

<p style="text-align: center;"><b>PORTLAND CITY COUNCIL AGENDA</b> <b>City Hall - 1221 SW Fourth Avenue</b> <b><u>WEDNESDAY, 9:30 AM, MARCH 11, 2020</u></b></p>	<p style="text-align: center;"><b>Disposition:</b></p>
<p style="text-align: center;"><b>TIMES CERTAIN</b></p> <p><b>*199</b>      <b>TIME CERTAIN: 9:45 AM</b> – Amend the FY 2019-20 budget to include appropriations for funds to support the Open and Accountable Elections Fund given the unanticipated cost related to the special election (Ordinance introduced by Commissioner Fritz) 10 minutes requested</p>	<p>This action would reduce unrestricted General Fund contingency by \$750,000. See below for further details.</p>
<p><b>200</b>      <b>TIME CERTAIN: 10:00 AM</b> – Accept North/Northeast Neighborhood Housing Strategy Oversight Committee 2019 Annual Report (Report introduced by Mayor Wheeler) 45 minutes requested</p>	<p>No fiscal impact to accept report.</p>
<p style="text-align: center;"><b>CONSENT AGENDA – NO DISCUSSION</b> <b>Mayor Ted Wheeler</b> <b>Bureau of Planning &amp; Sustainability</b></p>	

**MARCH 11 – 12, 2020**

**201** Update Solid Waste and Recycling Collection Code to align definitions with Metro and require commercial collection permits for companies that collect and transport only food scraps (Ordinance; amend Code Chapter 17.102)

This Ordinance amends City Code Chapter 17.102 in order to prepare for enforcement on mandatory commercial food scraps, which will follow a tiered implementation approach, beginning for certain large businesses in March 2021. Changes include 1. Aligning language in the code with Metro, and 2. Requiring commercial collection permits for companies that collect and transport only food scraps. There are no direct financial impacts to the City expected by changing suggested code changes. However, there will be future costs to the City associated with the enforcement of mandatory commercial food scraps. The bureau expects more immediate initial enforcement costs will be able to be absorbed by the bureau and long-term enforcement costs will be budgeted in future fiscal years.

<b>Office of Management and Finance</b>		
<b>202</b>	Create a new represented classification of Water Meter Technician IV and establish an interim compensation range for this classification (Ordinance)	There is no direct cost to create the new classification. Two Water Meter Technician III positions with a maximum annual salary of \$72,405 will be reclassified to the new classification which has a maximum salary of \$76,025-a total annual increase of \$3,620 for each position, to be paid out of the Water Bureau's budget in the Water Fund.
<b>Commissioner Jo Ann Hardesty</b>		
<b>Portland Fire &amp; Rescue</b>		
<b>*203</b>	Accept the State Preparedness and Incident Response Grant from the State of Oregon Office of Emergency Management for a 700 gallon fuel transportation trailer (Ordinance)	This will not change appropriation. It is a donation of equipment from the State OEM. No match is required so it will not have any significant cost impacts.
<b>*204</b>	Authorize application to the Department of Homeland Security through its Federal Emergency Management Agency for a grant in the amount of \$330,000 for Technical Rescue Trainings and \$1,300,000 for Station Source Capture Exhaust System for a total of \$1,630,000 (Ordinance)	See below.
<b>Commissioner Chloe Eudaly</b>		
<b>Bureau of Transportation</b>		

*205	<p>Authorize an Intergovernmental Agreement with Multnomah County for the Earthquake Ready Burnside Bridge Project for staffing services in the amount of \$1,497,891 (Ordinance)</p>	<p>This action authorizes an IGA between eight City bureaus and Multnomah County whereby the County will reimburse involved City bureaus \$1.5 million for staffing services to help manage the Burnside Bridge environmental review phase of the Earthquake Ready Burnside Bridge Project. While this phase of the work is being reimbursed by the County, findings and impacts from this phase may affect future City bureau capital and operational budgets.</p>
206	<p>Authorize a one-time exception to Title 17 Underground Wiring Districts code to allow for the placement of string lighting across SW 9<sup>th</sup> Ave (Ordinance; allow exception to Code Section 17.60.020)</p>	<p>There are no fiscal impacts for this code exception.</p>
<p><b>REGULAR AGENDA</b></p>		
<p><b>Mayor Ted Wheeler</b></p>		
<p><b>Bureau of Environmental Services</b></p>		
*207	<p>Pay construction contract claim settlement for construction of the Fanno Basin Pressure Line System Upgrade Project No. E10599 for an estimated cost of \$500,000 (Ordinance introduced by Mayor Wheeler) 15 minutes requested</p>	<p>The level of confidence in the cost estimate of \$500,000 is high. Funding will be available in BES's FY 2019-20 budget in the Sewer System Operating Fund.</p>
<p><b>Office of Management and Finance</b></p>		
208	<p>Accept bid of Faison Construction, Inc. for the Creston Park Playground Improvements Project for \$1,332,810 (Procurement Report – Bid No. 00001394) 10 minutes requested</p>	<p>Funding for this project is included in the FY 2019-20 Adopted budget. The bureau is requesting \$13,320 in operations and maintenance resources in the FY 2020-21 budget process for Creston Park playground.</p>

209	<p>Authorize a temporary interfund loan not to exceed \$200,000 from Portland Parks &amp; Recreation System Development Charge Fund to Pittock Parking Lot Capital Project Fund to provide interim financing for parking meter installation (Ordinance) 10 minutes requested</p>	<p>No General Fund fiscal impact.</p>
<b>Portland Housing Bureau</b>		
*210	<p>Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Brookland located at 4245 SE Milwaukie Ave (Ordinance)</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$24,306 over ten years for 6 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$73,652. The estimated value of the tax exemption for the first year is \$7,998 (all jurisdictions), which equals approximately \$1,333 per affordable unit per year of affordability. The City will still benefit from property taxes collected on the improved value of the land during the exemption period. The City will pay Multnomah County the \$5,100 application activation fee if the application moves forward.</p>
*211	<p>Authorize conveyance of city-owned property located at 5020 N Interstate to Proud Ground, and funding in an amount not to exceed \$9,500,000 to its affiliate, 5020 Condo Project LLC, for construction of a new home ownership condominium development, located in the Interstate Corridor Urban Renewal Area (Ordinance) 20 minutes requested</p>	<p>Funding has been appropriated for this purpose in the bureau's FY 2019-20 Revised Budget (Interstate Corridor Urban Renewal Area). See further details below.</p>

**WEDNESDAY, 2:00 PM, MARCH 11, 2020**

**REGULAR AGENDA**  
**Mayor Ted Wheeler**  
City Attorney

<p><b>212</b> Authorize City Attorney to initiate a validation action under ORS 33.710 - .720 regarding expenditure of ratepayer funds to implement the Community Opportunities and Enhancement Program and the resolutions and ordinances creating and implementing the Community Opportunities and Enhancement Program (Resolution) 45 minutes requested</p>	<p>See below.</p>
<p><b><u>THURSDAY, 2:00 PM, MARCH 12, 2020</u></b></p>	
<p><b>213</b> <b>TIME CERTAIN: 2:00 PM</b> – Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map and Title 33 Planning and Zoning to revise the Single-Dwelling Residential designations and base zones (Previous Agenda 143; Ordinance introduced by Mayor Wheeler; amend Code Title 33 and Comprehensive Plan and Zoning Maps) 3 hours requested</p>	<p>See below.</p>

**\*199** – Amend the FY 2019-20 budget to include appropriations for funds to support the Open and Accountable Elections Fund given the unanticipated cost related to the special election.

CBO Analysis

This action would reduce General Fund unrestricted contingency. There is currently \$3.16 million in unrestricted contingency. This action reduces unrestricted contingency by \$750,000 leaving \$2.4 million in remaining resource.

With the unanticipated special election in 2020, there are concerns that the current budget for FY 2019-20 of \$3.4 million in the OAE Fund may be insufficient for the possible 21 candidates across all elections. The current OAE assumptions reflect a total potential need of \$5.5 million for both the regular and special elections for both the primaries and general elections, which will span both FY 2019-20 and FY 2020-21 Fiscal Years. The FY 2019-20 Revised Budget for the OAE totals \$3.4 million with \$3.1 million available for public contributions (budgeted in external materials and services), which is \$2.4 million short of the total potential need.

The bureau currently has an additional \$1.3 million allocated in their base budget for all program costs in FY 2020-21, but there may be a timing issue due to the possibility that matching funds for the general election will be required before the start of FY 2020-21 in July. These costs are conservative estimates and are contingent upon the final number of candidates that certify for the program (expected to be known on March 24), as well as how much funding each candidate raises. Even with this additional appropriation, the fund may experience a shortfall if a significant number of anticipated candidates get certified and raise funding up to the capped limit. Last week’s Ordinance proposed revising the OAE Fund language allowing the Director the authority to reduce the cap amount for the special election only. Should there be an additional shortfall the OAE Director may come forward in the upcoming Spring budget monitoring process for additional resources. At that time, the deadlines will have passed and the OAE Director should have additional information to help Council make further informed decisions around funding needs.

**Portland Fire & Rescue**

**\*204** Authorize application to the Department of Homeland Security through its Federal Emergency Management Agency for a grant in the amount of \$330,000 for Technical Rescue Trainings and \$1,300,000 for Station Source Capture Exhaust System for a total of \$1,630,000 (Ordinance)

CBO Analysis:

The Technical Rescue project would fund overtime, course fees, and equipment to expedite the certification of new technical rescue firefighters. The bureau will absorb this cost obligation into their training operating budget over the next 18 months if it does not receive the grant, so there exists the opportunity for some cost savings if it is awarded.

The Source Capture Exhaust System project is contingent on grant-funding, as the bureau has not built Source Capture Exhaust Systems into its CIP. If awarded, there will be ongoing annual maintenance costs of approximately \$12,000 (\$400x30 Stations) that the bureau will absorb into its operating budget in outyears. Lifecycle replacement cost of this new infrastructure, assuming a useful life of 12 years and 2% inflation, would be \$1.6 million. If awarded, the bureau does not plan to incorporate the replacement cost of this asset into its CIP.

The bureau would pay the 10% match (\$163,000) out of its existing training and facilities operating budgets.

**211** Authorize conveyance of city-owned property located at 5020 N Interstate to Proud Ground, and funding in an amount not to exceed \$9,500,000 to its affiliate, 5020 Condo Project LLC, for construction of a new home ownership condominium development, located in the Interstate Corridor Urban Renewal Area (Ordinance) 20 minutes requested

**CBO Analysis:**

Funding has been appropriated for this purpose in the bureau's FY 2019-20 Revised Budget (Interstate Corridor Urban Renewal Area).

- PHB intends to convert \$5.0 million of the construction loan into permanent affordability studies.
- Up to another \$1.0 million of a subordinated, mezzanine loan may be converted as additional permanent subsidies to further reduce sales prices. In addition, up to \$275,000 may be used to pay carrying costs for up to one year.
- Proud Ground qualifies and is applying for System Development Chart and Construction Excise Tax exemption and building permit waivers, expected to total approximately \$961,769 in foregone City revenue.
- Individual qualified homebuyers may apply for Home Owner Limited Tax Exemptions for a period of ten years, which if approved is estimated at approximately \$1,080,000 over ten years.

**212** Authorize City Attorney to initiate a validation action under ORS 33.710 - .720 regarding expenditure of ratepayer funds to implement the Community Opportunities and Enhancement Program and the resolutions and ordinances creating and implementing the Community Opportunities and Enhancement Program

This Resolution authorizes the City Attorney, or her designee, to initiate a validation action in the Multnomah County Circuit Court. The purpose of the action is to obtain a Court validation of the ratepayer rubric (Exhibit A), which will provide the City with Court approval of the expenditure of ratepayer funds on the Community Opportunities and Enhancement Program (COEP). The validation suit is intended to provide the City with certainty in the administration of the COEP program and stem potential litigation challenging the City's expenditure of ratepayer funds.

As part of initial COEP policy development, Resolution 37331 stated that 1% of hard construction costs for several pilot large public improvement projects be set aside to support low-income, disadvantaged, minority and women workers in the construction trades and the development and growth of firms certified by the Office for Business Inclusion and Diversity (COBID). Pilot projects included the Portland Building Reconstruction Project, 10th and Yamhill Garage, and Washington Park Reservoirs Project. It also directed OMF and Office of Equity and Human Rights (OEHR) to work with infrastructure bureaus and the City Budget Office (CBO) to establish mechanisms for collecting 1% from all City public improvement construction contracts moving forward. The mechanism for collecting this 1% has not been directed or determined by Council yet (as suggested in the resolution submitted Impact Statement); however, this resolution will help aid the City in determining if the draft funding strategy is legally permissible in regard to eligibility of ratepayer funds.

Although there are no direct fiscal impacts as a result of this resolution, as CBO has previously highlighted, the future funding strategy for COEP will have direct implications. The rubric (Exhibit A) included in this ordinance was devised by the Office of Management and Finance and the City Attorney's Office, in consultation with the Water Bureau, the Bureau of Environmental Services and Prosper Portland, to ensure that the expenditure of ratepayer funds in the COEP is in full compliance with the law.

Because one goal of the validation suit is to stem potential litigation challenging the City's expenditure of ratepayer funds, the Resolution could potentially save the City future legal fees.

Procurement Services is expected to establish Portland City Code and Administrative Rules by April 2020 in order to further outline the details of the COEP, which are currently uncertainty including how the 1% of hard construction costs is to be collected from the infrastructure bureaus by OMF, how those funds will be administered, and how the program will be implemented. At this time, CBO will be able to more fully analyze financial impacts to the City.

**213 Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map and Title 33 Planning and Zoning to revise the Single-Dwelling Residential designations and base zones**

This Ordinance revises Zoning Code development standards in Portland's single-dwelling zones (Chapter 33.110) and associated regulations in other Zoning Code chapters as part of the Residential Infill Project (RIP). The amendments also make related changes to the Zoning Map and the Portland Comprehensive Plan and Comprehensive Plan Map. The amendments include Zoning Code regulations that will be administered by the Bureau of Development Services and development bonuses for affordable housing that will be administered by the Housing Bureau.

The Zoning Code amendments increase the number of residential dwelling units allowed in ~68% of Portland's single-dwelling zoned land and provide development bonuses for projects that include affordable units. An economic feasibility analysis (Residential Infill Project, Volume 3, Appendix A) indicates that the changes enable the development of duplexes, triplexes and fourplexes and could generate as much as \$871 million of additional construction investment if the market supports demand for these housing types.

This Ordinance has the following direct fiscal impacts for the City:

**Bureau of Development Services**

These changes will impact BDS in terms of staff time for administration and review. One-time costs include staff training, creation of public information, and permit system updates. These costs are currently unknown. Additional ongoing staff time will be necessary as a result of applying floor area ratio (FAR) limits and for increased input from infrastructure bureaus as a result of lot confirmation zoning code amendments. BPS estimated the impacts to BDS staffing and found that there was an increase in permit review time of 555 hours (0.27 FTE) and an increase in lot confirmation/property line adjustment reviews of 223 hours (0.11 FTE). BPS states that the increase in permit review time increases the cost of providing services by an amount equivalent to a 3-cent increase per \$1,000 in valuation to the land use plan review fee. BDS plans to address the fee in an ordinance closer to the effective date of these changes. Due to the small increased costs in lot confirmation/property line adjustment reviews, BDS plans to use existing resources to cover those costs.

**Portland Housing Bureau**

The new affordable unit bonus provision will require additional PHB staff time to develop administrative rules for both ownership and rental units, as well as administer and monitor the bonus and compliance with the associated rules. The impact is uncertain as it is not known how many projects will use this bonus; PHB intends to monitor and ascertain staffing needs after the ordinance has been in effect.