

**PORTLAND CITY COUNCIL AGENDA
City Hall - 1221 SW Fourth Avenue
WEDNESDAY, 9:30 AM, MAY 20, 2020**

Disposition:

Please note, City Hall is closed to the public due to the COVID-19 Pandemic.

Under Portland City Code and state law, the City Council is holding this meeting electronically. All members of council are attending remotely by video and teleconference, and the City has made several avenues available for the public to listen to the audio broadcast of this meeting.

The meeting is available to the public on the City's YouTube Channel, eGov PDX, www.portlandoregon.gov/video and Channel 30. The public can also provide written testimony to Council by emailing the Council Clerk at cctestimony@portlandoregon.gov.

The Council is taking these steps as a result of the COVID-19 pandemic and the need to limit in-person contact and promote social distancing. The pandemic is an emergency that threatens the public health, safety and welfare which requires us to meet remotely by electronic communications. Thank you all for your patience, flexibility and understanding as we manage through this difficult situation to do the City's business.

Provide Public Testimony: City Council will hear public testimony on resolutions and ordinances (first readings only). Public testimony will be heard by electronic communication (internet connection or telephone). Please identify the agenda item(s) you want to testify on, and then visit the Council Clerk's agenda webpage to register, www.portlandoregon.gov/auditor/councilagenda. Provide your name, agenda item number(s), zip code, phone number and email address. Individuals have three minutes to testify unless otherwise stated at the meeting. Testimony is not taken on communications, reports, second readings, proclamations or presentations in accordance with Code 3.02.040 F. and G. **The deadline to sign up for the May 20-21, 2020 Council meeting is Tuesday, May 19, at 4:00 p.m.**

Email the Council Clerk at cctestimony@portlandoregon.gov with any questions.

TIMES CERTAIN

376 TIME CERTAIN: 9:45 AM – Accept the Portland Historic Landmarks Commission 2019 State of the City Preservation Report (Report introduced by Mayor Wheeler) 1 hour requested

No fiscal impact to accept the report. However, the report does make recommendations which, if implemented, may require additional resources (not quantified), including an annual allotment for consulting work and for BPS staff to update the Historic Resource Inventory citywide over time, to develop the infrastructure to maintain the database, and for further local code development work.

<p>*377 TIME CERTAIN 10:45 AM – Amend the City of Portland Employee Benefits Program to reflect necessary plan design changes as recommended by the Labor Management Benefits Committee and as administratively required by the Bureau of Human Resources for the City’s plan offerings beginning July 1, 2020 through June 30, 2021 (Ordinance introduced by Mayor Wheeler) 10 minutes requested</p>	<p>This ordinance makes a number of state, federal and LMBC recommendation changes to the Employee Benefits Program. Based on final health benefit rates, estimated city-wide health benefit increase is about 3.3% for FY 2020-21. It is unclear if the bureau is using reserves from the Health Fund to reduce the annual increase. According to the bureau, the Health Fund Budgets for FY 2020-21 has sufficient appropriation in support of the plan changes.</p>
<p>*378 TIME CERTAIN: 10:55 AM – Approve \$500,000 in additional funding for the Cascade Centers, Inc. contract administered by the Bureau of Human Resources, Health & Financial Benefits Office for employee assistance plan services through June 30, 2021 (Ordinance introduced by Mayor Wheeler; amend Contract No. 30002042) 10 minutes requested</p>	<p>This ordinance increases the City’s contract for employee assistance plan services by \$500,000 to a total of \$3,206,600. Additional funding is necessary to address increased participation, the addition of an online mental health platform called Whole Life Directions, and the addition of five confidential counseling sessions for benefit eligible employees and their dependents. The Health Fund Budgets for FY 2020-21 has sufficient appropriation in support of the additional benefits. Kaiser is offsetting its premium to make the increase cost neutral for its participants.</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Ted Wheeler</p> <p style="text-align: center;">Office of Management and Finance</p>	

<p>379 Assess property for system development charge contracts, private plumbing loan contracts and safety net loan deferral contracts (Second Reading Agenda 364; Z0842, K0184, T0201, W0070, Z1208, K0185, T0202, Z0843, W0071, P0163, P0164)</p>	<p>This legislation will increase current Lien Revenues as follows:</p> <ul style="list-style-type: none"> • \$323,771 in the Transportation Operating Fund • \$977,765 in the Parks Capital Improvement Program Fund • \$636,734 in the SDC Sewer System Operating Fund • \$13,397 in the SDC Water Construction Fund <p>This legislation will also increase future Lien Revenues as follows:</p> <ul style="list-style-type: none"> • \$191,260 in the Transportation Operating Fund • \$73,995 in the Sewer System Operating Fund • \$317,868 in the SDC Sewer System Operating Fund • \$784,315 in the Parks Capital Improvement Program Fund • \$8,832 in the SDC Water Construction Fund
<p>Commissioner Chloe Eudaly</p> <p>Bureau of Transportation</p>	
<p>380 Accept a grant from Oregon Department of Transportation and authorize an Intergovernmental Agreement for the NW Thurman over Macleay Park project in the amount of \$476,421 (Ordinance) 10 minutes requested</p>	<p>This project is included in PBOT's FY 20-21 budget and five-year CIP forecast. PBOT will match up to 10.27% or approximately \$54,529 of the \$476,421 grant.</p>
<p>REGULAR AGENDA</p> <p>Mayor Ted Wheeler</p>	
<p>381 Declare intent to centralize, guide and coordinate COVID-19 efforts that bolster progress towards the City's long-term recovery goals (Resolution) 40 minutes requested</p>	<p>See below.</p>
<p>Bureau of Environmental Services</p>	

<p>382 Authorize a contract with Landis & Landis Construction, LLC for the construction of the SE Hawthorne Blvd Pipe Reconstruction Project No. E10369 for an estimated cost of \$2,900,000 (Second Reading Agenda 367)</p>	<p>The \$2.9 million estimated cost has a moderate level of confidence. Funds are available in BES's FY 2019-20 Capital Improvement Plan budget in the Sewer System Operating Fund.</p>
<p>Portland Housing Bureau</p>	
<p>383 Approve and terminate limited tax exemptions for properties under the Homebuyer Opportunity Limited Tax Exemption Program (Resolution)</p>	<p>This action results in estimated foregone revenue to the City of \$819 per unit (39 units) for a total of \$106,431 for the life of the exemption. This is partially offset by reclaimed City revenue of \$819 per unit (14 units) for a total of \$11,466 annually. The City also collects \$900 per each completed application.</p>
<p>*384 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for 146th West Building 100 located at 11 NE 146th Ave (Ordinance) 10 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$21,799 over ten years for 24 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$66,058. The estimated value of the tax exemption for the first year is \$7,173. 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 \$9,000 application activation fee if the application moves forward.</p>

<p>*385 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for 146th West Building 200 located at 21 NE 146th Ave (Ordinance) 10 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$18,664 over ten years for 22 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$56,558 The estimated value of the tax exemption for the first year is \$6,141 (all jurisdictions). 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 \$9,000 application activation fee if the application moves forward.</p>
<p>*386 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Dekum Multifamily located at 330 NE Dekum St. (Ordinance) 10 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$80,161 over ten years for 34 units affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$242,910. The estimated value of the tax exemption for the first year is \$23,376. 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 \$9,000 application activation fee if the application moves forward.</p>

<p>*387 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Harborsky Annex, LLC located at 1245 N Anchor Way (Ordinance) 10 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$78,884 over ten years for 17 units affordable at or below 80% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$239,041. The estimated value of the tax exemption for the first year is \$25,955 (all jurisdictions). 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 \$9,000 application activation fee if the application moves forward.</p>
<p style="text-align: center;">Portland Parks & Recreation</p> <p>388 Amend fee schedule for tree permits (Ordinance) 10 minutes requested</p>	<p>See below.</p>
<p style="text-align: center;">Commissioner Eudaly Office of Community and Civic Life</p> <p>389 Authorize \$548,094 total in grant funds for the 2020 Cannabis Social Equity Grant Program in the Office of Community & Civic Life (Second Reading Agenda 373)</p>	<p>Civic Life received \$1.3 million in the FY 2019-20 Adopted Budget for Cannabis Social Equity Grants. This Ordinance issues the remaining grant allocations/awards to recipients from these resources. This \$548,094 is included in the bureau's current fiscal year budget.</p>
<p style="text-align: center;"><u>WEDNESDAY, 2:00 PM, MAY 20, 2020</u></p>	

MAY 20-21, 2020

390 **TIME CERTAIN: 2:00 PM** – Approval of the FY 2020-21 budget for the City of Portland (Mayor convenes Council as Budget Committee) 2 hours requested

The City of Portland's FY 2020-21 Proposed Budget is \$5,608,298 and approval of this action of the Budget Committee (as requested in this report) will increase total requirements in various funds by \$89.0 million. The General Fund Budget for FY 2020-21, if approved, will total \$716,885,688. There is a net reduction of 1.0 full-time equivalent positions in the FY 2020-21 Approved Budget.

<p>REGULAR AGENDA</p> <p>Mayor Ted Wheeler</p> <p>Prosper Portland</p>	
<p>391 Council to convene as Prosper Portland Budget Committee to approve the FY 2020-21 Budget (Mayor convenes Council as Prosper Portland Budget Committee) 30 minutes requested</p>	<p>Prosper Portland's FY 2020-21 budget is currently \$349.0 million, including General Fund resources of \$7.2 million. Approval of the Prosper Portland budget on May 20th will need to be amended by any changes to the Mayor's Proposed General Fund and Cannabis Tax allocations made by Council during approval of the City of Portland's Budget on May 19, 2020.</p>
<p><u>THURSDAY, 2:00 PM, MAY 21, 2020</u></p>	
<p>392 TIME CERTAIN: 2:00 PM – Amend Planning and Zoning Code, the Comprehensive Plan Map, and the Zoning Map to implement the Expanding Opportunities for Affordable Housing project (Previous Agenda 374; Ordinance introduced by Mayor Wheeler; amend Title 33) 30 minutes requested</p>	<p>See below.</p>
<p>393 TIME CERTAIN: 2:30 PM – Revise residential solid waste and recycling collection rates and charges, effective July 1, 2020 (Ordinance introduced by Mayor Wheeler; amend Code Chapter 17.102) 2 hours requested for items 393-395</p>	<p>See below.</p>
<p>394 Authorize the rates and charges for water and water-related services beginning July 1, 2020 to June 30, 2021 and fix an effective date (Ordinance introduced by Commissioner Fritz)</p>	<p>See below.</p>
<p>395 Revise sewer and stormwater rates, charges and fees in accordance with the FY 2020-21 Sewer User Rate Study (Ordinance introduced by Mayor Wheeler)</p>	<p>See below.</p>

381 Declare intent to centralize, guide and coordinate COVID-19 efforts that bolster progress towards the City's long-term recovery goals (Resolution)

CBO Analysis

This resolution directs actions to centralize, guide and coordinate COVID19 efforts that bolster progress towards the City's long-term recovery goals, including adopting a citywide COVID-19 Equity Toolkit and directing Council staff to create an advisory group to help City Bureaus achieve stated outcomes. There are

no direct financial and budgetary impacts from this resolution; however, the work that is being directed as a result of it may include future budgetary impacts for bureaus and may require realignment of resources in the absence of new funds. Specific bureau impacts are as follows:

BPS: The resolution directs the Bureau of Planning and Sustainability to partner with Bureaus in developing and implementing COVID-19 response measures that align with the City's climate action goals. The bureau states that to fulfill this direction it will provide tools and informational resources to other bureaus as necessary to provide a climate lens to potential COVID-19 investments. The scope of this effort and potential costs are currently unknown, but the bureau plans to absorb any additional costs within its FY 2020-21 resources.

OEHR: The Resolution directs the Office of Equity & Human Rights to:

- In partnership with bureau-based Equity Managers and practitioners, the City Budget Office, and community partners to support Bureaus in centering the City's equity goals in developing and implementing COVID-19 response measures; and
- To hold bureaus accountable to components of the Equity Toolkit and subsequent resources that prioritize Black, Indigenous, people of color, people with disabilities and other historically oppressed communities

The Commissioner-in-Charge has indicated that the workload expected to be generated by this resolution will require additional support above and beyond what the bureau is able to provide with current funding and maintaining existing service levels.

CBO: As noted above, the City Budget Office is directed to help support bureaus in centering the City's equity goals in developing and implementing COVID-19 response measures. CBO expects to carry out this work within existing resources.

Council Offices: The impact statement for this item notes that Council staff are directed to create an advisory group to help facilitate the work directed in the Resolution. Council staff are expected to carry out this work within existing resources.

388 Amend fee schedule for tree permits (Ordinance) 10 minutes requested

CBO Analysis

No General Fund fiscal impact to accepting this fee schedule. This Ordinance increases development tree permitting fees and maintains non-development tree permitting fees for FY 2020-21. Parks' Urban Forestry Division is proposing a 5% increase to all development permit fees, except the Residential Remodel \geq \$25,000 valuation fee which will increase by 29% (from \$400 to \$516) in FY 2020-21. These fees will maintain cost recovery at 95% on development fees. Urban Forestry is proposing no changes to non-development fees, current cost recovery is 28%. COVID-19 has impacted fee revenues and projections indicate revenue reductions of less than \$650,000 in FY 2020-21. It is too early to determine the specific impacts.

392 TIME CERTAIN: 2:00 PM – Amend Planning and Zoning Code, the Comprehensive Plan Map, and the Zoning Map to implement the Expanding Opportunities for Affordable Housing project

CBO Analysis

This Ordinance implements recommendations from the Expanding Opportunities for Affordable Housing (EOAH) project, including amendments to Title 33 (Planning and Zoning Code). The recommended EOAH amendments allow institutions regulated through the Zoning Code as "Conditional Uses" to add housing without a new Conditional Use Review, if relevant conditions and standards are met. They also allow more flexibility for small increases in non-residential floor area, allow site area to be reduced, and allow removal of some parking for the development of housing, without a Conditional Use review. The recommendation also includes rezoning and changing the Comprehensive Plan map designations on 20 community-based sites to further housing opportunities, including affordable housing.

There are no direct financial impacts resulting from the adoption of this Ordinance; however, in the long term, the EOAH code and map changes could impact City finances and budgets through impacts to BDS fees and workloads, and to the number of affordable housing projects in the PHB pipeline. These are discussed more

in depth below.

BDS Impacts: The code changes being made with the EOA project will likely reduce the number of Conditional Use applications that the BDS Land Use Services Division handles. This will reduce BDS revenue, but also reduce BDS workloads by a corresponding amount. BDS expects an increase in applications from institutions for either an Early Assistance Appointment or a Tier 3 Zoning Confirmation letter to verify that they are meeting these new requirements. Currently, this determination is done as part of the Conditional Use review. BDS, therefore, expects a shift in workload from Conditional Use Reviews to Early Assistance Appointments and Zoning Confirmation requests.

PHB Impacts: The EOA amendments support the voluntary production of regulated and non-regulated affordable housing by community-based organizations. The ordinance may increase the number of faith-based organizations seeking funding from various PHB programs. The EOA ordinance does not allocate any funds to these organizations, but the passage of more flexible zoning regulations could cause more inquiries to PHB from these organizations, with some staff time impacts to answer questions and guide these organizations toward partnerships with experienced affordable housing developers.

393 TIME CERTAIN: 2:30 PM – Revise residential solid waste and recycling collection rates and charges, effective July 1, 2020 (Ordinance introduced by Mayor Wheeler; amend Code Chapter 17.102)

CBO Analysis

This Ordinance amends Code Chapter 17.102 and revises residential solid waste and recycling collection rates and charges as outlined in Exhibit A and effective as of July 1, 2020. The recommended rates are a result of the annual rate review process required by the franchise agreement with residential haulers. The Spring 2020 rate review shows that the rate for most customers will increase by \$1.00, but depending on service level it ranges from no increase to \$1.20 for a small set of customers.

Increases are partially due to the removal of a customer rebate to compensate customers for payments made through the rates towards the Clean Energy Surcharge, which is included in rates until June 30, 2020 via Ordinance No. 189816. Increases are also due to:

- the new State of Oregon Corporate Activity Tax (included as a pass-through expense);
- increased garbage tipping fees;
- increased costs from hauler investments in newer, cleaner collection vehicles; and
- increased inflationary pressures.

This ordinance continues the 5% franchise fee that funds solid waste and recycling program administration costs. Because rate revenue will increase, City revenues from the 5% franchise fees are anticipated to increase by \$40,500 this fiscal year, or 1 percent. The effects of the COVID-19 pandemic will be reflected in the cost reports the haulers will submit next Spring, which, along with projections for other associated costs, will form the basis for the FY 2021-2022 rates.

394 Authorize the rates and charges for water and water-related services beginning July 1, 2020 to June 30, 2021 and fix an effective date

CBO Analysis

Retail rates are expected to generate approximately \$179.7 million in water sales revenue in FY 2020-21. Retail customers are also expected to pay \$2.8 million in customer late charges. FY 2020-21 wholesale revenues will be \$20.2 million. Other rates and charges within this Ordinance are expected to generate \$11.8 million for water-related services including system development charges, new service installations, customer requested new main connections, engineering permit fees, hydrant installation and usage, and miscellaneous utility charges. The proposed overall average effective retail rate increase is 6.5 percent in FY 2020-21. With a retail rate increase of 6.5 percent, the retail commodity rate will increase from \$5.252 to \$5.593, and the base charge will increase from \$47.65 to \$50.75 per quarterly bill (the billed base charge varies depending on the number of days in the billing period). The “typical” residential water customer using 5 hundred cubic feet (ccf) per month will now pay \$44.89, up 6.5 percent from the FY 2019-20 “typical” bill of \$42.14. The “medium” commercial customer using 100 ccf per month will see a water bill increase from \$572.85 to \$610.05; an increase of \$37.20 or 6.5 percent.

Two tiers of fixed low-income discount for qualified single family quarterly billed residential water customers are included in the Ordinance. The discount is 50% for a typical low-income customer bill and is \$67.30

quarterly for FY 2020-21. The discount is 80% for a typical extremely low income customer bill and is \$107.70 quarterly for FY 2020-21.

395 Revise sewer and stormwater rates, charges and fees in accordance with the FY 2020-21 Sewer User Rate Study

CBO Analysis

This annual ordinance establishes rates, charges and fees to generate sufficient revenue for projected expenditures in FY 2020-21. Under these proposed rates, the typical single-family residential bill is expected to increase by \$2.16 per month or 2.85%. Increases to each individual customer and other customer classes may vary based on actual usage and circumstances. This rate ordinance will generate \$387 million in operating revenue to support the Mayor's FY 2020-21 Proposed budget for the Bureau of Environmental Services. \$345 million of this estimate is from billed retail revenues for sanitary and stormwater services. The estimate reflects revenue reductions anticipated due to COVID-19 impacts. The proposed rate ordinance will enable the Bureau to continue collecting and treating wastewater from residences and businesses; managing stormwater to prevent erosion, flooding and water quality problems; operating the combined sewer overflow (CSO) system to prevent sewage overflows into the Willamette River and Columbia Slough; and repairing and replacing inadequate public sewer lines that cause sewage overflows and basement backups. The rate ordinance does not create costs or expenses to the City. This legislation does not specifically create or eliminate positions in future years. Future position decisions will be made by the Council within the annual budget process.