people that, that wouldn't otherwise -- that will not stay in a hotel. They want to know what it's like to live like a Portlander, and one thing I would like to say, though, is that I think that there is a big variety of people's situations, and I would urge you to move forward with the proposal now and amend the other pieces later. Thank you.

Hales: Thank you. Thanks. Thank you all.

Michelle Acquavella: I am Michelle, and I am the president of the vacation rental manager's association of Washington. I am a Seattle resident, and I own a business property managing vacation rentals in Seattle, Washington. But I am here today as a tourist of your fine city, who was here recently over Memorial Day weekend, and met two friends from Eugene here in Portland, and we sought a private rental home to stay in for our visit. Unfortunately, we were unable to locate one that we could stay in. When I'm traveling, I seek a short-term rental, a fully furnished home so that we can relax, spend quality time together, and with the private living room and a kitchen, and whether that's traveling with other couples, or traveling with my five children, hotels are not an option for that travel, and especially with little kids, having a kitchen, having access to their snacks, and to the food that they are particular for and, and we have several picky kids, it makes traveling easier, and I can't stress enough that this is just a different subset of traveler. I won't come to

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Portland with my kids because I won't sleep in a hotel room with five kids, we would have to rent multiple rooms, and they are too young to be left alone in their rooms, and having a living room where they can sit around and watch a movie at the end of the day, and like I said, having access to a kitchen so we can feed them, it allows for a different experience, and a more local experience. That's another way I like to travel, to get into the neighborhoods, be a part of the community, and they allow for privacy, that you are not going to get in the airbnb model where you will be able to rent one or two bedrooms within someone's home. I want my private space, and sleeping in a hotel room is equivalent to hanging out in each other's bedrooms. There is not space. Dirty clothes lying around. Consider the impacts of any regulations you create regarding short-term rentals in Portland, Portland is a world class city and a popular tourist destination, and I don't want to see you shortchange yourselves By not allowing a popular option of representing an entire home or apartment as a rental, and I would ask that you hold off on taking any action until you have heard from the entire short-term rental community, which are starting to hear from today. And including vacation rentals. Thank you.

Hales: Thank you.

Deb Bauer: I am deb bauer, and a bit about me, i'm a baby boomer, you might be able to tell, I moved to Portland in 2000, and I love the place. I lived in eight states, and 13 cities, and this is my space, I am staying, guys, not moving again, and some things to talk about. One of the things that katherine mentioned was the freedom to let the market evolve. I thought that really struck me because that's what we're deciding, how do we let this rental market evolve and how much control do we want to have and input do we want? I have learned a lot. I was not aware of how many vacation homes there were that were not being rented or the things under the radar. I want to talk about the inspection issue. I'm looking for parity. Right now we are on a complaint basis in the state, the city of Portland. We have a bit of higher vigilantes between 82nd street out to the border of gresham. I live near powell butte park, i've been doing airbnb for almost two years, and I can tell you all the good stuff. What everybody says, i'm there, but the inspection thing, it's Like right now, if we are going to be looking at focusing on the 1600 properties that are currently listed, a lot of those properties don't have listings. Have you looked very long on the airbnb website? Are you familiar with what's out there and that thing? One of the things I check is, I look at properties, and I look at the calendars. A lot of them are vacant. Maybe travelers don't want to stay in a dorm room, maybe they do, but a lot of them go to something that looks the way that they want. And there will be reviews. If they like the place, they leave their good reviews, and most people think that they are too glowing to be real and that they are, they are -- people are making it up. But they are really not. I had 53 positive reviews. There is a lot of people here with more reviews than that, and that's just a part of it. I'm thinking, we should inspect every rental in Portland, including the vacation homes that are going to be put on, if we can to have something like that, are none of them. Is the random check is a very good idea. Gresham does that currently where they notify the landlord and the tenants, and they do have a randomized system. You can look at the pictures of the houses on the sites, and they are cool. Anyway, that's all.

Hales: Thank you.

*******:** Thank you.

Molly Turner: Good afternoon, thank you, mayor hales and commissioners, For considering short-term rentals today. And taking the time to hear from the members of the airbnb community, which there are many. I promised airbnb hosts that did not want to speak that I would give them a chance to be recognized, so if you are an airbnb member in the audience, would you raise your hand.

Hales: Put your name in the record.

Turner: I am molly turner, the director of civics for airbnb. So, I am speaking today on behalf of 1500 Portland residents who rent their homes to visitors through airbnb. Over 30,000 Portland residents who travel with airbnb throughout the world. The members of the community are leaders

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in the new sharing economy. A moment that is changing how resources are used and hospitality is exchanged, and how residents are empowered, and how new economic opportunities are accessed. All values that are at the heart of Portland. Our host community in Portland is radically different than traditional vacation rental or housing operators. 84% of the hosts in Portland, rent their primary residence, their own home, occasionally. 40% of hosts are in below median household income, and their primary occupation. That's why this supplemental income is so important. To help with the cost of living, and investing more in the homes, and pursuing their careers, and paying off loans, and as we have heard Today, awaiting eviction foreclosure. Pursuing their dreams. Travelers use airbnb because they seek authentic local experiences that the Portland residents provide. They want to live like locals. Airbnb guests enjoy exploring the diverse neighborhoods of the city, and learning about Portland's cultural heritage, and getting to know its residents. Today, this activity is not clearly regulated, [inaudible] for proposing this new policy. We have raised two issues of concern for the airbnb community. Mandatory bedroom inspections, and the exclusion of apartments and condominiums, which, which frankly, we see as not equitable. We thank the commission, or we thank the, the council for considering our suggestions, and by adopting this proposal with our recommendation, Portland would become a true leader of the global sharing economy. Thank you.

Hales: Thank you.

Marion Haynes: Good afternoon, council members, I am marion haynes, and I am representing the Portland business alliance. The alliance is thrilled that airbnb has chosen Portland as the site for the north american headquarters, and it makes sense that the city offers a legal path for here using their services. Airbnb provides a model complimentary, to existing visitor accommodation options and provides opportunities for visitors to stay, and in areas of the city that, that don't have some of those other hotel, motel options. More visitors to Portland supports the economy and visiting local businesses, and neighborhoods in the city, where hosts have guests come and stay with them, given the popularity of airbnb, it does make sense to, to formally legalize the short-term rentals and we support the city's action in that regard. And we appreciate airbnb's commitment to collect and remit taxes on behalf of the host as well as their commitment to safety and insuring their good, they are a good community partner. So, the alliance supports the city taking action to ensure a responsible and legal path for all short-term rentals in the city, thank you.

Fish: Since you are here, can I ask if you have an opinion on the, the piece that we're not before us, the multi-family and the condos?

Haynes: We have not taken a formal position. It seems reasonable to have an ongoing discussion given there would be discrepancies in how different housing stocks are treated. We would have to take that issue up.

Novick: Could I ask you to talk about the philosophical question of, what the property level of regulation is for businesses that are similar, But, but different? Obviously, we are going to have some regulation of inspections of the hotels, and can you help us figure out what point something that should require any regulation, becomes a hotel? It's also a fair competition issue, to what extent do we allow people who have limited regulation to compete with entities that have lots of regulation?

Haynes: Right. And, and commissioner novick, I think that there are distinctions between hotels and the type of options that are being dealt with here. We did not take up exactly all of these issues, and some of the details, that's coming out, and I think that we would need to do that with some of our members who, who are using these options and, and who also, are, are hotels, and I mean, I think that, that it makes sense that there are varying degrees. There are different sizes and scopes that we're talking about dealing with here, and so, I think that these are really legitimate good questions that, that deserve a lot of analysis, and discussion about, about what's right. I can't give you that right answer right now.

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Fish: Commissioner novick, one thing i'm learning from listening to testimony is i'm not entirely sure they compete. What i'm getting a sense of is that it is a different niche of, of service available to people, and I was telling dan, this arrangement does not sound dissimilar to what happens when my family goes and stays with Patty's family, the only difference is no money changes but we stay in someone's bedroom, extra bedroom or basement, and they tell us the great restaurants, it's more fun than staying in a motel, more affordable. It just happens to be family, I am struck by how many people view themselves being an extended family in terms of the renters, but I would like to look at the data. The downtown hotels are experiencing tremendous occupancy levels. We're seeing a surge in revenue, and now, hilton is announcing they want to build a new luxury hotel downtown. I don't know to what extent they compete. That's an interesting question.

Novick: To me, it seems intuitive that they must compete. It's, ultimately, it's paying to stay somewhere and, and if you are aware of all the options, I would think that you would think about ok, do I want to stay in a hotel or a b&b or airbnb?

Fish: I will use my family as an example, when we travel with two kids, we generally cannot afford to stay in a hotel because we cannot afford to take two rooms. There is a practical issue there, and we're not going to take one room and then have everybody -- it defeats the purpose of a vacation. Theoretically, you might travel --

Novick: If this option weren't available you might travel a third as much and take the two rooms in a hotel.

Hales: Yeah, I think that there is partial overlap, but probably quite a bit that's not. Ok. You are on.

Tamra Kennedy Hill: Good afternoon mayor hales and commissioners. I am tamra kennedy hill, and I am the director of community relations at travel Portland, and as happy of you know, travel Portland is the extension and the visitor's bureau of the city of Portland and our mission is to strengthen the economy by marketing us as a premiere destination for travelers. You are seeing that many travelers, some -- the repeat travelers are looking at non traditional travel experiences and more community-based experiences, and in many cases, they want to live like a local so this is a different demand that we're seeing in the marketplace. And the trend like airbnb we're seeing a lot of rising increase, for this reason travel Portland, along with the city, has been very proud to have airbnb collection result in our city being the first shared city, and in this model where airbnb is in compliance with paying and hosting lodging taxes, of which travel Portland receives 1% to do further tourism promotion, and allows us to directly and robustly work with airbnb to maximize the collective opportunities. We are in regular communications with airbnb on the marketing side to analyze the trends and the demand to see how this growth is for different audiences and different travelers, and also, supporting Small tourism businesses. We have seen that this new business model has the potential to grow and diversify tourism and generate increased economic opportunities for Portland neighborhoods, and all residents alike, and so, we are in support of, of regulations and, and we also want to make sure that there is a sense of reasonableness around the compliance, and we know that, that the city has to grapple with how to figure this out, and Portland is, is -- does a great job of modeling the best practice, as we look forward to supporting that, and we are in support of this, so thank you.

Hales: Welcome.

Bill Kabeiseman: Thank you, mayor hales and commissioners, I am bill kabeiseman an attorney here in Portland. I was contacted by airbnb to talk about the motel and apartment condo issue. I may ask for your indulgence for a little extra time as I talk about it because although it's a small issue, the technical aspects get complicated. So, a little background, I am the past chair of the Oregon government law section of the bar, and i've been working with cities and individuals in development and land use building codes, other issues for over a decade and a half in Oregon, and advising cities about this, this type of issue. Airbnb contacted me a while ago, this was one of the issues that, that came up, the short-term rentals. The notices that came out for the hearing, the

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neighborhood groups, to the planning and Sustainability committee indicated that it was houses, apartments, condominiums and, and I heard staff indicate, I forgot to mention I want to thank the staff, they have done a great job shepherding a big project with good, really good work on it. I heard staff say they pulled this aspect of it from, from the, the agenda when this issue was identified internally. And I don't think that, that polling was ever made public, and I guess what i'm getting at is the question of renting to an apartment, and condominiums, doesn't strike me as something that's been a policy issue. It's a technical issue. The policy issues I have heard is equity, should we really prevent apartment owners from doing it, and frankly, of there are complaints that we have heard with the concept of the short-term rentals has been more from single family residential. You don't hear multi-family dwelling residents come in and say, there is a problem here. So, it's really a, a technical and a legal issue more than a policy issue. Somewhere along the way, this issue got raised. So, you know, the apartments and condominiums and multi-family dwellings are built to a different standard, so we may have an issue. If I can leave you with one message, it's that you don't really have a technical building code issue, what you have is a policy issue. A policy choice for you to make when whether you want to allow the, the dwellers to participate in this. The place you start at, what does a short-term rental ordinance that you are considering authorize? And if you look at that, chapter 33-207, a new code that you are adopting, defines it as an accessory, short-term rental, and specifically says, these are accessory uses. Your code defines what an accessory use is. And that is a use or activity that is a subordinate part of a primary use clearly incidental to a primary use on the site. You have the primary use, household living, with an accessory use where you rent out bedrooms. Not a primary use, but this is incidental. And, and so, with that background, we turned to the building code. And there is -- staff talked about the different building codes that govern residential codes, called the cabo code and the structural code which governs most structures in the state. Most are categorized as an r-2 occupancy, and it is defined as follows, residential occupancies containing sleeping units or more than two dwelling units where the occupants are primarily permanent in nature. So, that's the key that ties these things together. What's the primary here? The zoning code, and the building code match up, as long as the short-term rentals are an accessory use to the primary household living use in the zoning code. They qualify as an r-2 occupancy because the occupants are primarily permanent in nature. So, I don't see a technical conflict here. If, in fact, you know, one of the things that the staff discussed with r-3 zone was the lodging house, that's allowed in r-3. That would be an issue in the r-2 zone because a lodging house, you have a primary use of renting these spaces out. But what you have is an accessory use where the primary use remains household living, and this is an, is incidental. You heard a lot of stories about people, and what you hear about the people who, who really keep this as part of the house. Necessity treat Portland, their homes, and as important parts of what they are. They are joining a community, and inviting people in, but that starts with their house and where they live. And sort of stepping back from the technical aspects, the policy level supports this, as well, and when you look at, at the, the building code, you have got a series of occupancies, r-4, r-3, r-2, r-1, getting progressively more concerned with safety. Single dwellings are r-3, apartments, condominiums, r-2, so, you already have a higher level of safety protection in those multi-family dwellings than in an r-3. So, you know, to a certain extent that, also, helps to protect the safety issue that you are concerned about. I think with better safety Standards with the equity issues that you have heard some, some discussion of, about apartments versus residential homes and, and I think that, that, that, that it really -- there is not a technical issue. There is not a policy issue. There is no reason not to have the amendment go back to the way that it was originally proposed to allow these short-term rentals in apartments and condominiums.

Fish: Do you mind if I ask you, i'm not entirely sure where policy and technical start and end, but I appreciate your, your briefing. Do you have a view about, about the, the rowhouses that, that are technically condos? They are organized as condos but look like a series of single family homes?

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Kabeiseman: My understanding is that, that generally, and this is very general, is that those tend to be built to r-3 standards because you have got individual homes on those. You do occasionally get r-2, or even r-1, there is an issue I was involved in, in fairview where those were, were built and, and if you, the town center, there is a series of homes that were advertised as live-work space, and they ended up, somebody tried to open a candy store, and they, they ran into issues because it was built to an r-2 standard instead of r-1. Because they were inviting people in, they had that issue because they are opening a store where the primary use would be the candy store. And, and, and I guess, my Message, my response to you would be, it depends. The classic lawyer response. Typically, those end up being to r-2 standards but there are situations where they have r-3 standards, depending on, on a variety of factors that go into them.

Fish: The other thing, should it make a difference, someone testified about, about mixed use, business on the first floor, and apartments above. Should that make a difference in our analysis?

Kabeiseman: I want to be careful not to, to mix the, the building code and zoning code, for the zoning code, I don't think it should make any difference. When you go to the problem of building codes, where you have mixed use and how you deal with dual occupancies, my guess, she has an older house that was later converted into multiple units, and the commercial aspect was added to it or a commercial aspect was there originally, so you get into the complex questions of, of what do you have to do to upgrade it, so in terms of the mixed use, you, you are going to have to worry about dual occupancies, and these are, are some, some, some complicated situations. You heard the stories, there is a whole variety of things that different people do, and it always surprises me just how, how innovative people can be. That's what building codes and, and planning really deal with on a day-to-day basis. You have got to make rules that are intelligible and, and set the guidelines, but then, that interstitial, where those lines Get drawn and, and in individual circumstances, is where the, the complexity and why you have the staff that you have. It's more, more at the, at the broader level where you are saying, it does not make sense for us to have apartments and condominiums available to, to participate in the short-term rentals, that the decision, that you are really faced with today.

Saltzman: And it's your opinion that's solely a policy call on our part?

Kabeiseman: That's my opinion, it's a policy call based on what's the primary use, and your code says it must remain, you know, household living.

Fritz: I think there is some disagreement about that with our city attorney, so we want to get information from the city attorney later.

Hales: Yeah, yeah. Ok. Great, thank you very much. We're going to keep going a bit longer. I want to check with the council, my intention is to go to 5:30 but I want to extend courtesies because I see you have at least one more member of the sustainability commission here who may want to testify, and I want to extend the opportunity for neighborhood representatives. I don't think we have heard from the neighborhood associations. I see at least one or two here.

Fish: This is going to go to a second hearing or reading?

Hales: To go to at least a second reading, if not get carried over.

Fish: The reason I raise that is that I think that one of the benefits of this hearing is we're going to have a lot of follow-up questions.

Hales: Yes.

Fish: And I guess at some point, we'll look for guidance, do you want us to do that today or with follow-up emails and that's partly about whether we're going to go to a second reading or a second hearing.

Hales: I would like to go to a second hearing, and I don't think -- there is no reason to rush, and I have a list of questions. I suspect others do, as well so we might want to go to, to go into a work session later with people's notes. Rather than at the end of a long hearing try to blurt everything out

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to susan and her staff, it might be better to do that in a more orderly way, and I bet they would appreciate that, too.

Fritz: I have to leave at 5:00.

Hales: So before we lose people, let's do see if, if -- andre, do you want to speak?

*******:** Yeah.

Hales: You are a planning and sustainability commissioner, and there is neighborhood association representatives that want to speak? I saw mr. Mcauliffe. Come up. We want to give our volunteer, our stellar volunteers on the commission and the at the neighborhood level a chance to speak because they are, they are so highly paid for all the hours that they put in.

Andre Baugh, Chair, Planning and Sustainability Commission: Andre, sustainability chair. I wanted today to come and not as part of the commission you heard initially, with kathryn Schultz, who I think did a good job of explaining, but, explain my no vote and talk to you about, about why we should regulate this platform, and first, my no vote, I was not against this platform, the short-term rentals, I believe that we should regulate it, and I believe that we should move forward and we should pass what you have today. Certainly, there's been a lot of issues raised, some not raised in front of us that maybe that's recapped seven, eight, nine, not sure, but, those should probably maybe come back to us, and I will leave staff to, to figure that out. And but, a couple of things that I wanted to bring before you, is, is one, I wanted to thank amanda, for the good, one of my concerns was you should come back and look at this and see what it's doing to affordable housing. And so, the ability for Portland state or whoever you choose to work with, bps to study this issue and see the impact on affordable housing, you heard today, actually, testimony from airbnb people that show the example of an impact on affordable housing. People, the lady that this that she earned \$170, a night, from her housing, it's a good, economic model. You can earn 5,000 from that house, a month. You cannot earn that, if you put someone in there long-term for a lease. So, that's taking away -- not saying it's affordable but taking say way from a housing market, and we heard other Examples of that where people were lending short-term rentals for more than you can rent on a monthly basis. We need to understand that because we have a tremendous asset in affordable housing in the city and, and if, if the economic model, however small, does impact that affordable housing, we may need to do more regulation or less. I'm not sure, and we cannot, not -- and I think that coming back in a couple of years is the right thing. I would just add one more thing, in terms of issues, is that on the site, this is not part of what you are looking at today, but, from the revenue side, if you are going to study it, ensure that the platform provides with the information that they provide or the revenue that they provide to the city of Portland, a list that includes all the addresses that provided the taxes and the total amount of revenue per address, so that you have some data to study the problem with and come back with some actual steps of whether this is impacting our housing market or not. Thank you.

Hales: Thank you and for all your service.

Fish: I'm curious, why would that be an issue?

Baugh: I don't believe that they are implying that today, that the platform, including the airbnb is applying that information.

Fish: Are you --

Baugh: I don't want the names, I have the addresses and the amount of that address that it generated.

Fish: And under those circumstances, how does the city verify the numbers?

Baugh: Well, we have a permit. We have a permit, and that would allow us some audit capabilities of everybody that's generating, and also we could determine if we have people generating taxes without a permit. And, and the collection of that, airbnb collects the taxes for the hosts. Some others don't.

Hales: Thanks, andre.

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*****: Good afternoon and welcome.

Robert McCullogh: I am representing southeast uplift. Southeast uplift has reviewed this carefully. It's come up through the land use committee, up to the board. Our recommendation is delay, it is not opposition. But, there are many questions being raised today, and addressed here today. Now, I have heard a lot of individuals that are eager to find this, and certainly we can respect that. But, our policy over the years, has been to provide neighborhoods, that are separated from commercial zones. This, particular, change sweeps that away, we will have commercial activities throughout. And I like, I like the point by the lawyer who noted, that the principal of the home has to be home, about a good group are viewing this as an entrepreneur activity. The one woman who wanted to buy a second house, perhaps, she was going to use both as her principal house, but I think that we are talking about eliminating something that was a central part of the 1980 comprehensive plan, and the Portland plan. Now, one of my weaknesses in life is that i've been known to sometimes make a joke, and I apologize for that, and they are economist jokes, which makes them boring, but having talking college for years I found the metaphors dominate more than the argument. So, while I was waiting here, I booked an apartment, ten blocks from your house and mine, and in the name of hannibal lecter.

Hales: A terrible joke.

McCullogh: I know. And it cost me \$57, so I did it legitimately. I did not take the apartment that was in the middle of the brooklyn yard. I thought there was a reason not to take that because that's fraudulent. There is very little cross checking, and assembly until an individual can secure the airbnb. I did by typing and a villain would probably do it better than i. I left my email address, so you can track me down if you want to know what hannibal lecter is doing next week. The point I am making on that -- is that we're taking a fairly heavy shift from our traditional values. Southeast uplift wants the time to argue this through and figure out where we have to be on inspections, and very critical. Where we have to be on security, and if you remember some years ago, I opposed the vegan Trippers proper going to move into sellwood, successfully by the way, but the question is will you to live next to these young women who have moved into your neighborhood? They are clean living, they are vegans. And they are well behaved. I presume that they have a nun-like presence when they are away from their job. But, the reason we traditionally had this division between commercial and residential is because people like to have control over their lives, and they might lose it here, so our plea is not to reject it. We have not gotten that far, but it was not designed for a major change in policy, and this is a major change in policy. It's a step towards houston, where anything goes, and a step away from Portland, which was a leader in land use. As I said in my letter to you, a week or so ago, please measure twice before you cut once.

Fish: Thank you. Since you waited so long, do you mind taking a question?

McCullogh: Happy to.

Fish: I am interested in where you see that line in terms of the commercial at this time, and let me take my neighborhood in the grant park area. Theoretically everybody on my street could rented out their -- could rent out their home.

McCullogh: As a rental house.

Fish: As a rental house, and we could rent to a group of students, or vegan whatever.

McCullogh: Who would be better looking.

Fish: So, i'm just wondering from -- and I ask this seriously because you have given serious testimony. What, what is the difference between that and the concern you have here?

McCullogh: Well, I think it is a solid concern, and we don't have a very good line. We had four young bachelors, and they had a better time than their neighbors, and there was some uproar, and there was some complaints about noise. And I think that, that our controls are, are such that having a single long-term rental like the bachelors and having 100 different people show up in the house next to you, does seem to be a difference and change to me. You know, this issue of property rights

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is a tangled one for us. We protect neighborhoods because, because of the single major investment of the American family. For many families, they are the only investment. And if, in fact, we change the rules rapidly, we're going to see a lot of people who are startled. The families next to the bachelors viewed that as a very deleterious event. The bachelors moved to a more fun neighborhood. I don't think they found us exciting enough. But, the issue of having a commercial enterprise, that is running through daily rental says, it's a different application. And the family that's invested their life savings in that house, might be, might view that as scary.

Fish: I'm not here to argue the point. You make a lot of interesting points. I was struck by someone who testified about the person that buys a home and rents it out and has a less concern about the condition, and the person is, we don't want to overgeneralize but we know that particular property owner, in each of the neighborhoods, we know the person that doesn't put much into it and rents it long-term. We have heard the folks who are participating in this program have an incentive to maintain their, their high standards for their place because they are, they are making quite a lot of money representing it out and, and there is a built-in interest to continue to do so, I appreciate your point. I'm not sure where the line is, and I'm not sure that we can generalize about who is a better neighbor.

McCullogh: I can't, either. Southeast uplift did not come with a rejection plea. We came with a study plea. This is a major change. It's beyond the scope of a traditional change. We are talking about commercial changes throughout Portland. We would like time to understand it better. The reason why I played over on the Airbnb site was not because I dislike them. I am in business myself. But because I was interested in the question that I wondered, what control that I had over the people coming into the neighborhood. Were they, in fact, the Wonderful families that we have heard described today. That's fine. Obviously. Are they people that you don't know and might be scary? That's possible, too, and I would like to know the answer to that. The question you ask is so good, and I don't know the answer but if I had it, for the land use committee, they would probably puzzle over it and bring you back a solid answer. They are smarter than I am but also so smart that they did not sit here for three hours waiting.

Hales: Let me make a suggestion, and I want to make it while Commissioner Fritz is here, it may or may not be the case that the process of routine tuning of the zoning code was the appropriate venue to take up this question. And that's why I think that the commission and the staff rightly divided the issue in front of us today, which is that we have the bulk of the, of the other changes, which you have heard nothing about, almost nothing about today, and about which we would have a high level of agreement, and which certainly in my opinion proceeds, and we have vetted this issue, or partially vetted this issue by a long hearing, and a lot of staff work, and now, full engagement of the city council. And I would rather not circle back to the starting point. I would rather take it, us from here and extend this discussion rather than say, oh, this is not right and see you next year. So, I'm not sure how long that process should be, but, or exactly how it should look but what I think it should be is further deliberation of council with the advice of the commission and the staff and, and engagement of the community, including Southeast Uplift and other coalitions because now, everybody is -- we're paying attention to this issue and grappling with the ambiguities of it. So, while we're telling jokes, this reminded me of a long ago, Gordon Shadburn said that really opened a Pandora's can of worms, but I think we ought to sort them out.

McCullogh: And make I make one follow-up comment. Because I have the time to start my research, I, actually, counted the number of Airbnbs in the neighborhoods surrounding mine. Of the 6,500 homes, we have 16 listed, and I am also counting the one in the middle of the rail yard, which I suspect [inaudible], I don't think those people will get their deposit back. But, the, the issue is always in what comes to us, well prepared, and well organized, testimony. Sometimes, the most honest testimony is, is testimony like mine, which is this is a big change, and we need a little bit more time to puzzle over it. We're not saying no. That was not the vote at Southeast Uplift. It was

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the unanimous vote, at southeast uplift, and so, everyone there said, frankly, oh, my god, what will next year look like if we have commercial uses throughout the neighborhoods?

Novick: Can I ask you one more question?

McCullogh: Certainly.

Novick: How many economists does it take to change a light bulb?

McCullogh: We have three hands. The question is, whether we are going to use this one or that one or on the other hand.

Novick: My understanding is none, the invisible hand does it.

Hales: We're going downhill fast. Thank you.

McCullogh: Thanks, mayor.

Hales: Thank you very much. Follow that, and see if you can.

Steve Unger: Ok. I am Steve Unger, a member of the Irvington community association land use committee, whose views they say I reflect, and I operate the Lion in the Rose bed and breakfast which makes me the only operator who will speak here today. Today, we heard three general points of view. First, from Airbnb and their hosts who want even less regulation than the minimum. That's provided in this ordinance. Then, we have heard, and surprisingly little compared to other hearings I have attended from concerned neighbors who want a lot more regulation, and then there are moderates who like myself and some of the others, who want the proposal changed in targeted ways to close loopholes and to be more effective. Now, we go to the bottom line. First, keep the inspection requirement. It protects guest and reassures the neighbors, and it's already counted for in the 180 biannual fee. And I just want you to know, 180, every two years? So that you can earn thousands of extra dollars is totally a reasonable fee, this is no barrier to enter. Especially, compared to the current 4,100, which is really what has created the problem. The compliance is willing and able to perform these inspections. To me, I don't think that you are where you will say that, that the -- I forgot the term here, like, like, like, like gross danger violations. The people on Airbnb who rent, never see the house in person. They see pictures of the house. Now, I'm not saying it's an overwhelming problem but I'm saying that that's why you would like a human being with some technical knowledge every two years to look at the property. Other cities like Austin, Texas, have this requirement. Now, second is something that, that you have not heard today. And that is, you need to instruct the Bureau of Planning to implement the ordinance so that the license-holder of the rental must appear in all of the print and online advertising. The Bureau agrees that this is a good idea. It's similar to the requirement for construction contractors. It protects, yes, and it encourages the operators to register in order to be competitive because if there are 100 listings with license numbers, and there are others that do not have them, the Airbnb guest will go towards the representers, who display the license because it will feel safer. And, and it provides Bds a simple, objective indicator of noncompliance. Either you have it, or you don't. And if you don't, you are out of compliance. There is no cost to doing this, and as the PSC hearing, everybody agreed this was acceptable, including Mollie. Now, the third thing is the most important. That is, closing what I call the primary loophole. And in this case, primo means primary residence in name only. The current proposal only requires the operator to be a resident six months a year. This opens the, the ordinance to abuse. As an innkeeper, I can let you know that there is a fundamental difference between renting a bedroom in your home, when you are present, and which in the ordinance, is the stated purpose, versus renting your whole house when you are absent, which really is, is a vacation rental. Now, Portland really needs a vacation rental ordinance. This is not a vacation rental ordinance. So that's why today I was so pleased to hear the vacation rental people here saying that this is a whole reality in the world that has been ignored. And we need to have a way that there can be unsupervised vacation rentals in Portland. Now, this does not mean that, that -- so, what we need is that, that there is a host resident during the guest stay. This is what current bed and breakfasts do. Doesn't mean there are 24 hours a day. Doesn't mean, you know, they cannot go out. But it does mean that

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they cannot turn over their keys to somebody and go away for two weeks. Now, this is because on airbnb there are private room rentals, and many people here are, who love doing this, but there are other people who, who are entire place rentals, and they just decided it's better to and more profitable to rent short-term than long-term. It's a business decision. It just makes more money to rent an entire place short-term, long-term, even though it takes the rental unit off the market. A less effective alternative is san francisco, and in san francisco, they are proposing the primary residence means living in the property nine months, out of the year, or 75% of the time. So, even if you disagreed with the, the one, I really truly believe, solved almost all the problems, about, about the horror stories and, and thinking about rental housing, it will, be better than what we have. These changes will make the current proposal work better and provide a good first step towards a comprehensive short-term rental policy, the second step, and this I wrote before the meeting, needs to be to address apartments and condos and develop a vacation rental strategy. Do you have questions?

Fritz: I want to thank you because you've been diligent over the last months in keeping me informed, and I appreciate all three of your work on this. Mayor, I apologize that I have a previous meeting in north Portland that I need to get to.

Hales: I understand that, thank you. I have a conflict at 5:30, so we'll go another 20 minutes, and if everybody else can stay that long and we'll have to adjourn.

Novick: Thank you for the clear testimony.

Saltzman: Can we let people know --

Hales: We'll take a couple minutes and then we want to have a more, a more, a longer process of providing feedback to staff. But, yes. Go ahead.

Tamara DeRidder: Good afternoon. Hello, mayor and, and commissioners. I am tamara deridder, and I am a resident of rose city park. I am a land use planner by training. I am representing the rose city park neighborhood association as the board's vice chairman. The city of Portland currently spends up to 20% of its budget on affordable housing. The short-term rental amendment proposes to undermine the affordable housing gains funded by the city. I am asking for, for a delay in the, in the short-term rentals so we can study that issue further without losing our gains. Our 22-member neighborhood association board, unanimously approved the lettered that you have in opposition to the short-term recommendations. And this was forwarded onto the central northeast neighbors, and they voted unanimously to support the removal of the short-term rentals from the rye cap 6 so we can have more discussion. It goes further by looking at 16 findings of fact in how this defies their own procedures, and municipal code, and comprehensive plan. As written, this amendment proposes to destabilize the single family zone by allowing short-term rental, commercials, the uses by right. If adopted, the proposed language opens the door for the tax assessor, bank, and real estate companies to assess short-term rental properties as commercials. It monetizes the potential income that could be generated by a property driving up the home and rental prices. By saying oh, you can have the accessory dwelling unit rented out, go on. And then pricing, first-time home buyers and long-term renters out of their homes. Forcing them into east county or gresham where it's more affordable. But further away from jobs, family services, and into crowded schools. As the land use planner, it is required by our ascp code of ethics to speak out on behalf of those disadvantaged and underserved. Low income residents barely making ends meet often need to work two jobs and do not have the luxury to take three hours off in the middle of the work day to testify. Please do not approve this amendment and drive up the cost of housing. Do not allow short-term rentals unfettered access, which it is right now. It's not homeowner occupied. No. There is no limit in how many can be in a block. There is issues here. We don't want to drive out renters that have family with children and the elders who need services near. As a vice chair of the rose city park neighborhood association, I ask you to remove the short-term rental amendment to allow us to have adequate time to review the needed information in making this decision. What information, you

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ask? Where is the housing and the economic impact study? That will show that allowing our single family residents properties to be run as motels will not impact housing price and is stability. What is hud's opinion on giving funding to the city of Portland when they are adopting the short-term rental amendment, which undermines the program that it supports in affordable housing. Why is the city in a hurry to adopt this language for short-term, a short-term gain of money through the taxes, legalizing the illegal uses, and making limits on the staff time to study this in-depth. Why not talk about this before we measure twice, not once. In conclusion, I am asking you vote to renew the short-term rental amendment from the rye cap 6 process. Please do not make our neighborhoods into hotels. Do not drive up the cost and, and destabilize our values. Listen to those of us who do not come before you seeking monetary gain and listen to over 28 neighborhoods representing -- requests you remove this amend for further discussion.

Fish: Can I ask you a question since we have the benefit of your written testimony, and the two questions, run is, in your fourth paragraph, you list some of your specific concerns. About monetizing income, don't we have the benefit here of looking at where this model has operated in other cities? Perhaps get more information?

DeRidder: There is two housing studies underway right now by prominent universities. And at the question of how is this driving up or possibly not driving up costs of long-term housing, and andre shared that. We don't have the conclusion as yet.

Fish: I think they are terrific questions so we'll ask the bureau if there is some additional data and studies.

DeRidder: The second is, we heard from some folks today that because of this program, they, in fact, were able to keep their house, and recently, you know, some staggering national data over half of homeowners are struggling to maintain their homes. Personally I think that's great.

Fish: But how do you balance that this is what allows them to keep their property versus the concern you have, which you know that we share about displacing people.

DeRidder: Again, the language is too broad as it is. I would like to see it as owner occupied. Property. Only. Not operator occupied property. Because right now, it could be a renter of, of a property owned by somebody else. If it's owner occupied, I am behind it because you are helping them to sustain the ability to stay in place.

Fish: So when mr. Unger said he thinks that we should move to a primary residence, at least nine months, that's closer to what you think it should be in terms of having someone have it as a primary residence and not use it as a rental home?

DeRidder: Yes. My concern is making sure that there would be someone on-site. And some way to contact someone immediately to say oh, there is a fire or there is an issue.

Fish: I have renters on my street and, and there is no one on-site other than the renter.

DeRidder: But you can look up the homeowner and give them a call.

Fish: I will talk to you about that later. I have no idea who owns it.

DeRidder: Portland maps.

Saltzman: Yes, Portland maps.

Hales: Other questions for tammy? Thank you.

Thank you.

Hales: We can't do it this way. We can't do it this way. Sir, ok. All right.

*****: Have a nice day.

Greg Schifsky: I am greg, mayor hales, and thank you for hosting this, and commissioners. I just read this phrase and heard about it before. And I really like the idea that this gets tabled for a while so that you have a chance to really do some fact finding on this. And not fast track this through, this is an expression, don't let the perfect become the enemy of the good. There is a lot of good to come out of this proposal that you have all put into rye cap through the ages. On the issue of safety, I learned about fireproof doors from a man retired from that business, very successful man, made a lot

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of money, but these were doors that, that we all have seen in major hotels all around the world. They are very heavy, and it takes a long time to burn through them, and a lot of the homes, especially my own, have paper thin doors that will not allow a person behind the door to escape out a window in time. You need to look at all the safety issues, and doors is just one of them. Especially when it comes to two story homes, how do you get out, I think that, your fire people need to come to the table with you guys his and discuss these details. Systems development charges. I've been a tax-paying homeowner for a long time. I have helped to build the city through my taxes. Is there enough tax collection with the homes to, to take care of infrastructure that's in place now and must be maintained and built in the future? I don't know if this is being addressed with this proposal. It does not seem to be.

Hales: Thank you.

Clair Coleman Evans: I am clair, and I represent the bridlemile neighborhood association, as the land use chair, and I am also a concerned owner and a parent of school age children, I ask you that items 12, 13, and 14 are not minor changes to the code in zoning as andre, robert, and tamra have duly noted. These are major changes that will affect every neighborhood, not minor policy changes that we are now having to sit before you, mayor, and the commissioners, the recap is to improve. My biggest concern is with the safety. The concern is this is a simple process, you click a button, and as robert said, and he advertised as hannibal lecter. As far as safety, we don't know who is going to be in the neighborhood, we do school safety zones, and we have police officers come to the neighborhood association, and we have them come to our schools, and they teach you about stranger danger. Are they going to say, except for the home by the street? I have concerns about safety issues, and once this takes hold, you are going to have not so nice people that are going to take advantage of the system. And they are out there. I was, actually, a victim of one of them. This is a major change, and the safety and the protection of the neighborhoods is something that, that i've invested my money in, and I live in southwest Portland, and I grew up in Portland all my life, and I was -- I worked all my life until I was able to have a home, have a family, and my home is my investment, and I would like to have the security that when I go to my home, I don't have to worry about the stranger down the street. It's a big concern for me.

Hales: Thank you. Any questions? Thank you all. Are there more neighborhood associations here? I know we're running out of time so I will make suggestions and there is folks that want to speak, so, I think there is an interest in moving the rest of the rye cap package forward so I want to talk with staff about how we might do that, and secondly, given the number of issues on my list, for follow-up, and I suspect on others, and given the fact that we don't have to -- there is no need for speed here, we want to do it right. I was thinking of scheduling a council work session from two weeks from today followed by a continuing, a continuance of the public hearing or a week later, I think that we need some time as a council to talk with staff and get questions addressed and technical concerns on the table, and then there is folks that Want to speak. But, my, my feeling is, they, the staff and commission have queued this issue up, and a lot of people are engaged in it. We don't want to take six months to deal with this. We don't have to do it in a week. So, my sense, and maybe we will call you back up and the team, while we talk about this, again, I know that there is folks that are signed up and want to speak but we're going to lose at least one more of us in five or ten minutes, and that would be me, and i'm not sure about the rest of the council. So that's my suggestion.

Fish: The two weeks from now is a week i'll be off that week, so I wonder if we could bump it to the 24th for a work session.

Hales: I was looking at the council, so, the calendar, tuesday, the 24th for a work session and then we'll figure out when we would put it on the council calendar.

Fish: Sometimes we do it on wednesdays but tuesdays, have less competition.

Hales: I'm liking that idea.

*******:** The 24th.

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*****: Tuesday is the 24th.

Fish: Do we have anything scheduled?

Moore-Love: There is none.

Fish: Does that give you enough time, feedback this week?

Hales: I'm not sure when I return from the u.s. Conference of mayors, which i'm attending that day. I am afraid I would get back that afternoon so I can put my questions in play and the rest of you can have a work session without me.

*****: Thursday afternoon?

*****: Wednesday.

*****: Also thursday.

Moore-Love: We have a work session on the 25th and a land use case on the 26th.

Fish: How about the next week?

Moore-Love: That's tuesday july 1, for a work session.

Ben Walters, Chief Deputy City Attorney: Mayor, over here.

Walters: Two things. The first is, 577, which is the rest of the ricap, not the short-term rental. You have had the first reading today. You could just continue that onto its ordinary second reading next week. That would get you at your goal for that aspect of this proceeding. The second is, that, that unless you are going to go through a process of renotification, on 578, you need to set that for a date certain hearing. So you can schedule a work session, but you need to set it also for a date certain hearing, which could be rescheduled but for now, at least, it would avoid the complication of having to, to renotify. That is an expensive process.

Hales: I think, actually, it will be possible for me to participate in a work session on the afternoon of tuesday, the 24th, if that's amenable to people. It means, I know that this will wound you that I will have to miss a meeting of the fpd&r board but they can get by with one meeting without me. We could have a council work Session and get questions and issues out, either in email before that or in, in discussion that day, and I would like to set the next hearing for a week or two after that, so it gives the community a chance to see what, what we discussed and what's on the table in terms of the amendments or revisions. That will get us a chance to get a further opinion on this building code issue, which is about the multi-family and, and the condo properties. I would like to get more clarification both from, from the state building codes division and our attorneys about that. The work session, 2:00 p.m. On tuesday, the 24th. And then set, continue this public hearing to, what was the date you suggested, july 2. The regular council meeting on july 2. Right?

Moore-Love: 2:00 p.m. On july 2.

Hales: At this point, that's not occupied by anything.

Saltzman: Is that a wednesday?

Sandra Wood: The 2nd, july 2. Two days before the holiday.

*****: Ok.

Hales: Everybody is here. Two days before a holiday, but still a work day as far as I can tell.

Fish: It seems like a long weekend ahead.

*****: Maybe we will earn it.

Saltzman: Before -- were you going to -- we're going to field questions?

Hales: We can pose some.

Saltzman: I have some other issues but the one that I want to get out now is looking into the notion of private certified home inspectors, performing in the home inspections rather than bds personnel. I don't need an answer but I want to make sure that's looked at. It's probably from some of the issues, probably a more affordable option, that may be regarded as a little less intrusive but achieving the same bottom line goal of checking safety.

Susan Anderson: What about a list of questions we heard and send them out in the next day or two and you add your questions back in so we can have that, but so we don't start from zero.

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Hales: I have on my list, and I think probably shared with others, the issue of vacation rentals as opposed to the short-term registrations, condos and apartments, we know that is on the table. Family members, as managers, and in the hybrid situations like where it's in a multi-unit building. Or adu, and more discussion about the three bedroom threshold, and --

Fish: Rowhouses, townhouses, structured as condominiums but to everyone else, they look like single family homes that just have a different legal relationship. I would like to know where the line is, and any, any studies or, or empirical evidence about how other cities have dealt with this and what, if any, has been the impact on the housing market. We would be well served to look at that, with the comp plan and the other obligations.

Fritz: I need to leave.

Hales: So, I want to say as we adjourn, it has been a thoughtful hearing and I want to apologize to anyone that signed up who hasn't gotten to speak yet but we have heard excellent testimony. We worked really hard as a community to come up with the zoning code that deals with lots of different ways to live, and I think that this hearing is really, has illustrated fitting that together with how people are now traveling is a challenge. And I think that we have queued up a lot of issues, and we'll take our time and the advice about measuring twice and cutting once and we appreciate you all.

We will continue to a council work session on the 24th, and a continuation of this public hearing on July 1. July 2. Thank you very much. We're adjourned for the day. [gavel pounded]

At 5:31 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

JUNE 5, 2014 2:00 PM

Hales: Good afternoon, everyone, and welcome to the June 5th meeting of the Portland City Council. Karla, would you please call the roll?

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

Hales: Welcome, everyone. Let's read the first item, and then I'll introduce it.

Item 579.

Hales: Thank you very much. This is a big day for the friendship between Portland and our sister cities. They are here in force for the Rose Festival. We have delegations from many of our sister cities here, and a number of them are participating in a number of Rose Festival activities. We just had a wonderful reception here in the council atrium to celebrate their arrival here, as well as of course the arrival of the fleet, which has returned to the Rose Festival. Our Rosarians are here in force as well, and we appreciate you so much. We are here to get a report from our leadership of our sister city movement about the state of our set of friendships around the world. And I want to turn it over to Hector Miramontes, who leads that program in our intergovernmental relations office, and who has been working very hard to welcome all of our guests. So welcome, everyone. And Hector, please take it away.

Hector Miramontes, Office of Government Relations: Thank you, Mr. Mayor, Commissioners. Like Mayor Charlie Hales states, my name is Hector Miramontes, and I am the international relations liaison in the Office of Government Relations. Among my responsibilities, I work with Portland's nine sister cities. This is a committed group of volunteers who together put on an incredible variety of activities and events that support our engagement with the international community. This is my first opportunity to present before the council, and I'd like to thank the mayor and the commissioners for this opportunity. Today, we would also like to use our time to have each of our nine sister cities speak to the council on their organization and provide a brief annual report. This is all the work carried out throughout the year, and general information about the sister city. Before inviting my colleagues to speak, I would like to provide some background on the sister city program. Portland's nine sister cities are members of Sister Cities International. This is a nonprofit program that initiated by the Eisenhower administration in 1959 to foster an international atmosphere of understanding and respect. Portland counts as one of the oldest sister city relationships in the world with the Portland-Sapporo sister city relationship, and we are very fortunate to have the Mayor Ueda of Sapporo here in the audience. We also have the first deputy of Khabarovsk, Russia, Mr. Sergey Chernyshov; deputy mayor of Bologna, Italy, Mr. Matteo Lepore; and a visting delegation from Kaohsiung, Taiwan. Portland has two active friendship cities -- that is a provisional status before becoming a sister city -- and these are Utrecht, the Netherlands; and Iasi, Romania. Each one of our sister cities contributes to and enhances the city of Portland's capacity to engage with the international community, helping to us promote cultural and educational exchanges, and fostering economic ties across the world. It is an honor to work with such a committed group of people, it really is. And I would like to turn it over to my colleague, president of the Portland Ashkelon Sister City Association, Mr. James Autry.

James Autry: Well thank you for letting us again be a part of City Hall and your office, and so forth. My name is James Autry, and I've been serving as the president for the Portland Ashkelon

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Sister City Association for the past year, I've been serving on the committee for about five years, and Ashkelon has been a sister city with Portland for the last 27 years. A little bit about Ashkelon -- it's 128,000 citizens there, just south of Tel Aviv, and it's the home of the world's largest desalination water plant, as well as Israel's brewery. There are several different beers that are made in Ashkelon, and some of the finest creative young entrepreneurs. A lot of amazing stuff is happening and coming out of Ashkelon. Ashkelon is over 5000 years old, as far as an ancient Philistine city, and is located on the Mediterranean Sea. It's rich in world history and arts, and has recently been added to the Rockefeller Foundation for being one of the top 100 resilient cities. Also, Ashkelon is a modern Israeli city with a new mayor, Itamar Shimoni, and it's the bedroom community for many of the Jews and Arabs that work in Israel's silicon forest, as well as inventors of the Pentium 4 chip, modern voicemail, smartphones, all kinds of medical breakthroughs and technologies, and cutting edge environmental technologies. It's just staggering the type of stuff that's being created in Israel. Ashkelon for the last year has been very active, and we have been attending local events, rebuilding our association's leadership, and planning on an amazing future with a summer barbecue to honor one of our local Rabbi Zuckerman with congregation Shaarie Torah, as well as planning a fall trip to Israel. So thank you for the time.

Hales: Thank you. Thanks for your leadership.

Autry: Yes, sir.

Phillip Potestio: Good afternoon Mayor and Commissioners. My name is Phillip Potestio, and I am the president of the Portland Bologna Sister City Association. Bologna is the capital and largest city of the region of Emilia-Romagna, and because of its tremendous location, is a hub for transportation and commerce, and has been for hundreds of years. We have had our sister city relationship for 10 years, and we couldn't be prouder. This year, we do have a delegation to help us celebrate. That delegation is really threefold, we have the vice-mayor, Matteo Lapore; and Francesca Martinese, the director of international relations from the city. We also have a group called LaVitaBella, which is kind of our sister citizens group, and they are very active in promoting Portland in Bologna and are now promoting Bologna in Portland for this coming week. They have rented a place and they are calling it Casa Bologna. And there's a number of activities going on, starting with the big opening tomorrow evening. Because Bologna is a culinary capitol of Italy -- and you can ask most Italians, and they'll say the best food comes from Bologna -- a lot of our exchange revolves around things like food, but we're also very serious about our cultural and educational exchanges. Bologna is the home of the world's first university, many people say. It began in 1088 and coming up on its thousandth year, believe it or not. They have been very vital and we've had exchanges with both Portland State University and OHSU that have benefited both sides. Bologna is also a very cultural city, it's a UNESCO city of music, and over the years we've had great exchanges of young musicians, as well as film and other cultural events. This year, we've been working on things like a bicycle initiative. They're very interested in Portland's reputation for bicycling and integrating it into the traffic pattern. And so they have been kind of picking our brains when it comes to ways that they can make Bologna a little bit safer and make bicycle traffic a little bit easier there. We also are welcoming our third group that came as a group of start-up operators. So there are three people who won a competition in Bologna to come to Portland to present their start-up ideas. It's a very interesting group of people and the synergy and energy that they have is obvious. It's going work out really well, they have had meetings already with Portland Made and we will be meeting with Incubator tomorrow, as well as taking in our beautiful city on some of its most beautiful days. They're here for Rose Festival as well, and will be participating in that. So thank you, and thank you for having us at council, too.

Hales: Thank you.

Fish: Do you have an architect in your family?

Potestio: Yes, I do.

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Fish: And for what it's worth, my 10-year-old has Italy in his final four in the World Cup.

Potestio: OK, good. They're in my final four too, I don't know if I have them winning it.

Hales: Thank you so much. Good afternoon.

Stephanie Lamberson: Good afternoon, Mayor and Commissioner, my name is Stephanie Lamberson and I am the president of the Portland Guadalajara Sister City Association. We were established 31 years ago. In Guadalajara, they are also known as the City of Roses, so we're a good match there. I want to give you a brief summary of what our board has been up to here locally. First of all, I want to say hello from the mayor of Guadalajara. He apologizes, he couldn't be here for the festivities. It was in their plans but they had a historical building burn down recently and it kind of set their schedule and agenda back, so he hopes to meet you all someday real soon. One of our main fundraisers is our Cinco de Mayo fiesta at Waterfront Park, and we enjoyed our 30th year this year. I feel really proud of our accomplishments for that event. We were able to donate -- some of the efforts that benefited SnowCap food bank. We also were able to make donations to Girl Scouts of America, and a school for autism in Guadalajara, and we were able to send a group of at-risk girls see judge Sonia Sotomayor speak at the Schnitzer event. And with the city's help, we were able to facilitate a donation of a fire truck to Guadalajara, which is going to be put to good use as well. We visited Guadalajara, a small delegation of four of us in February, and got meet the mayor, and got a real sense of what their focus would want to be with our city. They have a real interest -- as in Bologna -- a real interest in the bike culture we have here and sustainability. So we're hoping to facilitate meetings and cross-cultural events for that. I just wanted to wrap it up by letting you know we have a real young vibrant board, and lots of new ideas down the pike, and I can't wait to share them with you. Thank you.

Hales: Thank you.

Gail Whitehurst: Good afternoon, my name is Gail Whitehurst. I currently serve her majesty's court and the Royal Rosarians as a royal regent. Last year as prime minister, I had the opportunity to attend a trip to Kaohsiung, Taiwan with the Portland delegation. They are at another event and asked a few minutes ago if I would represent them today, so I will share with you my thoughts of that trip. We had a wonderful opportunity to do a cultural and economic exploration of the city. They treated us for a week as the royal VIPs and we had the chance to visit a high school, which has a very strong relationship with Portland's David Douglas High School. In addition, we got to tour the factory where the dragonboats are made. And the dragonboats that you will see at City Fair and the waterfront were donated by the city of Kaohsiung. In addition to that, we had the opportunity to be hosted by the mayor and the council. And at that time -- I passed along at that time -- they sent their greetings to this esteemed council. It was a wonderful trip. Every year, the Rosarians send a representative along with this group to exchange with the Kaohsiung city, and we had the best time with weather very similar to what we have in Portland this week. In addition to the relationships that we have with them, they send back to the city of Portland the delegation. This year, there will be more than 80 here for the Rose Festival. So you'll see them in the parade and we invite you to come to the waterfront and cheer on your favorite dragonboat. I think, Mayor Hales, you got bring one of those boats to life a few months ago, so we know who you'll be cheering for. I appreciate your time in letting me have the honor to address you and share with you a few of the thoughts that I have from the city of Kaohsiung. Thank you.

Hales: Thanks, Gail. Welcome, Alan.

Alan Ellis: Hi, I'm Alan Ellis. I'm president of the Portland-Khabarovsk Sister City Association, and this is a really special year for us because this is the first delegation from Khabarovsk that has attended Rose Festival. One of the reasons is because Rose Festival comes the day after their Rose Festival -- which is called Day of the City -- our Rose Festival starts. Logistically, it's been difficult. But we thought it was especially important this year, given the difficulties between our two nations over Ukraine that we show our solidarity as friends and 26 years of partnership. And I can tell you, I

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was one of the delegates that just arrived back from Khabarovsk, we spent a week there at their festival. We couldn't have had a warmer reception. It was wonderful. And they're enjoying themselves here. I just -- we've already met with Mayor Hales, but let me quickly introduced the deputy mayor of Khabarovsk, Sergey Chernyshov; and Alexei Izotov, in charge of solid waste management of their city; and then Hector's counterpart in the international relations department. Khabarovsk is located on the border between China and Russia in the Russian Far East. They emphasize they are not Siberia, they are the Russian Far East. [laughter] And they have two rivers that meet: the Amur, like the Columbia, huge; and the Ussuri which is like the Willamette. So there are a lot of similarities. We have had many exchanges over the years. One of our most successful ones in the last few years was the jazz bridge exchange, which Commissioner Fish, a big lover of jazz, attended some of those activities. And by the way, Slava, the saxophone player who is just outstanding, happened to be one of the entertainers on a boat that we were on the Amur the last night of our stay there, where they had fireworks and everything, and he was entertaining the audience.

Fish: I'm glad you mentioned that, because just like Portland is proud to be the jazz capitol of the west coast, it turns out this sister city is the jazz capitol of Russia, which is extraordinary.

Ellis: Right. And they wowed us when they came here, and then Darrell Grant from Portland State and others went over there and just did wonderfully. So we're very pleased to have this delegation here in Portland, and tomorrow we're going to be meeting with the streetcar people. And they even may be interested in a project for streetcars made here in Portland, and maybe adapt them to Khabarovsk. Thank you very much.

Hales: Thank you, Alan. Good afternoon.

Karin Hansen: Good afternoon, Mayor Hales, Commissioners, my name's Karin Hansen, I'm here representing Portland's only African sister city, the Portland Mutare sister city. Mutare is a city in the country of Zimbabwe, a country of economic instability, vast poverty, political oppression, as well as cholera outbreaks and people in families in very high numbers living and struggling with HIV and AIDS. It's my hope that one day this sister city can speak for two to three minutes on the wonderful economic development opportunities and the cultural exchanges with this culturally and aesthetically rich, beautiful people and land. But first, we must help lift our friends in Mutare. To get there, we -- mighty, determined, feisty little group of volunteers rely on the goodwill and generosity of Portlanders. We have one major fundraiser annually, it's World AIDS Day, which is December 1st every year. With the funds we raise, we've been able to directly affect the lives of orphan children in Mutare by supporting them and their education. Only \$20 pays the fees for one child for an entire term. More recently, we've been able to help initiate a Head Start program in partnership with the Golden Leaf Education Foundation. We support pregnant women and people living with HIV/AIDS and their families by building a medical clinic and a waiting mothers' shelter. Our latest efforts have been to replace the now defunct ambulance that serves those in the outlying rural areas. We buy hand-embroidered panels from individually named Mutare women participate in a micro business through FASO, which is the Family Aid Support Organization. We then resell panels at various events and gatherings in the Portland area to raise funds our program. Like I said, we are the members of the Portland Mutare Sister City Association, and we're a small group. But with the help from generous Portlanders, we've been able to make a really big difference. We're growing our numbers of supporters, and it is with opportunities like this one we're able to get the word out and create more awareness. If you're interested in learning more, finding out how you can help by volunteering or contributing your hard-earned dollars to our efforts, you can Google us at Portland Mutare Sister City Association, and we're also on Facebook. Oh, and put us down for World AIDS Day December 1st, every single year. And thank you, Mayor Hales, for being part of our auction during our fundraiser of this year. Mayor Hales volunteered to meet one of our guests at our event for a meeting, and he met with Isabel, who is 17 years old, I believe.

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Hales: Yeah, she's wonderful.

Hansen: She's a wonderful young lady. Thank you for taking the time to meet with her.

Hales: Thank you.

Hansen: I just want to say tatenda, which is the Shona word for thank you.

Hales: Thanks, Karin, thank you. Good afternoon.

Michael Bacon: Good afternoon, Mayor Hales and Commissioners. As newly-elected president of the Portland Sapporo Sister City Association, I'm very honored and excited to be here today because -- as it's been stated a number of times and previously just before this session -- this is our 55th anniversary for this relationship. And Mayor Hales and commissioners have been involved in helping us celebrate that. I'd like to take just a moment to show who you all is here. Mayor Ueda -- and I'm going ask our Sapporo delegation to stand up. [applause] In honor of the 55th anniversary, we have five delegations here of 90 people total here during this three to five-day period. We have the mayor's delegation, we have the city council or assembly delegation here, we have the chamber of commerce delegation, and we have a citizen's delegation -- a very large citizen's delegation. We also have a gymnastics delegation that was just competing over at the MAC club yesterday I believe, and will be performing again on Sunday. We are very excited for them being here. Sapporo is Japan's fourth largest city, it has 1.9 million citizens. It is also home to the Sapporo brewery, so they're into beer as well. And I know there are even exchanges as well, we have a microbrewery from Oregon that's over there now. As an organization that has a long history -- which has already been stated -- since 1959 -- and obviously that's one of the very first sister cities in the entire world that was created -- our organization has been active for many, many years in a number of exchanges involving education, arts, political pieces around sustainability and economics, and so forth. So we as an organization a couple of years ago took the opportunity to really focus our efforts, and we really have three major areas currently that we as an organization focus on. One of those involves -- we have every year in collaboration with the NW Film Center, we invite film directors who put together and have been award-winners in the Sapporo shorts film festival to come to our northwest film festival. We try to combine a lot of our efforts with education components, so those also go over and, in Japanese, work with our Grant High School students who have been learning Japanese for many years. We have been very active in sending student and youth exchanges. What's pictured here is a group of 20 high school students that went over and spent four weeks in Sapporo as a summer institute. We also have two groups going this summer, we have an elementary school group and a high school group going over there to exchange. And we also -- as a part of one of the major events that happens in Sapporo every year in February is the Sapporo snow festival. We actually have a team that goes over there and competes in that festival and carves. And Charlie Scott -- who I don't know if he's here -- has been our team leader for I believe 18 years on making that happen. We have a lot that we could present, and I know that it's a very active and healthy organization, and we're excited about continuing that long term relationship for many years to come.

Hales: Thank you, Michael. A slip of the lip at the beginning, because as you may know, he leads the language immersion program at Portland Public Schools. So he's a big international force in our community as well as a great leader for this sister city organization.

Fish: Recently, Michael extended himself and asked me to do something on behalf of the city during this trip. To do so he crossed the street, because we're next-door neighbors. [laughter] Thank you.

Bacon: You can put Japan into the top four for the World Cup, don't you think? [laughter]

Fish: Today, yes.

Bacon: With the mayor here, yes.

Fish: I have them in my final two. Thank you, Mayor. [laughter] [applause]

Hales: Kathy, welcome.

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Cathy Chinn: Thank you, good afternoon, Mayor Hales and Commissioners. Thank you for the opportunity to provide a brief update on the Portland Suzhou Sister City Association. I'm Cathy Chinn, the president of the association. I just want to briefly update you on the activities we have had over the last few months. In October 2013, our association had the honor of accompanying Mayor Hales to travel to China to visit our sister city, Suzhou. There's the picture up there. Portland and Suzhou first established the sister city relationship in 1988, about 26 years ago. The government and citizens of Suzhou very warmly welcomed us to their very lovely city. One of the highlights of this trip was the visit to the Nike distribution center in the city of Taichung, about an hour east of Suzhou. There was a picture of the delegation doing the tour at the Nike distribution center. About 200,000 square meter facility targeted to becoming the first LEED platinum accredited warehouse in China. In March 2014, Portland and Suzhou were jointly awarded the U.S.-China sister cities award in the economy and trade category by Sister Cities International in Washington, D.C., and a delegation from both Portland and Suzhou were in attendance to accept this award. Accepting the award for Portland was Martha Pellegrino, director of Government Affairs; and Vice Mayor Xu Ming accepted the award for Suzhou. This award recognized the two cities for outstanding achievements in trade and economic exchanges. There was a picture of the delegation, and here's the picture of the identical awards, one in Chinese for Suzhou and the other in English for Portland. The one for Suzhou went to Suzhou, of course, and the one in Portland I think is somewhere in City Hall here.

Hales: Mm-hmm.

Chinn: So that was good. As part of the continual exchanges between our two sister cities, a delegation of 11 is coming from Suzhou to open the Suzhou Week in Portland this summer. They will be attending our yearly signature year-end gala, Evening Under the Stars gala at the Lan Su Chinese Garden, as well as being hosted by our association. We are now busy working out the details and we invite all of you to come and attend and join us this summer. Thank you so much for the opportunity.

Hales: Thank you, Cathy. Katherine, welcome.

Katherine Morrow: Greetings. Good afternoon, Mayor Hales and council, thank you very much for allowing all the sister cities to come present today. My name is Katherine Morrow, I am the current president of the Portland Ulsan Sister City Association. And before I begin my presentation, I would like to introduce Ms. Kim, who's from Ulsan. She is an exchange student participating in a one-year program at Portland State University. She was very delighted to know that we had a wonderful sister city and these events going on this week. The Portland Ulsan Sister City Association was established in 1987 and has a 27-year history of promoting bilateral relations and exchange between the city of Portland, Oregon and Ulsan, South Korea. Ulsan is a rich, global industrial ocean port city, and it is the economic powerhouse of Korea. It is home to automobile manufacturing, shipbuilding, petrochemical production, and new energy research. The sister city association started first as a relationship between our two ports, the Port of Portland and the Port of Ulsan, which was developed to bring Hyundai cars to the United States back in 1986. Since then, the relationship has grown substantially. As with many sister cities, there are similarities between Portland and Ulsan. Some of these include similar populations, as well as a beautiful river running through the hearts of their city. Like Portland, Ulsan boasts an exceptionally high quality of life, and focuses on nature and ecological restoration as well. Each year, a select group of high school students from Ulsan convened in Portland to participate in a global leaders program. And thank you, Mayor Hales, for welcoming that group of students last summer. We are now beginning to prepare for this year's arrival. There will be 24 students from a select high school there, and we'll be bringing them to the city council in July for a short visit. While they are here, they live with host families. During that process, the host family experience is a laboratory for gaining firsthand knowledge about Portland and USA culture. It's also a chance for local Portlanders to learn about Korea. In addition, there are

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many student and faculty exchanges that occur between the Portland State University campus and the University of Ulsan. Inspired by Portland's beauty, the city of Ulsan has actually modeled numerous public projects after Portland, including -- just to name a few -- their Ulsan grand park was modeled after our Washington and Forest Park, their eight-year-old rose garden was modeled after our international rose garden, and their Rose Festival was modeled after our Rose Festival. They've also done a fabulous job of restoring the river that runs through their city, the Taehwa River, and developing greenbelts for pedestrian enjoyment and recreation along the river. And these are just to name a few. Next year, it is our hope as a sister city association to take a delegation from Portland to go visit their Rose Festival. They've visited many times to our Rose Festival, it's our turn to return the favor. This past October, the city of Ulsan invited Korean War veterans from our region to go visit Korea as a revisit program, and we took six Portlanders there. It was a monumental time for these six war veterans to see Korea sixty years after the war, and to see the restoration and reconstruction that's taken place. Our sister city program between these two cities has immense opportunities to go beyond cultural enrichment and exchange. Things such as mutual information sharing, collaboration, partnership, especially with an eye on business, trade and economic development -- our key -- as well as technology transfer, environmental restoration, collaboration, human capacity building, and tourism. These are all untapped areas which we as a sister city association look to explore. Here in Portland we value both the local and the global, and the sister city program provides a vehicle for connecting these two simultaneously. All of us with the Portland Ulsan Sister City Association greatly appreciate the key work that Portland city is doing, and the pledge the city has in maintaining strong international relations. Thank you.

Hales: Thank you. Thanks very much.

Miramontes: Mr. Mayor, Commissioners, as you can see this is an active bunch, and is contributing to the city of Portland in many ways. I'd just like to thank you for your time. And this is our annual report for the sister cities. Thank you.

Hales: Thank you very much, let's hear it for all of our delegations. [applause] Our visiting delegates have many activities awaiting them, but perhaps, before they leave, I might ask Mayor Ueda, Deputy Mayor Chernyshov, and Deputy Mayor Lepore to join us up on the dais for a photo, so you can preside over the Portland City Council for a moment. [photo taken] Thank you all, and enjoy your afternoon. Thank you. We'll take a brief recess and then take up our next item.

At 2:38 p.m., Council recessed.

At 3:01 p.m., Council reconvened.

Hales: Let's return to the session, and we have one remaining item.

Item 580.

Hales: I'm happy to welcome the EPAP team here this afternoon. As we know, the charge of this group is to provide leadership and guidance to the city and to other local governments in how we proceed with the action plan for east Portland that was adopted by the council on February 18th, 2009. The EPAP group is providing this annual presentation to us to acknowledge their work, and to deal directly with this issue of grant funding. This is the fourth year that EPAP members have decided by consensus to direct funding to get civic engagement from a grant program, which is one element of the city's commitment towards equitable involvement in the work of EPAP. Civic engagement grants are directed to people and organizations that join their work to implementing the action plan strategy, and work in a culturally specific way and use appropriate language communication. Today, the EPAP will provide information for our purposes in authorizing \$42,126 in total number for multiple civic engagement grant agreements for the Office of Neighborhood Involvement East Portland Action Plan fiscal year 2013-2014. I want to welcome maybe more than one more person -- but yes, we are starting with Brian Lockwood and Arlene Kimura. Come on up

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and take it away. Others will follow their presentation, but I appreciate you being here this afternoon and for your work.

Fish: Mayor, I should note for the record that Commissioner Fritz wanted her friends to know that she wished she could have been here for this hearing, but she's in Eugene meeting with our counterparts on earned sick leave, and she sends her regrets.

Arlene Kimura: Thank you. Thank you all. My name is Arlene Kimura, and I'm one of the co-chairs with the East Portland Action Plan. I was charged with making the introductory remarks on the action plan. I'm going to give you a brief outline of some of the things that we've done over the last four years through the action plan, and how we have taken our charge of being advocates. The East Portland Action Plan subcommittee, the bike subcommittee, worked very hard along with a whole lot of other people to get PBOT to do the East Portland in Motion. That brought an enormous number of dollars to our part of town, and significant sidewalk improvements. The EPAP housing co-chaired by Frieda Christopher, who is part of David Douglas School District; and Jean DeMaster, who is part of the nonprofit Human Solutions housing development did a paper that exploded the urban myth that east Portland has more affordable housing, more subsidized housing than any other part of town. With that, we were able to move forward with a housing policy that does welcome affordable housing by design. The civic engagement subcommittee did tremendous effort with working with Multnomah County Health to provide health county brochures in 10 different languages at the school-based clinics. And for that, we appreciate the work that Multnomah County has done. And the civic engagement lobbied long and hard, and worked very hard to get that. I think they are working on getting another round of translation dollars to do that. Because for many of our immigrant children, that's the only place they have any kind of health information. They're just not geared to looking at our health system. We talk about the village. The village is east Portland. We are a village, as well as the greater city of Portland's village. It takes all of us to raise the village to a level that functions, and we have a long way to catch up. But the action plan does help us catch up. I was at an event on Saturday at Africa House where the senior ladies from Ethiopia actually suborned the program and said, we're not done yet, we're going to sing you a song from our childhood. And they did, and it was wonderful. They felt comfortable enough in east Portland to be able to do that. That's a thing that says to me, we are being more inclusive. We are getting the message that this is a welcoming part of town. I hope this is also part of the greater Portland welcoming. We talk about keeping Portland weird, but it isn't weird in the sense of strange, it is weird in the sense that we are inclusive, we are welcoming, and hopefully we are respectful. I would also like to say that there has been some discussion about the action plan and the neighborhood association. To me, they are complementary, not competitive. It takes more than just one system to keep a whole area going. If I may be so inclined, we don't have major league football, we have major league soccer. Is one better than the other? I don't think so. It is complementary, and I think we need both. With that, I'd like to introduce our next speaker, Nick Sauvie, who's going to talk about equity.

Hales: Thanks, Arlene. Good afternoon, Nick.

Nick Sauvie: Good afternoon. I'm Nick Sauvie with ROSE Community Development. And I'm here to talk about budget mapping and the recent auditor's report on east Portland. And I think those are both valuable documents. At the beginning of his speech at the 1963 March on Washington, Martin Luther King said that he and the marchers had come to the capitol to cash a check. He said that America had failed to live up to its promise to people of color and people in poverty. In Portland, our promise was about livable neighborhoods and about the power of people working together. The recent auditor's report on east Portland shows that Portland has failed to live up to its promise to residents who live east of 82nd Avenue, one out of four Portlanders. The auditor's report frequently uses the city's service levels and accomplishment survey to compare east Portland to the rest of the city. When the survey began in 1993, east Portland residents rated the livability of their

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neighborhood higher than the city average. By 2013, east Portland's livability was 18 points below city average. And every year since 2002, residents in east Portland have rated their neighborhood livability lower than the residents in all other neighborhood districts. Here's some of the numbers from the auditor's report that tell why that's so. During 2013, seven of the city's 10 pedestrian tasks were east of 82nd Avenue. 41% of the fatal crashes were here. East Portland has on 11% of the city's total 911 traffic signals. East Portland has 13% of the city's park acreage, and 6% of its developed park acreage. We have 40% of the city's school-aged children but only 9% of its park restrooms, 14% of its baseball fields, 12% of basketball hoops, and 17% of soccer fields. Tom Cusack, the former director of the Portland HUD office, recently published research that says 72% of Portland renters earning less than \$50,000 a year are paying more than they can afford for rent. I was concerned -- there was a quote from the audit that said since rents in east Portland are lower than the city as a whole, according to Portland Housing Bureau management, the market is providing sufficient affordable housing opportunities in east Portland. Where nearly three out of four renters are paying more than a third of their income for rent, and 70% of people living in poverty are paying more than half of their income. We should be looking for affordable housing opportunities wherever we can. Affordable housing shouldn't be poor housing. The audit says that in 1997, community survey responses about the physical condition the housing were the same citywide as they were in east Portland. Now, the percentage citywide is about the same as it was then, but the east Portland number has dropped 15 points. The audit confirms a lack of investment in east Portland. During the audit period, only 7% of the affordable housing units and only 5% of the dollars were invested in east Portland. EPAP was created because of the obvious disparity between east Portland and the rest of the city. The plan describes concerns raised by Jeff Merkley, then an east Portland representative to the legislature. He believed the shift in poverty to east Portland, the poor quality and design of housing, missed opportunities for economic development, and concerns about public safety placed east Portland at a tipping point and ought to be addressed immediately. EPAP has made great progress working with you in the city bureaus. We've generated millions of dollars of additional investment. In the last four years, transportation budgets in east Portland have doubled and the parks budgets are up 20%. To close, here are two stories. A friend of mine moved back to Portland several years ago with his wife and two small children. He moved to east Portland across the street from a park that was marked on the map, but in reality it was a vacant lot city crews mowed a few times a year. When his family visited parks in other parts of the city, his daughters would ask why their park didn't have any play equipment or ball fields or fountains. Those girls are about to graduate and leave home, and they never really had a neighborhood park to enjoy. This is a happier story -- I think Mayor Hales -- he had a part in this one. In the '80s, I worked at Southeast Uplift with the Brentwood-Darlington neighborhood association. It isn't in east Portland, but it was annexed at about the same time as a lot of the neighborhoods in EPAP. There is a vacant lot that attracted dumping and crime. The neighborhood association wanted to build Harney Park there, they did a carnival fund-raiser, they hit up the Blazers, Precision Castparts, and the Corps of Engineers. Harney Park is a great example of effective government. To build a park, the streets had to be paved and environmental services coordinated with transportation so that the new streets didn't have to be torn up to put in the new sewers. If you go to Harney Park today, you would not be able to imagine it was like then. Vacant lots and \$40,000 houses have been replaced by \$200,000 and \$250,000 houses. That was a good investment for the city, because the new houses pay a lot more in property taxes than what was there before. The Portland Business Journal recently reported that 97206, Harney Park's zip code, has the fastest home sales in the entire metro area. EPAP is here to cash the checks so that the quality of your neighborhood, your streets, and the houses around you aren't pre-determined by your zip code. We can advocate, but it's up to city council to make sure that east Portland's check isn't returned due to insufficient funds. If the city of

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Portland truly cares about equity for east Portland, for communities of color, for children, then it needs to invest more than it is now, starting now. Thanks very much.

Fish: Could I just ask you one question? And I'm sorry Dan's not here, because he would probably have a question, too. But we just did the PDC budget, and as you know, there's not a lot of money in the line item for rental housing in Lents. There is for home repair, a little bit for home ownership, but Lents has not been a successful urban renewal district yet. So the mayor has said, we're going to do deeper and broader to see if we can develop a new strategy. The housing commissioner has proposed kind of a voluntary inclusionary zoning policy, but as you and I know, it actually doesn't work in areas that don't have other development patterns. It might work better downtown to get a mix. We lifted a cap on multifamily tax abatements in Lents and in Gateway so they wouldn't be competing citywide for any of those projects. So if you were king for a day, what's the missing piece for us in terms of resources, knowing that we've been adding some money, general fund money but we can't -- we're not going to solve it that way? What's the missing piece?

Sauvie: I think there are really interesting things happening in different places like New York. I've heard that I think Sao Paulo Brazil is auctioning off development rights and they're using that for things like affordable housing. I think there clearly need to be more resources. I definitely support the moves that Commissioner Saltzman is making, but I hope there's more moves that add on to that. I guess another thing -- you'd mentioned the Lents budget, they have funded the home repair and home repair, which I think is great, but the rental housing budget has kind of been what's left over. And I think, especially given the urgency of the tight rental market here, that rental housing really needs to be a part of the picture in Lents and other districts.

Fish: And so, whether we end up at some point having the authority to do inclusionary zoning conclusion we can't today on a mandatory basis, or whether we craft a voluntary plan, you would urge us to consider ways of creating the incentives, and then potentially banking the public benefit and not always spending it on site but maybe using it in a fund for another purpose?

Sauvie: Right, definitely.

Fish: [indistinguishable] has put together the housing investment fund, so just conceptually -- and I'm not trying to put words in your mouth -- if someone took advantage of a voluntary mechanism downtown in lieu of affordable units on the site, if it generated funds which then were put into a pot, they could be invested in places like east Portland.

Sauvie: That would be great. And I think Portland should also look at linkage fees that we've seen - - in just the last two years, the market here has gotten hot as places like San Francisco and Boston and those places where you've got such rapid development, they're charging fees and that's going fund affordable housing that they badly need.

Fish: Thank you.

Sauvie: Thank you.

Hales: Thank you very much. Natalya Sobolevskaya, I think you're next.

Natalya Sobolevskaya: My name is Natalya Sobolevskaya, and I'm co-chair of civic engagement subcommittee. The mission of East Portland Action Plan civic engagement subcommittee is to promote cultural diversity as an important community asset in east Portland. The purpose of our subcommittee is to organize cultural and language-specific civic engagement, workshop shared curriculum, advocate for on-going funding, and advise on east Portland culture and language-specific issues and priorities. During 2013-2014 fiscal year, our strategic priorities were first, they engage the ethnic communities in neighborhood activities, provide translation language services to remove barriers, and improve messaging and interpretation. East Portland Action Plan prioritized providing interpretation and translation upon request, Spanish language services are provided automatically at the general EPAP and civic engagement subcommittee meetings. EPAP allocates on average 60% of their general grants funds to language and culturally-specific community projects and to advocacy from the civic engagement subcommittee. The language and culturally-specific

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civic engagement grant program allocates funding only to language and culturally-specific projects. The civic engagement subcommittee develops both a civic engagement grant application and each review criteria each year that recommends and reviews and revises based on input and experience. Representatives from the civic engagement subcommittee have been actively involved with EPAP municipal partnership project that again reported funding to Portland Parks and Recreation for mobile grounds in east Portland. Through this partnership, we have been able to influence mobile playground site selection, activities, local hiring practices, multilingual outreach, and even the addition of Spanish language and Russian language movies to the Park and Recreation's Movies in the Park program last summer. As a committee, we reviewed and gave significant input on the Portland Parks and Recreation job application form. Due to our activism and advocacy of our subcommittee, city of Portland's Office of Neighborhood Involvement crime prevention program enhanced safety program accepted our suggestion to add some important standards to their written document to avoid and prevent discrimination. The related document had under minimum requirements for management practices, criminal background checks, government-issued picture ID, and verification of rental history for two years. We developed and advocated for written alternatives that would address screening practices concerns while not excluding those traditionally marginalized from safe and city-supported housing. Our second priority was to increase information about health clinics in east Portland. Our subcommittee advocated with Multnomah County to print and redistribute student-based health clinic brochures. We are coordinating again with east Portland school districts for distribution of the brochures to all schools of east Portland for students grades K to 12. Our previous advocacy had the brochures distributed in seven languages. Through our advocacy and partnership with Multnomah County, we now have the support and funding from Multnomah County to add translation of their brochures into three additional languages: Nepali, Arabic, and Zomi. These languages represent some of east Portland's newest community members with the least ability to speak English and know about available resources. This project rose to a priority because we heard stories of families who did not know about the school-based health clinic, even though they were living on the same block. In conclusion, I want to thank you for the opportunity. You're supporting us to work with city bureaus such as part of the creations and ONI to be involved in participation, to build partnership, advocacy, and improvements in the quality of life that enhances equity for immigrant communities in east Portland. Due to your support, our representation now extends to participation. And to Amanda Fritz, she personally recommended it goes to the board of directors [indistinguishable] we're now on the transportation management board of directors, and we advocate on that board of directors for east Portland. Thank you for your attention. And Lori Boisen with housing economic development will be next.

Hales: Thank you, Natalya. Hi Lori, welcome.

Lori Boisen: Thank you for the opportunity to speak with you this afternoon. I'm Lori Boisen, and I'm a resident of the Powellhurst-Gilbert neighborhood association, and a board member. I'm also secretary of the Midway Business Association, the district manager for the Division-Midway Alliance for community improvement, and an East Portland Action Plan member. I am speaking to you today on behalf of the East Portland Action Plan's economic development and housing subcommittees. The purpose of the EPAP's economic development subcommittee is to develop a strong business environment that strengthens existing businesses, promotes new businesses, and expands living wage jobs in east Portland. I would like to outline for you some of the work the EPAP economic development committee has done this past year toward developing a strong business environment in east Portland. In June, representatives from the economic development committee were able to address two of the committee's initiatives at the economic development town hall at the American Legion. Because of time constraints, the answers to our questions were brief, but these questions got the attention of government agencies including Metro, Multnomah County and the State of Oregon. EPAP members have been invited to so many tables to discuss

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issues that affect east Portland. For example, I'm a member of the Powell-Division steering committee, with other fellow EPAP members and Commissioner Novick. The committee is currently looking at anti-displacement tools as they relate to the inner Powell, outer Division project areas. Because of the anti-displacement work being done in EPAP's housing, cultural engagement, and economic development subcommittees, Metro is looking to EPAP as a source for establishing these tools and this project. Other committee members attend, share information, and report on EPAP's behalf to the East Portland Chamber of Commerce, Mt. Hood Community College, as well as many others. I am proud to announce to council that thanks to the diligent efforts of subcommittee members, the economic development subcommittee is working with the Parks Bureau on a community benefits agreement for both of east Portland's new parks. We are also on the David Douglas and Centennial School Districts' radar to establish CBAs on their future projects. This committee established the Gateway education economic development center as a priority strategy again this year. Despite our efforts, we have not made the progress we hoped for, but Mt. Hood Community College leadership is actively engaged at our table. And today, we again encourage city council to put their partnership skills behind this displacement prevention strategy. Because of the strong relationship between EPAP and the Neighborhood Prosperity Initiatives, all four east Portland NPIs are represented on this committee. Through EPAP support this past year, the NPIs have utilized the subcommittee's resources to increase capacity into their respective communities, and we all thank you for this opportunity. As the economic development subcommittee look to the future, we see conversations with this council about how we can all work together to actually market east Portland as place to do business. I would also like to take this opportunity to tell you about the EPAP housing subcommittee. This committee has as its goal to support a range of housing types in east Portland as a means to strengthen livable communities; encourage healthy, complete and stable neighborhoods; and promote family wage jobs. The EPAP housing subcommittee recognizes if east Portland is to become a more livable community, it will require more middle-income housing and more step-up affordable housing. The housing subcommittee strives to support middle income and low income housing, as well as rental housing and home-ownership. The research from the EPAP housing subcommittee dispelled the myth that east Portland has more tax-abated property for affordable housing than any other neighbors. Nick Sauvie and Frieda Christopher studied the tax records and produced the documentation that east Portland had the same amount of tax-abated property for affordable housing as did other neighborhoods in the city of Portland. Our current research documents the fact that many people in east Portland will pay more in property taxes than a person in inner northeast or north Portland with a house of the same value. This tax inequity concerns us, since a potential home buyer considering two properties of equal value, one in east Portland and another in north Portland, many select the home in north Portland because property taxes may be thousands of dollars a year less. The EPAP housing subcommittee is working on this issue to promote equitable home ownership. In conclusion, like the economic development subcommittee, the housing committee is actively looking for tools to prevent displacement. This year, we addressed the policy tool kit and the mitigating displacement due to gentrification tools for Portland, Oregon paper. We are now studying the Knott and Cully document. We want to work in partnership with the Portland Housing Bureau and the Portland Bureau of Planning and Sustainability. Strategies need to be put into place now so we can limit displacement of low-income people, families, and people of color. If started now, the city of Portland has an opportunity to address displacement prevention effectively, and be a national model for investment in sustaining a city's diversity while improving livability. For this reason, the housing and economic development subcommittees support family wage jobs and job training, affordable rental options, as well as minority and low-income home ownership. Thank you again for your time and consideration, we look forward to working with you into the future as we establish a strong business environment for east Portland -- one that drives strong neighborhoods, stable quality

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housing, and healthy diverse communities. Brooke Chilton Timmons with the education subcommittee will speak next.

Hales: Thank you very much. Come on up, Brooke.

Brooke Chilton Timmons: Good afternoon, I'm Brooke Chilton Timmons, I'm lead manager for Metropolitan Family Service, and I'm also co-chair of the education subcommittee for EPAP, along with Don Grotting, the superintendent of David Douglas. The education subcommittee is committed to the success of all students in east Portland, and to increasing access and engagement of parents in the schools. Some of our efforts this year include advocacy regarding the inclusion of race and ethnicity in the PCL funding formula, and support for projects that work to erase the achievement gap for students of color and those in poverty -- projects like early works at Earl Boyles, and SUN community schools. We've been working with the Bureau of Planning and Sustainability to ensure the comp plan includes strong communication between school districts and the city as we look toward future growth. We've also establishes procedures with the city so that school districts receive notification of new housing development within their boundaries. And so that information comes in the form of monthly reports that school districts are getting, and it's already being utilized. Also, that information gives school districts the opportunity to inform planning for school enrollment, and to also think about advocacy if some of that new development could negatively impact a particular building or the district as whole. Other efforts this year include meeting with east Portland state representatives to be informed about legislation that's coming up or in the works that impacts education. We also continue to work with Multnomah County Library services to identify creative ways to bring more library services to east Portland. Since we're likely not to get a branch soon, we still want to think creatively about how we can access those services. This summer, some of our exciting work includes reaching out to parents in east Portland, to bring them together and build a stronger parent voice on the education subcommittee to really make sure that our advocacy efforts are aligned with what east Portland parents are looking for. And really making sure that that group is representative of our diverse community. We also plan to bring together east Portland's superintendents to look at our advocacy efforts and make sure that we're in alignment with theirs. We want our partnerships with school districts to be productive and efficient, and have advocacy efforts align in the best way possible. We will continue to work with school districts and with you all to find the best ways to support the students and family that need us most in east Portland. And I get the pleasure of introducing Dr. Karen Fischer Gray, superintendent of Parkrose School District.

Hales: Thanks, Brooke. Good afternoon, Karen.

Karen Fischer Gray: Good afternoon, everyone. As she had stated, I'm Karen Gray, I'm the superintendent for Parkrose School District, and I'm also a member of the planning and sustainability commission. It is my privilege to be a member of this East Portland Action Plan panel presentation to the city council. EPAP is a real force for positive, conscious, and equitable change in east Portland. As a reminder, east Portland is home to about a quarter of the residents in the city of Portland, and almost half of its children who attend school. The topic I would like to speak to is social equity. This year, the Oregon Department of Education reformed the way in which it provides school funding through its formula. The state school fund formula includes a weighting for each student based on multiple factors, such as special education, English as a second language, and poverty. In recognition of the fact that children in poverty have moved both voluntarily and involuntarily to east Portland through gentrification, the poverty index was changed statewide. Those districts with higher poverty, as measured by the 2010 census, were given increases based on the number of children of poverty living in their district. Needless to say, the district in east Portland were at the top of the list. It simply takes much more money to educate children who need so much. The planning and sustainability commission has begun to focus more strongly on issues around citywide equity. Some of those issues are directly related to access to social and safety services, assistance programs, resource allocation, employment development, housing development, and

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accessible transportation in east Portland. In fact, I would go so far as to say that we have begun using equity as a lens for much of what we do. The conversations that we have and the decisions that we make as an advisory body to the city of Portland. Andre Baugh, the PSC chairman, has led this movement toward social equity for all of Portland. We are all aware of the fact that the city of Portland is gentrifying. It has gentrifying for years. This means that traditional neighborhoods are being fixed up, sold, and people have been forced to move out to the more affordable areas that are in east Portland. These areas in east Portland are poor on economic development and family-wage jobs. There is a lack of service and amenities in most areas. An example is that traditionally African American neighborhoods are being developed and sold to non-African American buyers, changing the face, feeling, and heart of some of our historically Black neighborhoods. There are still the largest number of traffic crash zones, noncontiguous or incomplete roads, paved roads, sidewalks, and a lack of access to 20 minute or complete neighborhoods east of 82nd Avenue. This is a fact and it cannot be disputed. I also know from being on the commission that there is currently no east Portland quadrant zone plan. We have excellent, well-developed quadrant plans for the rest of the city, but not for east Portland. To me, the funding of EPAP for the last four years has been the only city-supported east Portland development plan. EPAP has clear priorities that are assessed, measured, examined, and strategized annually within the east Portland community. We have spoken to city council each year about how we are moving the action plan forward one strategy at a time with very little funding. The only thing we have is elbow grease, grit, determination, resilience, and excellent leadership in Lore Wintergreen. How she manages to keep the many active subgroups moving forward in a cohesive strategic manner is a minor miracle to me. I wish once again to thank Portland City Council and Mayor Hales for supporting funding for EPAP. The city of Portland is the recipient of all of the good work that so many East County activists have put in the implementation of the plan. Until the city of Portland actively and sincerely develops an east Portland quadrant plan and puts much-needed dollars behind that plan, I feel that we must continue to support the work of EPAP. EPAP is an organization that promotes social equity, advocacy, leadership development, and a positive and growing intersection of civic engagement with all ethnic communities. EPAP is deeply committed to the resolution of inequity in east Portland. EPAP active partners I have not yet addressed are the technical advisory committee members. City, County, TriMet, Metro, school districts, and Oregon Department of Transportation representatives meet quarterly to work collaboratively to implement action items and coordinate website reports of progress on specific action items. At this committee, we discussed east Portland projects and their cross-jurisdictional impacts. EPAP advocates share the work of the other EPAP committees, and the reporting done at the TAC provides invaluable information to the general EPAP. EPAP strategic priorities are shared and discussed, gaps are noted, and needs explored. In January, we focused on a six-month strategic priority check in, and identified progress on 20 of the 29 strategic priorities. Active support and encouragement of the mayor and city council reinforces the investment the city bureaus are able to make in east Portland. Thank you very much for your active support of so many citizens of Portland.

Fish: Dr. Gray, can I ask you a quick question?

Gray: Of course.

Fish: How many languages are spoken in your school district?

Gray: Right now, Parkrose School District has more than 50 languages.

Fish: And how many young people in your school district speak more than two languages?

Gray: I do not know that statistic at this time.

Fish: Probably quite a few.

Gray: Oh, I would imagine quite a number. And that's within 15 square miles of 4000 students. So you are talking about an amazingly dense school district with an average poverty rating of about 75%. That means some schools are at 100, and some schools slightly less, and multiple languages

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being spoken, written, communicated. People literally come into the airport and walk into our school district.

Fish: It has always struck me that at a time when being able to speak a second, third language is so vital to operating this global world, this is an enormous strength.

Gray: It can parlayed into amazing success for our children.

Fish: How we convert it into something is the key.

Gray: That's right. Thank you.

Hales: Thank you very much.

Gray: And next will be David Hampsten.

Hales: Good afternoon, David, welcome.

David Hampsten: I'm David Hampsten. First, I want to thank the city for funding the many transportation improvements in east Portland, especially over the last five years, as well as building over six miles of new arterial sidewalks. We are sincerely grateful for getting out of the mud. The recent increases in transportation funding is a good start on the previous 20 years of city neglect. Most of the present infrastructure in east Portland was built by Multnomah County before and during annexation. Any county negligence on not requiring sidewalks in all public roadways was not only not really corrected by the city after annexation, it was more often than not doubly replicated by the city. As more housing was allowed in the city to build in east Portland, more than doubling the pre-annexation population, the city also more often allowed for waivers of its rules, resulting in more substandard transportation infrastructure to be built if it was built at all. This doubled neglect increased housing without corresponding transportation improvements. It has created a situation in east Portland whereby local residents have to drive to get from their homes to work, school, or any errands. In most of east Portland, walking and biking is not really a safe option, as local streets do not easily connect, and main roads are far too busy, narrow, and dangerous. Over half of east Portland has no transit service at all within a quarter mile, and only three frequent service lines serve the area, in spite of our high population densities and density of vulnerable peoples. In this context, we have been ardently advocating for transportation funding over the last few years. In the past four years, east Portland has received about \$75 million in funded transportation projects. This is really a drop in the bucket, but we sincerely appreciate it. About \$25 million of that was for projects already funded before EPAP even began. The remaining \$50 million in projects were ones that EPAP successfully advocated for with public agencies to fund. Of those, \$38 million for projects entirely within east Portland, and about \$12 million for projects that lay partly outside of east Portland. We're able to successfully achieve this level of advocacy by our various community partners working cooperatively. We had regular advocacy at the PBOT budget meetings, passing on key pieces of information in a timely manner to our EPAP operations committee who advocated directly with city council members on an annual basis. We also passed on information to our land use and transportation committee, which is very long-standing, which has not only been able to help the community prioritize and rank projects for future funding, but has also worked with our district coalition allies across Portland towards our mutual goals. And also with their key advocates on the mayor's budget committee who can ask highly insightful questions at key moments in time. It has also helped that both PBOT and the city council have been constant and reliable partners throughout the process. Transportation Commissioners Adams and Novick have both been excellent advocates for east Portland, helping secure consent from city council at key funding votes over the last five years. We have also have advocated and received support for our projects from Multnomah County, Metro, TriMet, and ODOT. PBOT personnel have also been important in our advocacy, as they help us select and prioritize projects, they find funding sources, and they of course build them. Dan Bauer in particular was outstanding throughout this process. Since east Portland doesn't usually have a vote on the PBOT modal advisory committees -- pedestrian, bike, and freight -- let alone a fair share of the zoning power, we have been fortunate that several southwest representatives have

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been looking out for our interest for key votes over the last few years. The local media have also sometimes been key catalysts for getting the city to focus more on east Portland transportation projects. Thank you. And I will now pass this on to Kem Marks who will discuss outer Powell Boulevard.

Hales: Thank you all. Welcome.

Kem Marks: Good afternoon. Thank you for the opportunity to speak with you today. My name is Kem Marks. I live in east Portland on southeast 130th Avenue, and I have lived in southeast Portland since October of 2007. I am here today to speak on behalf of the East Portland Action Plan, and our work on transportation issues. I am visually impaired and I'm very reliant on walking and public transportation. I, like so many people, have been and continue to be frustrated by lack of non-car infrastructure. Today, the issues of east Portland are well-known due to EPAP. It has provided a mechanism for east Portlanders to come together on many issues, including transportation -- issues that disproportionately impact us. Just as importantly, people have found a way to channel their anger and frustration into positive and constructive directions. I would like to share with you ways that I have channeled my energies into improving my community. These activities have all been through and would have never been without East Portland Action Plan. I am the EPAP representative for the Powell-Division steering committee to bring high-capacity, rapid transit and development to the inner Powell, outer Division corridor. This is Metro's first project with so much community input, and EPAP is providing a large cross-representative perspective. EPAP advocates that all government projects in our community be done through a prism of ensuring equity for un- and underserved populations. I believe we have been instrumental in getting Metro to develop the project in a way that will be fair and equitable to small businesses and the people who live and work along this route, including anti-displacement policies. I would also like to address outer Powell Boulevard. EPAP was a primary force in getting the Powell conceptual design plan approved. However, the PCDP was only the first step. EPAP has been working with elected and appointed officials to get to the next step. EPAP has been working with elected and appointed officials to get to the next step. State Representative Fagan has produced funding for the necessary assessments to make Powell shovel-ready. The reality, though, is that the PCDP and that assessments do not mean a thing if we do not get the funding to implement the changes that are needed to make Powell a safe and livable main street of our community. We urge City Hall and PBOT to work with its partners to obtain the necessary funding. Not just to ask for it, but to demand it if needed -- be it from the city, the state, or the federal government. The time for asking is well past. People have died on outer Powell, including Valentine Khubeyeva on December 13th, 2013. EPAP members helped organize a vigil for her. Many elderly Russian community members spoke powerfully of the same concerns expressed by the organized activists of east Portland. More innocents are surely going to die if changes are not made. EPAP will do its part to help. EPAP is not just a single entity, we are many groups and individuals who will go forth and help in a way that is agreed upon and appropriate. Thank you for listening to these thoughts and I ask that you continue the funding for East Portland Action Plan.

Hales: Thank you very much. Good afternoon. Welcome.

Larry Kotan: Hi, good afternoon. My name is Larry Kotan, I'm the chair of the EPAP grant review committee. As you know, and as we stated earlier today, we've elected every year to budget a portion of our annual funds to enable a couple different grant programs. One of those is the general grant, I will talk about those first, and secondly, the civic engagement grants, which we have on the table for approval a little later. So, as far as the general grants go, to be eligible, the organizations that come before us have to point out what their grant accomplishes in the plan, which action item or strategy it dovetails with. As well all know and as the city auditor recently pointed out, the action plan, when it was drafted, the community identified 268 different action items. It's a big comprehensive plan, and every action item in there is a result of a community member coming to us

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and saying, this is something that is important to me. Since we can't possibly work on those obviously every year, we identify our key strategy, our key priorities. During the scoring process for the grants, those applicants were rewarded bonus points if they were able to show us how they address those priorities. You have a light blue paper on right-hand side of the pocket that shows the intersections there. So, for the general grants, we had 24 applications this year. People requesting a total of \$112,000 and ultimately we elected to fund 11 of them because we had over \$50,000 available for funding. I'm just going to read those off for you right quick. These again were general grants. First was APANO, for their work with culturally-appropriate visioning in the Jade District. The Association of Slavic Immigrants for production of their Slavic cultural festival. Friends of Zenger Farm for their community chefs program. Human Solutions, for a great program called feeding minds, feeding futures. Outgrowing Hunger for establishing east Portland neighborhood gardens. OPAL, for training youth in environmental justice and to convening a youth summit. Wisdom of the Elders, to produce multi-generational story telling festivals and cultural trainings. The African American Youth and Community organization, to educate Somali parents on renters' rights, school policies, and gang prevention strategies. The Community Alliance of Tenants for efforts to activate new tenants' rights leaders. The Portland Fruit Tree Project, to bring their good works finally out to east Portland. The Zomi Association to conduct Zomi language training for their youth. And lastly to the Bhutanese American society for a program designed to help integrate new Bhutanese refugees into east Portland. So as you can see in the general grants, we have a wide range of projects represented. And these are really vital programs enhance food security, youth engagement, cultural preservation, and basic human rights. Also, as we've discussed on previous presentations, you know that we like to see how much our grants are going to leverage. And so we ask our applicants to state how many additional resources they're going to bring to the table. This year, the \$50,746 that we awarded in general grants is leveraging additional \$267,008. That's a five to one match on every dollar invested. Now, these grants are on the final approval process right now with the director of the Office of Neighborhood Involvement. Now, onto the civic engagement grants. They're a bit narrower in focus in that, as we stated earlier today, they must focus on culturally and language-specific projects. For 2014, we had 19 requests asking for a total of \$136,519. We awarded \$42,126, as you know, which funds seven of those 19 requests. And they are as follows. Buddhatham-aram, \$5000 for the Lao cultural preservation and enhancement project. And this project is kind of exciting, because it's the first time that they're uniting all five Lao communities in east Portland. The Community Alliance of Tenants, \$8563 to convene separate Native American, African American, Spanish language, and Asian immigrant focus groups and trainings. Ecumenical Ministries, \$9000 to fund citizenship classes for low-income Spanish-speaking immigrants as part of the new Americans initiative. The Russian Speaking Network, \$5000 for their very successful crime prevention begins at home series of workshops; Impact Northwest, \$5000 to promote job readiness among Latino students at Parkrose High School as part of the urban opportunities program; and \$5000 for NAYA, for Native American story telling designed to instruct city policy and programmatic impact. And lastly, One Life Portland, which is actually sponsored by the Rosewood Initiative, \$4562 to fund their raising the level program which will build youth confidence and family support amongst African American families in east Portland. That's the list of our civic engagement grants there. In regards to leveraging, the civic engagement grants historically leverage a little bit less on the dollar side of things. Because what they really leverage is community capacity for underrepresented communities. Even given that, our estimated leverage for the grants I just listed comes to \$52,142. So it's still better than a one-to-one match. The formal ask for these civic engagement grants is going to happen at the end of our presentation. My last note I want to make on civic engagement grants -- these are really exciting, because part of what they have to do when they fill out the applications, they have to show us what the next steps are for leadership development. We're really building capacity and leadership training for these

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underrepresented communities. Lastly, we've talked a little about some of the different themes that the EPAP has been hitting on this year. And I'm going to point out how these grants hit those themes before I yield to Natalya here. So, resolving east Portland inequity. These grants bring underserved voices to the table, often for the very first time. Leadership building via grant requirements that specifically challenge our awardees to identify their next steps for leadership placement. Community activation by giving people an avenue to get involved where perhaps one did not exist before. And connectedness, civic engagement, which frankly what this is all about, the whole reason we're here. With that, I will yield to Natalia, who will talk about one of these grants.

Sobolevskaya: Good afternoon again. I'm with the Russian Speaking Network, and we applied for a grant for our program Crime Prevention Begins at Home. And this program is designed for Russian-speaking community, where we explain law enforcement and explain judicial system for Russian-speaking people. Our problem is unique, because no other agency provides this kind of information where the people can ask different questions to cities officials. For example, we invite for our workshops people like attorneys, or we invite some people from DHS, we invite people from the Portland Police Bureau. And they explain laws for people, and people can ask questions without any fear, and that is very important for people. We have two sessions, we invite 20 people, and they come to different workshops. Also these people, we explain to them how to be involved in city life. We explain about City Hall, how they can come to City Hall and the commissioners and ask questions if they need it. It's very exciting in that people actually really like this workshop. I also want to say something about EPAP grant opportunities. It's really unique opportunities for our communities who are not speaking very well English, because these grants were designed especially for specific language. And you can write the grant in native language, like Spanish or Zomi. And it is very important to keep the grants funded because it's not bigger money. Like Larry said, we got \$5000, but we leverage around \$8000 for our grant. It's very good, it is a good outcome of this because our participants will be engaged later in civic life because it's good for citizens. If our citizens will be strong, like in civil rights, it will be good for all Portland, for all communities. Thank you.

Hales: Thank you.

Sobolevskaya: Please continue to fund our grants. Thank you. And Rafael Lopez will be next.

Hales: Thank you.

Rafael Lopez: Good afternoon.

Hales: Good afternoon, welcome.

Lopez: Thank you. My name is Rafael Lopez, and I work as an education specialist and an accredited rep for SOAR Immigration Legal Services. I'll give you a brief background of our program. SOAR stands for Sponsors Organized to Assist Refugees. It was founded in 1979 as a refugee resettlement agency, and its mission is to assist refugees to becoming self-sufficient, integrated community members. SOAR began providing legal services in 1992, and is recognized by the Board of Immigrations Appeals as an authorized provider of immigration legal services. They provide culturally competent immigration-related legal services and education to low-income immigrants and refugees. In 2013 alone, SOAR Legal assisted over 2000 low-income individuals with immigration, legal, and education services. Our programs include the New Americans initiative -- which EPAP is a part of -- and the Cuban Haitian Assistance Project, and our general legal services program. SOAR, as mentioned before, is a part of the Ecumenical Ministries of Oregon, that's EMO. Since 1973, EMO is the leading interreligious faith-based organization in Oregon. Their mission to bring together diverse communities of faith to learn, and serve and advocate for justice, peace, and the integrity of creation. I'm here mostly to talk about this year's partnership with SOAR Legal and East Portland Action Plan. This partnership was created to provide bilingual English and Spanish citizenship classes to the Spanish-speaking community in outer east Portland. First, the purpose behind teaching a bilingual citizenship class is to better provide a culturally-

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specific curriculum that would allow for students to connect more readily with the history and civics information that all naturalization applicants are required to know. These requirements are established by the USCIS, the United States Citizenship and Immigration Services agency, via their naturalization exam. Second, this meets the need for bilingual and bicultural classroom that promotes education for those applicants that will be taking the citizenship exam in Spanish. Through our partnership with EPAP, this year we were able to provide two 10-week long citizenship classes serving a total of 18 students. Classes were two hours long and held once a week. Each class received 20 hours of instruction for a combined 40 hours of bilingual, culturally-specific citizenship instruction. We were very happy to have been fortunate enough to partner with the Midland branch of the Multnomah County Library, located at SE 122nd Avenue, to serve as host at one of the citizenship classes. I mention this because this partnership with the library is especially important to us because it provided an opportunity for Spanish-speaking members of our community to connect with an important and integral community hub. This helped provide activation within the community to engage more with the library, its resources, and the events offered by them. Their engagement with our class and exposure to the resources offered by the library created an opportunity for the students to take this information and pass it on to their friends, family, and other members of the community, thus building leadership within the community itself. We feel that this education, exposure, and opportunities are vital to the building of a more integrated community here in Portland. During our second class, we had a student that had already submitted her application to become a citizen of the U.S. and was attending the class to help prepare for the interview and exam. Midway through the class, she was called to the interview, and she passed. Very exciting for the entire class and for herself. Upon returning to the class, she gave us the good news and I asked her what she was going to do to celebrate. And she said, register to vote and apply for a passport. Of course, we congratulated her and many of the members stated as we congratulated her that they wished and hoped for the day that they're able to be able to vote in this country themselves. Now, an anecdote given within that class -- at the same time our program has a voter education project and can be backed up by a lot of data with very many people doing instantly once they get citizenship: applying for the voting privileges. We have leaders waiting to participate in our democratic community right now. Through our citizenship classes, students were able to learn about the benefits of becoming a U.S. citizen and 100% of students have applied for naturalization or are in the process of application. For the following year, we hope to provide three bilingually taught citizenship classes, sessions in east Portland. Sites will include EMO member churches and the Multnomah County Midland Library. Each session will continue to consist of two-hour long classes once per week for 10 weeks. We will serve at least 20 lawful permanent residents in east Portland, again targeting the Spanish-speaking community. This classes will be taught by a bilingual and bicultural instructor, much like myself, and we will hold new citizen celebrations to encourage immigration integration and invite community members to meet our successful new U.S. citizens. We thank you for your time and we ask you for your continued support in providing this programming to east Portland.

Hales: Thank you. Wow, 100% on the way to naturalization. That's pretty great.

Lopez: Thank you. That is fantastic to be able to have people applying and moving forward with their citizenship and naturalization process via these programs. Now, I will introduce Mike Vander Veen for the closing and request of city council response.

Hales: Welcome.

Mike Vander Veen: This is it. Final guy. Thank you guys so much, I'm just so impressed. My name is Mike Vander Veen, and I'm a co-chair of the East Portland Action Plan. So Arlene and I are book-ending this presentation to you guys. I don't have written remarks, because I knew that there would be tons of amazing written remarks read and the depth would be just amazing. I'm going to take a quick moment personally to say I've been engaged with East Portland Action Plan since day

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one, and it has been amazing. It's been a part of my development as community organizer in east Portland. When I was an AmeriCorps member serving for two years doing asset-based community development, I literally couldn't do my job in east Portland. There was not the networks and the infrastructure and the social connectedness required to do what I needed to do in an immediate neighborhood, and I found myself working at a higher level with groups like we're engaging with -- EPAP and others. And as I worked out of the east Portland neighborhood office and going to various meetings, I ran into a wonderful city staffer, Barry Manning, and he was like, I'm seeing you a lot, you need to consider serving on this group. And so that's, you know, kudos to the city of Portland for launching the East Portland Action Plan, for having the vision to unlock the abundance of the community. And -- sorry, I get emotional when I think about it. So, I'm just going to cut to the chase, and hope you make a decision here, ask for your vote to support these grants that we have before you, and to thank you so much for having us in the budget and set to go for funding for next year. And we're excited, we've got our priorities. You are seeing them in front of you, and we're excited to move forward.

Hales: Thank you very much. So, questions for any of these panelists that have spoken? Most of them are still here. I didn't stop you as you were proceeding, because it was obviously a well-organized presentation and a good one. Thank you. Unfortunately, we cannot take action today because Commissioner Saltzman has taken ill and has not been able to come back to the council session. So I would suggest that we have questions and discussion, comment here today and set this over to the consent calendar for next week so it will be approved automatically when we take up the consent calendar, assuming that's the will of the council.

Ian Leitheiser, Deputy City Attorney: Mr. Mayor, if I can interrupt. If that's the plan, I think entertaining a motion to remove the emergency ordinance before you finish up today is probably also a way to -- or, the emergency clause.

Hales: We might need to leave the emergency clause in order for the spending to take place.

Leitheiser: I mean, that's --

Hales: Maybe we just continue the item on to the regular calendar?

Leitheiser: I think postponing to a date certain next week and leaving the emergency clause on is probably the option.

Hales: OK, let's do that. Otherwise there is a 30-day delay. So let's do that. Thank you, good counsel. Questions, comments?

Novick: I just want to say how much I appreciate the work all of you have done, and how much easier it makes my job advocating for transportation funding. Because without you, I can stand up and say we need more money for maintenance and safety, and people can say, well, that's just another government official asking for more of my money. And with you, I can say, no, we are asking for more money to do things like we've already done through East Portland in Motion, so that we can do the things we haven't done yet that are listed in East Portland in Motion. And that just so powerful to say. It's not just the government needs more money, it's the committed activists that work with the city to identify specific priorities with compelling justifications. So, that just -- it is so wonderful to have advocates like you who have done the work you've done and to be able to point to that to justify and explain why we do need more revenue to do very important things.

Fish: You know, Mike, you mentioned the building social capital. Having remembered the first meeting of EPAP when we were meeting in east Portland in a -- I think in the library. Or --

Vander Veen: The council came out to east Portland to adopt the plan at the Midland library, yes.

Fish: The Midland library. And I think at that point, it's safe to say that there were a lot of people in the room, but not a lot of relationships that had been built. And that's changed markedly. And everyone who has presented today has at one time or another been advocating for something that they wanted the council to do, or an individual commissioner in charge, and that was part of the spark that we were hoping would happen. I'm sorry Commissioner Fritz isn't here, because I do

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think a conspicuous success this past year has been ability to fund 20 acres of new parks. And Arlene has waited a long time for that to happen. One of the dividends of a big run on permits for multi-family housing throughout our community, we can thank the developers in the Lloyd District and throughout the city that we have those dollars to build out parks. And Commissioner Novick has brought up a particular focus on east Portland safety and transportation, and actually gone out to events to showcase those kinds of things, and we can go on and on and on. Dr. Gray, you know, a couple of years ago knocked on Amanda's door and my door and said, why don't we have a soccer field? And she made it happen. And Lori was recently hosting an event where Midway -- Midland was hoisting a new banner for to create an identity for the business association and pulling people together. We can go on and on and on. But this is what I think we all hoped would happen. And what you've said today in your presentation is that we still have a lot more work to do. And I use the -- my own analogy of a small marshal plan. Because you do a great job of identifying specific areas, but I think a challenge for the council is to every budget cycle come up with a package and say this is what we can do collectively and not just celebrate the individual wins, but come up with a package that we can as a council commit to and I think we have made progress towards that. I think it's we who should be thanking you for all of the work that you have done to make this happen and to strengthen the connection between the community and the council. Because it has been palpable. So, thank you.

Vander Veen: Thank you.

Hales: I just want to comment. I think the grants both in how much you've leveraged in civic activism and in dollars, and then how much you've leveraged in terms of bringing communities of immigrants and people of color into public life that we've seen a lot of evidence of how well that's working in terms of people getting engaged, and it's really having a positive effect. I don't know -- I've talked to some other mayors who've had the demographic change that we've had in Portland over the last 10 or 20 years, or at least some version of it, and I don't know of anybody maybe other than Minneapolis who's doing anything close to what you're doing, what we're doing through this and other efforts, DCL program and other things. And I think it's really remarkable to see how well it's working in terms of engagement of community members, people coming to budget hearings and testifying for the first time ever. You know, things like that. We see sort of indices of health in the community as a result of this kind of work, so to me it's a classic case of how community-based innovation -- which we've always tried to practice through ONI and the whole neighborhood system in Portland -- really works. I am appreciating everything that you're doing. This is really a success story.

Vander Veen: Thank you for seeing what we are doing.

Hales: Thank you all.

Vander Veen: Because we are working together.

Novick: Mayor, I have just one more comment for Lore Wintergreen. Maybe I'm just saying this because I'm a little punchy after the last 10 days, but when Karen Gray was saying that the only weapons you have, EPAP has integrity, commitment, and Lore Wintergreen, there was something about the way she said it that reminded me of Monty Python's Spanish Inquisition when they'd say, our chief weapons are surprise, fear, an almost fanatical adoration of the Pope, and bright red cloaks. [laughter] So now, Lore, I think I need to buy you a bright red cloak and present that to you at some future event.

Hales: If she shows up in a bright red cloak, we know we are in big trouble. Well, thank you all. Great work. We will set this over for one week and have a council quorum here then.

Vander Veen: Thank you.

Hales: Thank you all, well done. [gavel pounded] And we are adjourned for the week. Thank you.

At 4:13 p.m., Council adjourned.