

<p align="center"><b>PORTLAND CITY COUNCIL AGENDA City Hall - 1221 SW Fourth Avenue WEDNESDAY, 9:30 AM, DECEMBER 7, 2016</b></p>	<p align="center"><b>Disposition:</b></p>
<p align="center"><b>TIMES CERTAIN</b></p> <p><b>1341 TIME CERTAIN: 9:45 AM</b> – Recognize Leigh Bohannon, Aasha Benton, Dr. Keisha Thomas – Delta Sigma Theta Sorority, Portland Alumnae Chapter as the recipients of the 2016 Steve Lowenstein Trust Award (Presentation introduced by Commissioner Fish) 15 minutes requested</p>	<p align="center">No fiscal impact</p>
<p><b>1342 TIME CERTAIN: 10:00 AM</b> – Accept the Residential Infill Project: Concept Report to Council as general conceptual parameters for subsequent zoning code and zoning map amendments (Previous Agenda 1290; Resolution introduced by Mayor Hales) 1.5 hours requested</p>	<p>No fiscal impact to accept report. The bureau anticipates requesting \$100,000 in one-time General Fund resources in the FY 2016-17 Spring BMP for consultants to conduct public engagement and outreach to implement the report concepts, and an additional \$200,000 in one-time dollars to continue supporting two planning positions in FY 2017-18.</p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p><b>1343</b> Appoint Ken Richardson to the Portland Parks &amp; Recreation Bond Oversight Committee for term to expire December 7, 2016 (Report introduced by Mayor Hales and Commissioner Fritz)</p>	<p>No fiscal impact.</p>

<b>Mayor Charlie Hales</b>	
<p><b>1344</b> Proclaim results of the Municipal Non-Partisan General Election on Measure 26-179: Bonds to Fund Affordable Housing (Proclamation)</p>	<p>No fiscal impact.</p>
<p><b>1345</b> Proclaim results of the Municipal Non-Partisan General Election on measure 26-180: Establish Tax on Recreational Marijuana Sales; Dedicate Purposes for Funds (Proclamation)</p>	<p>The measure established a tax of 3% on recreational marijuana sales within the city and is expected to raise \$3 million a year. The measure results in a total tax of 20% to businesses for recreational sales, since the current state tax of 25% will drop to 17% starting on January 1, 2017.</p>
<p><b>*1346</b> Authorize a grant agreement with Portland State University in an amount not to exceed \$35,500 for project management and administration to construct 14 sleeping pod emergency transitional housing units to be built by local architecture firms to explore micro-housing strategies for temporary emergency shelter in response to the City State of Emergency on Housing and Homelessness (Ordinance)</p>	<p>\$35,500, funded in the OMF-Facilities Campsite Services budget General Fund allocation.</p>
<b>Bureau of Police</b>	
<p><b>*1347</b> Authorize settlement between Portland Police Association and the City of Portland through its Portland Police Bureau regarding employment claims (Ordinance)</p>	<p>Total estimated cost of the claim is \$83,000 to be funded in the Portland Police Bureau's existing General Fund allocation.</p>
<b>City Attorney</b>	
<p><b>1348</b> Authorize City Attorney to seek review by Writ of Mandamus or Prohibition of the Order entered on November 10, 2016 in <i>United States of America v. City of Portland</i>, United States District Court No. 3:12-cv-02265-SI (Resolution)</p>	<p>No fiscal impact. Minimal potential fees which fall under bureaus normal appropriation.</p>
<b>Office of Management and Finance</b>	
<p><b>*1349</b> Authorize a Special Appropriation grant agreement with Familias en Acción in an amount not to exceed \$60,000 to provide culturally and linguistically appropriate health education to low-income Latino families in Portland (Ordinance)</p>	<p>Budgeted expenditure in Special Appropriations.</p>

**\*1350** Authorize a Special Appropriation grant agreement with Northwest Children's Theater and School in an amount not to exceed \$20,000 for sensory friendly performances for children with Autism spectrum disorders, ADHD, and other sensory sensitivities (Ordinance)

Budgeted expenditure in Special Appropriations.

<p style="text-align: center;"><b>Commissioner Steve Novick</b> <b>Bureau of Emergency Communications</b></p> <p><b>*1351</b> Authorize contract with Matrix Consulting Group, Ltd. for consulting services to conduct a study to recommend staffing levels for the Bureau of Emergency Communications for a total not to exceed \$76,000 (Ordinance)</p>	<p>Budgeted expenditure in Bureau of Emergency Communications.</p>
<p style="text-align: center;"><b>Commissioner Amanda Fritz</b> <b>Portland Parks &amp; Recreation</b></p> <p><b>1352</b> Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Argay Park Tennis Court Improvements Project for an estimated \$500,000 (Ordinance)</p>	<p>Total project cost is estimated at \$500,000 and the confidence level is medium. This project will be funded by the 2014 Parks Replacement Bond.</p>
<p><b>1353</b> Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Forest Park Trail Bridges Replacement Project for an estimated \$640,000 (Ordinance)</p>	<p>Total project cost is estimated at \$640,000 and the confidence level is medium. This project will be funded by the 2014 Parks Replacement Bond.</p>
<p><b>1354</b> Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Rieke Field Replacement Project for an estimated 968,808 (Ordinance)</p>	<p>Total project cost is estimated at \$968,808 and the confidence level is medium. This project will be funded by the 2014 Parks Replacement Bond.</p>
<p><b>1355</b> Authorize a competitive solicitation and contract with the lowest responsive and responsible bidder for construction of the Whitaker Ponds Entry Improvements Project for an estimated \$606,000 (Ordinance)</p>	<p>Total project cost is estimated at \$606,000 and the confidence level is medium. This project will be funded by a grant from Metro's Nature in Neighborhood program and Parks' system development charge revenues.</p>
<p style="text-align: center;"><b>Commissioner Nick Fish</b> <b>Bureau of Environmental Services</b></p>	

<p><b>*1356</b> Amend contract with Tetra Tech, Inc. for additional compensation to revise and complete final design, and Biddability, Constructability, Operability, Environmental and Sustainability review for the Oaks Bottom Wildlife Refuge Enhancement, Project No. E08576 for \$169,485 (Ordinance; amend Contract No. 38016)</p>	<p>This increases the total design services contract to \$654,717. Of the additional costs, 65% (\$110,165) are reimbursable under the Project Partnership Agreement with the U.S. Army Corps of Engineers. Construction will be managed by the USACE and funded through the same 65/35 split. The City's total remaining costs, including the costs associated with this amendment and contingency, are estimated at \$1.8 million. In addition, BES is funding \$1.53 million in other costs outside of the USACE project.</p>
<p style="text-align: center;"><b>Auditor Mary Hull Caballero</b></p> <p><b>1357</b> Certify results of November 8, 2016 Municipal Non-Partisan General Election and proclaim measures approved (Report)</p>	<p>No fiscal impact</p>
<p><b>REGULAR AGENDA</b>  <b>WEDNESDAY MORNING SESSION</b></p> <p><b>Mayor Charlie Hales</b>  <b>Bureau of Planning &amp; Sustainability</b></p>	
<p><b>1358</b> Require disclosure of energy performance ratings for residential single family buildings when listed for sale to promote transparency in housing costs and reduction in local carbon emissions (Previous Agenda 1298; add Code Chapter 17.108) 30 minutes requested</p> <p style="text-align: center;"><b>Bureau of Police</b></p> <p><b>*1359</b> Authorize an Intergovernmental Agreement with Washington County for sharing tactical team resources in mutual aid (Ordinance) 10 minutes requested</p>	<p>No fiscal impact to bureau anticipated. BPS intends to use existing staff and resources to implement the policy.</p> <p>No fiscal impact.</p>

<p><b>*1360</b> Authorize an Intergovernmental Agreement with the City of Gresham, City of Vancouver, Clackamas County, Port of Portland, and Clark County, Washington to maintain and equip a unit capable of an immediate response to situations involving explosives and explosive disposal (Ordinance) 10 minutes requested</p>	<p>Portland Police Bureau, under this agreement, would be responsible for administration of the Metropolitan Explosive Disposal Unit. No compensation from partner jurisdictions is included for this administration nor any costs estimated as part of the impact statement. While the agreement indicates that participating jurisdictions will help with equipment costs, it does not specifically outline cost sharing allocations for such purchases; the group has traditionally relied on Federal grants for equipment purchases. PPB staffing for the unit included 3 FTE and total spending of \$623,267 in FY 2015-2016.</p>
<p style="text-align: center;"><b>City Attorney</b></p> <p><b>1361</b> Amend City Code to set procedure for returning evidence, found property and safekeeping prisoner property (Second Reading Agenda 1303; amend Code Section 14C.30.040 and add Section 14C.20.050)</p>	<p>No fiscal impact.</p>
<p style="text-align: center;"><b>Office of Management and Finance</b></p> <p><b>1362</b> Authorize a three-year contract for purchase of support services for chemically-dependent, homeless, adult chronic arrestees from Central City Concern for an amount not to exceed \$5,149,230 (Procurement Report – Project No. 119214)</p>	<p>Costs associated with this agreement are estimated at \$5.15 million over three years based on current levels of service.</p>
<p><b>*1363</b> Authorize a contract with IBM to implement master terms and conditions for the acquisition of goods and services for a five-year contract term not to exceed \$5,000,000 (Ordinance)</p>	<p>This is a successor agreement with costs to customer bureaus already incorporated into base interagency rates.</p>
<p><b>*1364</b> Authorize financing not expected to exceed \$51 million for an affordable housing project known as the Ellington Apartments (Ordinance) 15 minutes requested</p>	<p>See below.</p>

<p><b>*1365</b> Authorize a lease extension with Oregon Pacific Investment &amp; Development Company for the Bureau of Fire and Police Disability and Retirement office space at 1800 SW First Ave, Suite 450, commonly known as the Harrison Square Building through October 31, 2020 for approximately \$205,000 annually (Previous Agenda 1272)</p>	<p>There is no fiscal impact. The current lease will increase by approximately 3% and existing resources are available in the bureau's operating budget.</p>	
<p><b><u>WEDNESDAY, 2:00 PM, DECEMBER 7, 2016</u></b></p>		
<p><b>1366 TIME CERTAIN: 2:00 PM</b> – Accept the 2016 Portland Historic Landmarks Commission State of the City Preservation Report (Report introduced by Commissioner Saltzman) 1 hour requested</p>	<p>No fiscal impact</p>	
<p><b>1367 TIME CERTAIN: 3:00 PM</b> – Adopt the Locally Preferred Alternative for the Powell-Division Transit and Development Project and Conditions for Approval (Resolution introduced by Commissioner Novick) 1 hour requested</p>	<p>See below</p>	
<p><b>REGULAR AGENDA</b>  <b>WEDNESDAY AFTERNOON SESSION</b>  <b>Commissioner Steve Novick</b></p> <p><b>1368</b> Authorize a surtax to the City's Business License Tax for publicly traded companies subject to U.S Securities and Exchange Commission disclosure and reporting requirements if a subject company reports that the ratio of compensation of its chief executive officer to median worker is equal to or greater than 100:1 under the Commission's Pay Ratio Disclosure Rule (Second Reading Agenda 1202; amend Code Section 7.02.500) 15 minutes requested</p>		<p><b>See Below.</b></p>
<p><b>Bureau of Transportation</b></p>		
<p><b>1369 Note: This item is rescheduled to December 14, 2016 at 9:30 am.</b> Accept findings of the South Portal Partnership Plan Project pertaining to proposed changes to roadway alignments of SW Bond Ave, SW Moody Ave, SW Hamilton St, SW Hamilton Ct, SW Lowell St, and SW Thomas St, and direct implementation of a plan to fund, design and construct remaining South Waterfront street connections (Previous Agenda 1265)</p>	<p><b>See Below.</b></p>	
<p><b>Commissioner Amanda Fritz</b></p>		
<p><b>1370</b> Adopt the Open and Accountable Elections Policy (Previous Agenda 1226; add Code Chapter 2.16) 45 minutes requested</p>	<p><b>See Below</b></p>	

<b>Portland Parks &amp; Recreation</b>	
<p><b>1371</b> Create a local improvement district to construct park improvements in the Portland Open Space Sequence Local Improvement District in partnership with the Halprin Landscape Conservancy (Hearing; Ordinance; C-10054) 10 minutes requested</p>	<p>The estimated amount of the LID is \$2,150,000, which will fund a portion of the estimated total project cost of \$3,850,000 (low confidence estimate). The remaining portion of costs will be funded by General Fund resources, which were approved by Council in the FY 2016-17 Fall Supplemental Budget.</p>
<b>Commissioner Nick Fish</b> <b>Bureau of Environmental Services</b>	
<p><b>1372</b> Authorize an Intergovernmental Agreement with Multnomah County for payment in the amount of \$300,000 for the construction of SW 1<sup>st</sup> and Madison Sewer Rehabilitation Project, as part of the County Courthouse Project No. E10860 (Second Reading Agenda 1326)</p>	<p>\$300,000, budgeted in the BES Capital Improvement Program. Estimated confidence level is high. The City will pay actual costs.</p>
<p><b>1373</b> Authorize a contract with the lowest responsible bidder for construction of the Alder Pump Station Upgrade, Project No. E10359, for an estimated construction cost of \$3,500,000 (Second Reading Agenda 1332)</p>	<p>Estimated cost of construction in \$3.5 million. The confidence level of the engineer's estimate is rated 'high'. Budgeted in the BES CIP. Total project budget, per the FY 2016-17 Adopted Budget, is \$4.3 million.</p>
<b>Water Bureau</b>	
<p><b>1374</b> Authorize a contract with the lowest responsible bidder for the construction of the Greenleaf Pump Station Project at an estimated cost of \$1,275,000 (Ordinance)</p>	<p>Total project cost is estimated at \$1,707,310. Funding is budgeted in the bureau's FY 2016-17 through FY 2018-19 capital plan. Approving this contact will not impact forecasted water rates.</p>
<b>Commissioner Dan Saltzman</b> <b>Bureau of Development Services</b>	
<p><b>1375</b> Appeal of LRS Architects Inc. against Design Commission's decision to approve with conditions—specifically C.1 and C.2 corner building element—a new ¼-block 12 story residential building located at NW 14<sup>th</sup> Ave and NW Raleigh St (Findings; Previous Agenda 1315; LU 16-197257 DZM)</p>	<p>No fiscal impact</p>
<b>Portland Housing Bureau</b>	



<p><b>*1376</b> Authorize the purchase of certain real property located at 1610 NE 66th Ave at a price not to exceed \$47,000,000 for affordable rental housing (Ordinance) 15 minutes requested</p>	<p><b>See below.</b></p>
<p><b>*1377</b> Authorize a contract with CBRE HMF, Inc. for facilitation of the refinance of the Headwaters Apartments for a not to exceed amount of \$350,000 (Ordinance) 15 minutes requested</p>	<p>\$350,000 in funding is available in the Headwaters Fund FY 2016-17 budget for this contract. The request to refinance will come to Council at a later time, with additional fiscal analysis.</p>

<b><u>THURSDAY, 2:00 PM, DECEMBER 8, 2016</u></b>	
<b>1378</b> <b>TIME CERTAIN: 2:00 PM</b> – Restrict bulk fossil fuel terminals (Second Reading Agenda 1281; Ordinance introduced by Mayor Hales; amend Title 33, Planning and Zoning) 10 minutes requested	No direct fiscal impact anticipated.
<b>1379</b> <b>TIME CERTAIN: 2:10 PM</b> – Provide affordable housing through an Inclusionary Housing program (Ordinance introduced by Mayor Hales; amend Title 33, Planning and Zoning) 3 hours requested for items 1379 and 1380	<b>See Below.</b>
<b>1380</b> Provide affordable housing through an Inclusionary Housing Program and update the Multiple-Unit Limited Tax Exemption Program (Ordinance introduced by Commissioner Saltzman; add Code Section 30.01.120, amend Section 30.01.030 and Chapter 3.103)	<b>See Below.</b>

**\*1364** Authorize financing not expected to exceed \$51 million for an affordable housing project known as the Ellington Apartments

**CBO Analysis:** This ordinance authorizes financing for the purchase and rehabilitation of the Ellington apartments, being considered under Council Agenda Item 1376. The full project cost is estimated at \$57 million, which the Portland Housing Bureau anticipates eventually funding through a combination of recently-voter-approved General Obligation (GO) Bond sales as well as through potential federal loan(s). More information on project costs is contained in the CBO analysis for item 1376, below.

This ordinance authorizes the sale of GO Bonds and authorizes the use of interim financing secured by the City's full faith and credit to fund capital costs of purchasing the Project. As bond funds will not be available before the purchase closing date of January 5, 2017, it is presumed that the City will need to provide an interim financing method for up to \$51 million in costs. Using recent interest rate calculations, the cost to the City of issuing a \$51 million line of credit for a 6-month term would be approximately \$255,000. The City is also investigating the use of an inter-fund loan to finance the purchase costs on a short-term basis and will return to Council with that proposal, if deemed appropriate.

**1367** Adopt the Locally Preferred Alternative for the Powell-Division Transit and Development Project and Conditions for Approval

**CBO Analysis:** In order to qualify for the FTA's Small Starts program and an FTA grant of up to \$100 million, the overall project cost must be less than \$175 million. TriMet is preparing formal cost estimates based on a refined design and preliminary engineering. Currently, the project is in the development phase, which is estimated to cost \$7.15 million, funded by the City with \$2.0 million of Transportation System Development Charges (TSDCs) in FY 2015-16 and FY 2016-17, with the rest funded by the City's partners, including Metro and TriMet. Up to \$8.4 million of the City's TSDC funds are available for the project, with \$2.0 million of that dedicated to the development phase, and are included in PBOT's 5-year CIP. The TSDC funds require a 25% match over the life of the project. Additional funds from the City are anticipated in order to meet the project's local match, and the Resolution directs PBOT to work with the other partners to develop a finance plan and a financial strategy for the City's contribution. Metro and TriMet may each have up to \$25 million for their share of the total project costs.

**1368** Authorize a surtax to the City's Business License Tax for publicly traded companies subject to U.S Securities and Exchange Commission disclosure and reporting requirements if a subject company reports that the ratio of compensation of its chief executive officer to median worker is equal to or greater than 100:1 under the Commission's Pay Ratio Disclosure Rule

**CBO Analysis:** The proposal amends the City's business License Tax to include a surtax provision for publicly traded companies that pay a chief executive at 100 times what it pays its median U.S. worker. The Revenue Division estimates that this would raise between \$2.5 million and \$3.5 million annually. It should be noted that the actual amount brought in under the surtax could fluctuate dramatically with economic conditions. Also because this likely only applies to a small number of taxpayers, there is even greater potential for inconsistent collections.

As amended on 10/16/2016, this ordinance removes language directing CBO to increase the Housing Bureau's current appropriation level target by \$2.5 million to address a shortfall in the IGA with Multnomah County. This provision is not necessary, as Council approved a \$3.5 million CAL target increase in the Fall Supplemental Budget. A new provision directs the Bureau of Revenue and Financial Services and CBO to prepare "necessary adjustments" to the Revenue Division's FY 2017-18 budget; these adjustments will be defined and implemented during FY 2017-18 budget development.

**1369** Accept findings of the South Portal Partnership Plan Project pertaining to proposed changes to roadway alignments of SW Bond Ave, SW Moody Ave, SW Hamilton St, SW Hamilton Ct, SW Lowell St, and SW Thomas St, and direct implementation of a plan to fund, design and construct remaining South Waterfront street connections.

**CBO Analysis:** Council passage of this Resolution by 12/31/16 is required to retain the full extent of Metro funding of \$250,000 for this planning effort. Additional cost refinements will be made after Council passage of this Resolution, but the nominal cost change of the planned improvements is expected to range from 10% to 25% less even before considering ten years' inflation. The planned improvements will add additional value to South Waterfront not considered during the last South Waterfront Street Plan amendment in 2009 by including a new water main in SW Moody Avenue south of SW Bancroft Street to improve life-safety in this area. The Local Improvement District Administrator's level of confidence in the cost estimate for this project as of the filing date of this Ordinance is "Low" per Exhibit A of Resolution No. 36430 adopted by Council on July 26, 2006 given that the project scope is at the conceptual level pending design guidance from the Planning & Sustainability Commission subsequent to passage of this Resolution.

**1370** Adopt the Open and Accountable Elections Policy (Ordinance introduced by Commissioner Fritz; add Code Chapter 2.16)

**CBO Analysis:** This ordinance amends City Code Title 2 by adding Chapter 2.16 Election Reform. The ordinance establishes a program and methodology for public campaign finance for the Offices of Mayor, Commissioner, and Auditor.

The ordinance establishes a new fund, the Public Election Fund, for which annual funding is limited to 0.2% of the City General Fund (approximately \$1.2 million in the current year). Monies in the Public Election Fund will be used to match eligible campaign contributions for certified candidates at a 6:1 ratio, as well to cover administrative costs associated with management of the program.

There is no funding for this program in the current year. Ongoing funding for this program will be requested during FY 2017-18 budget development process.

Notably, this ordinance does not contain guidance around administrative spending or specify a target level of funding dedicated to administration of this new program. Administrative costs are to be funded from the Public Election Fund. In cases where there are insufficient funds in the Public Elections Fund to cover matched contributions and administrative costs in a given year, the ratio of matched contributions will be reduced equally to all candidates.

It is CBO's understanding that the Auditor's Office has declined to accept this assignment, and the bureau or office responsible for implementing this program is currently unknown. As written, the ordinance directs the Auditor's Office to develop rules and internal systems for, among other duties, the 1) certification of eligible candidates, 2) the verification and distribution of public finance matching funds, and 3) investigation and enforcement of cases of misused of public funds.

This is a substantial administrative workload, which will vary depending on the number of candidates utilizing the public finance program in a given year. Per the Auditor's Office, a public campaign financing program in San Francisco has 7 dedicated FTE for the certification of candidates, disbursement, and oversight of public matching dollars. Disbursements for this program ranged from approximately \$200,000 to \$1,300,000 in the last five years.

**\*1376** Authorize the purchase of certain real property located at 1610 NE 66th Ave at a price not to exceed \$47,000,000 for affordable rental housing

**CBO Analysis:** The total price of acquisition, including estimated closing costs and pre-funded accounts, is \$47,915,000. In addition, the bureau estimates a need for \$5,960,000 to address structural and immediate repairs. The bureau intends to fund these expenses with the sale of recently voter-approved bonds and potentially through a HUD 223 (f) or other Senior loan, to be sought by the bureau next Spring. As these funds will not be available before the closing date of January 5, 2017, a separate ordinance through the Office of Management and Finance authorizes the use of a City-backed line of credit for \$51 million to cover the cost of acquisition and initial repairs. Using recent line of credit interest rates, the cost of issuing a \$51 million line of credit with full repayment by June is estimated at \$255,000.

<b>Estimated Ellington Property Costs</b>	
Purchase Price	47,000,000
Estimated Closing Costs & Pre-Funded Accounts	915,000
Interest Payment	255,000
Immediate Repairs	2,830,000
<i>Total maximum line of credit</i>	<i>51,000,000</i>
Additional Structural Costs & Immediate Repairs	3,130,000
Reserves (for repairs w/in 24 mos. or as needed)	2,870,000
<i>Total estimated project costs</i>	<i>57,000,000</i>

The full project cost, including repairs and repair reserves, is estimated at \$57,000,000, generating a per-affordable unit cost of \$260,274/unit. However, the bureau anticipates that the operating income from the building will be able to cover maintenance and some acquisition costs, should the bureau be able to receive a \$20 million HUD loan for those costs. This would yield a net cost of the project of \$37,000,000, generating a per-affordable unit cost of \$168,950/unit.

By approving this purchase, this property will become City-owned and no longer pay property taxes, valued in the current year at \$350,639. The cost to the City General Fund of this forgone tax revenue is estimated at \$68,140/year.

PHB may extend the closing date to February 6, 2017 by depositing an additional \$100,000 into the escrow account. Should Council not approve the purchase, the City would lose the \$1,395,000 currently deposited in escrow.

**1379/1380**      **TIME CERTAIN: 2:10 PM** – Provide affordable housing through an Inclusionary Housing program

**CBO Analysis:** The proposed policy would result in an estimated per-affordable unit cost that ranges from \$20,787/unit to \$218,663/unit, depending on project location and incentive package selected. The cost to the

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City General Fund is less – ranging from \$4,674/unit to \$57,529/unit – due to the property tax exemption costs being spread across schools, the County and other local public agencies. With an affordability term of 99 years, the total cost per unit per year of affordability ranges from \$210 to \$2,209. See chart below.

**At or Above 5:1 FAR (mainly Central City)**

	10 Year Property Tax Exemption Estimated Cost	10 Year Property Tax Exemption Cost to the City General Fund	SDC Waiver Cost				CET Waiver Cost	Total Cost per Unit	Total City Cost per Unit	Total Cost per Year of Affordability
			BES	PBOT	PWB	PP&R				
80% AMI Unit	\$100,000	\$19,433	\$0	\$0	\$0	\$0	\$642	\$100,642	\$20,075	\$1,017
60% AMI Unit	\$200,000	\$38,866	\$4,748	\$2,024	\$2,400	\$8,849	\$642	\$218,663	\$57,529	\$2,209

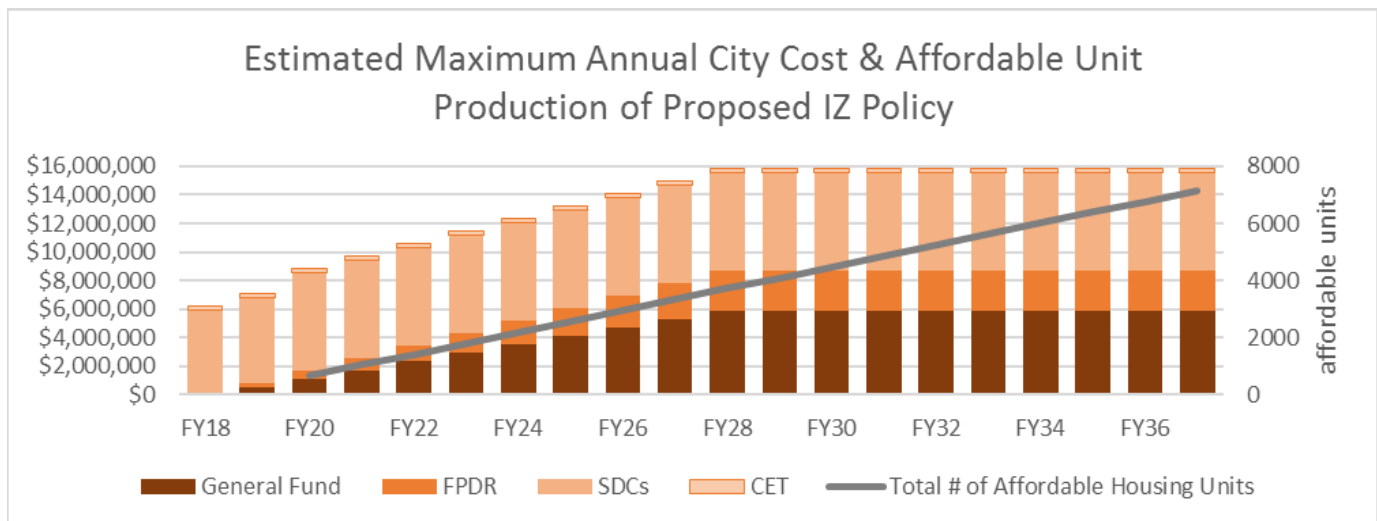
**Below 5:1 FAR (mainly outside of the Central City)**

	10 Year Property Tax Exemption Estimated Cost	10 Year Property Tax Exemption Cost to the City General Fund	SDC Waiver Cost				CET Waiver Cost	Total Cost per Unit	Total City Cost per Unit	Total Cost per Year of Affordability
			BES	PBOT	PWB	PP&R				
80% AMI Unit	\$20,000	\$3,887	\$0	\$0	\$0	\$0	\$787	\$20,787	\$4,674	\$210
60% AMI Unit	\$20,000	\$3,887	\$4,748	\$2,024	\$2,400	\$8,849	\$787	\$38,808	\$22,695	\$392

These per-unit estimates assume a single average tax exemption cost based on available MULTE program participants, which aligns with PHB methodology. Earlier CBO estimates were slightly different as CBO assumed a higher average cost for higher density buildings and a lower average cost for lower density buildings.

It is difficult to anticipate the number of affordable units per year that will be created through an inclusionary housing program, and thus the level of foregone revenue each year. Conservative estimates assume the maximum number of affordable units will be constructed under this policy, with 100% of buildings opting to include units on-site rather than pay a fee in lieu, and opting for the incentive packages offered at 60% MFI. CBO assumes that all units not currently in the construction pipeline toward our 2035 Comprehensive Plan goals (total = 72,587 units) will be constructed under this policy.

Using the above per unit costs and maximum construction estimates, CBO estimates the total maximum cost to the City of the program to grow from \$6.2 million/year to \$15.8 million/year. The General Fund portion of this cost grows from roughly \$574,000/year to \$5.9 million/year. This is for the construction of 331 units in the first two years of the program (assumes utilization of an 8% inclusion rate) and 382 units in the subsequent years (10% inclusion rate). The chart below shows these costs and units phased in over time; it is assumed that SDC and CET waiver costs will be felt by the City beginning FY 2017-18 and that property tax exemption costs will be felt beginning in FY 2018-19.



**NOTE:** "Time Certain" indicates that an item will not be heard by Council **prior** to the time specified.

Communications items are three minutes each. Regular Agenda items taking longer than five minutes have the time estimate noted next to the item.

The \* indicates an emergency ordinance, which takes effect immediately if passed. Non-emergency ordinances require two readings and a 30-day waiting period before taking effect. Resolutions, reports, etc., adopted by Council are effective after adjournment.

The above summary is published by the City Auditor as provided by Section 2-113 of the Charter and Ordinance No. 130672.

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Mary Hull Caballero  
Auditor of the City of Portland

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Testimony is taken on Reports, Resolutions and Ordinances (first reading). To testify, sign up on a testimony sheet as you enter Council Chambers on the day of the meeting. Individuals have 3 minutes to testify, unless otherwise stated at the meeting. Testimony is not taken on Communications, Second Readings, Proclamations or Presentations in accordance with Code 3.02.040 F. and G.

Written testimony may be emailed or mailed to the Council Clerk prior to the meeting.

To schedule a Communication, email or mail your request to the Council Clerk. Include your name, address, phone number and a brief description of the subject you will be addressing. For full details, see Testimony Policies and procedures. <http://www.portlandonline.com/auditor/index.cfm?&a=63123&c=34447>

Clerk Email: [karla.moore-love@portlandoregon.gov](mailto:karla.moore-love@portlandoregon.gov)  
Council Clerk Testimony: [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov)  
US Mail: Council Clerk, 1221 SW Fourth Ave., Room 130, Portland OR 97204

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Declaration Required by Lobbyists. Portland City Code 2.12.060 states: Prior to offering public testimony before City officials, at the beginning of any meetings or phone calls with City officials, or in emails and letters to City officials, a lobbyist must declare which lobbying entity he or she is authorized to represent for that communication.

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*“Be a part of the picture...get involved with your City...volunteer for a City of Portland Board or Commission. For more information, a brochure, or a volunteer application, stop by the Office of Neighborhood Involvement in City Hall or call 503-823-4519.”*