

**PORTLAND CITY COUNCIL AGENDA
City Hall - 1221 SW Fourth Avenue
WEDNESDAY, 9:30 AM, AUGUST 12, 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 August 12, 2020 Council meeting is Tuesday, August 11, 2020 at 4:00 p.m.**

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

TIMES CERTAIN

654 TIME CERTAIN: 9:45 AM – Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map, Title 33 Planning and Zoning and Title 30 Affordable Housing, to revise the Single-Dwelling Residential designations and base zones (Second Reading Agenda 648 introduced by Mayor Wheeler; amend Code Title 33 and Portland Comprehensive Plan and Zoning Maps, and Title 30) 45 minutes requested

See below.

CONSENT AGENDA – NO DISCUSSION

Mayor Ted Wheeler

Office of Management and Finance

AUGUST 12, 2020

<p>*655 Authorize a grant agreement with Worksystems Inc. for the SummerWorks youth employment program within City Bureaus for summer 2020 for an amount not to exceed \$551,600 (Ordinance)</p>	<p>Ongoing resources to support this grant agreement are allocated in the Bureau of Human Resource's FY 2020-21 budget.</p>
<p>*656 Pay property damage claim of Michael Shindler in the sum of \$18,666 involving the Portland Bureau of Environmental Services (Ordinance)</p>	<p>\$18,666 from the Insurance & Claims Operating Fund.</p>
<p>Portland Parks and Recreation</p>	
<p>*657 Authorize the acceptance of a donation of .46 acres of real property on NW Creston Rd adjacent to Forest Park to be used for park purposes (Ordinance)</p>	<p>This donation is projected to add \$424 in ongoing operations & maintenance costs, which the bureau plans to build into its budget in outyears.</p>
<p>*658 Authorize the acquisition of 9.8 acres of real property at 9715 NW Newton Rd adjacent to Forest Park for \$350,000 to be used for park purposes (Ordinance)</p>	<p>The funding for this purchase will come from SDC revenue within the Parks SDC Fund. The acquisition of this property is projected to add \$9,212 in ongoing operations & maintenance costs, which the bureau has built into its budget in outyears.</p>
<p>Commissioner Jo Ann Hardesty Fire & Police Disability & Retirement</p>	
<p>*659 Amend the Fire and Police Disability, Retirement and Death Benefit Plan to comply with an arbitration decision for final pay calculation for former members of the Portland Police Commanding Officers Association and Portland Fire Fighters Association (Ordinance)</p>	<p>There will be a one-time payment of \$240,000 to cover benefits retroactively, from 2013 to the present. Going forward, the increase of this estimated at approximately \$75,000 per year. Resources are sufficient within the bureaus budget for the current year, and future years will be account for in the annual tax levy supporting FPDR.</p>

<p>REGULAR AGENDA</p> <p>Mayor Ted Wheeler</p> <p>City Attorney</p>	
<p>660 Update resolution requiring Portland Police Bureau to immediately cease cooperation with militarized federal forces (Resolution; amend Resolution No. 37496) 15 minutes requested</p>	<p>This resolution clarifies operational and policy issues as they relate to the Police Bureau’s interactions with federal police or militarized operatives. No fiscal impact is anticipated.</p>
<p>Office of Management and Finance</p>	
<p>*661 Authorize a temporary interfund loan not to exceed \$3,500,000 from the Housing Investment Fund to the Housing Development Costs and the Grants Funds to fund program requirements on affordable housing projects (Ordinance) 20 minutes requested</p>	<p>See below.</p>
<p>Portland Housing Bureau</p>	
<p>*662 Authorize Intergovernmental Agreement with Metro to receive Bond Proceeds and implement Portland’s Local Implementation Strategy to satisfy Metro’s Regional Housing Bond goals and requirements (Ordinance) 20 minutes requested</p>	<p>See below.</p>
<p>*663 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Vibrant Cities Fargo located at 25 N Fargo St (Ordinance) 10 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$65,913 over ten years for 15 units affordable at or below 80 percent MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$199,734. The estimated value of the tax exemption for the first year is \$21,687 (all jurisdictions), which equals approximately \$1,332 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 \$9,000 application activation fee if the application moves forward.</p>

Commissioner Chloe Eudaly

Portland Bureau of Transportation

664 Assess benefited properties for street, sidewalk, stormwater, water main and sanitary sewer improvements in the SW 45th Ave and California St Local Improvement District (Hearing; Ordinance; C-10048) 15 minutes requested

The total cost of the project is \$1,133,334.28 excluding pavement grind and inlay costs. The final assessment is in the amount of \$819,419.41 with the assessment rate of \$3.91 per square foot being \$0.38 or 9.1% below the estimated rate of \$4.22 per square foot at LID formation. Additional funding was provided by the Portland Bureau of Transportation in the amount of \$33,602.94 in Transportation System Development Charge (TSDC) funding and \$199,282.24 for overhead costs, and from the Portland Water Bureau in the amount of \$81,029.69.

Commissioner Amanda Fritz

Water Bureau

***665** Authorize the City of Portland, on behalf of the Portland Water Bureau, to acquire certain permanent and temporary property rights necessary for construction of the Willamette River Crossing Project through the exercise of the City's eminent domain authority (Ordinance) 15 minutes requested

This ordinance amends and supersedes sections of Ordinance No. 189320 authorizing the Portland Water Bureau to acquire privately-owned property rights using the City's eminent domain power. The new language adjusts parameters of land not specified in the original ordinance. The cost of this property rights acquisition is built into the original project budget, and this adjustment will generate no material changes to said cost.

654 Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map, Title 33 Planning and Zoning and Title 30 Affordable Housing, to revise the Single-Dwelling Residential designations and base zones (Second Reading Agenda 648; amend Code Title 33 and Portland Comprehensive Plan and Zoning Maps, and Title 30) 1 hour requested

CBO Analysis

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 Impacts:

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 Impacts:

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.

***661** Authorize a temporary interfund loan not to exceed \$3,500,000 from the Housing Investment Fund to the Housing Development Costs and the Grants Funds to fund program requirements on affordable housing projects (Ordinance)

CBO Analysis

This Ordinance authorizes an interfund loan from the Housing Investment Fund to the Housing Development Costs Fund and Grants Fund for a total not to exceed amount of 3.5 million. Of this amount, \$2,500,000 can be loaned to the Housing Development Costs Fund and \$1,000,000 to the Grants Fund. The loan is needed to fund program requirements on affordable housing projects in the coming months in anticipation of City bond proceeds in FY 2020-21 and grants from the Metro Bond. The fee revenue will not be available as needed to pay for project disbursements.

The Housing Investment Fund contains sufficient resources to provide a temporary loan to allow work to continue on schedule. The bureau states that current revenue projections and financial plans make it unlikely that the bureau will need these funds over the short term. The interfund loan is included in PHB's Adopted FY 2020-21 budget in the amount of \$401,278; the bureau expects to make adjustments to this amount in the Fall Budget Monitoring Process. The interfund loans will accrue interest at the City's Investment Fund earnings rate, payable monthly to the Housing Investment Fund. They are payable upon maturity, which is December 31, 2021 for the \$1.0 million from the Grants Fund and June 30, 2021 for the \$2.5 million from the Housing Costs Fund.

***662** Authorize Intergovernmental Agreement with Metro to receive Bond Proceeds and implement Portland's Local Implementation Strategy to satisfy Metro's Regional Housing Bond goals and requirements

This Ordinance authorizes an Intergovernmental Agreement (IGA) with Metro in order for the City to receive Bond Proceeds and implement Portland's Local Implementation Strategy (LIS) as part of Metro Ballot Measure 26-199. This Ballot Measure authorized Metro to issue \$652.8 million dollars in general obligation bonds to fund 3,900 affordable units or homes in the tri-county metro region. The City of Portland's share of Bond Proceeds is approximately 38% or \$211,056,579, with which it is required to create a least 1,475 units of affordable housing within the City.

The Portland Housing Bureau (PHB) is the representative bureau for the City of Portland as a jurisdiction receiving Bond Proceeds in the form of grants from Metro. This Ordinance creates the mechanism by which Metro will grant administrative funds to PHB on a reimbursement basis to fund affordable housing projects. This funding is reflected in the bureau's FY 2020-21 Adopted Budget. The IGA also describes the parties' obligations with respect to unit production targets and requirements and restrictions of the Bond Measure. The LIS (Exhibit B), outlines how the eligible share of Bond Proceeds for the City of Portland will be expended; the City's focus is on developing or acquiring units to be regulated at 60% Area Median Income (AMI) and below. The expectation is that the City will spend its Bond resources within seven years after the effective date of the IGA.

There are several direct financial impacts to the City associated with this action:

- A portion of the City of Portland's eligible share of Bond Proceeds will be granted to defray the City's administrative costs. This portion is capped at 5% for the entirety of the Bond, but capped at 2.1% for the City of Portland, which totals up to \$4,443,296 to be used by the City for program administrative expenses. The bureau states that in general the costs associated with activities related to this IGA are eligible administrative expenses under the Bond; however, these resources are not likely to be enough to cover administrative costs, which would result in the bureau needing to subsidize administrative costs with other resources. The amount and potential funding sources is currently unknown. For comparison, the 2016 Portland Housing Bond, which authorized a \$258.4 Million general obligation bond to create 1,300 newly affordable homes includes an administrative cap set at 7%.
- As the LIS states, Portland has set a target to create 300 supportive housing units as part of the Metro Bond. The City's ability to reach this goal is contingent upon identifying non-Bond resources for rent support, operations, and services. In May 2020, voters approved Metro Ballot Measure 26-210, an Income and Business Tax measure to fund homeless services. The bureau states that this Measure may serve as a source of rent support for deeply affordable units and supportive housing services, but this is not confirmed. In addition, there is an estimated operating gap equaling 250-300 units of rent supported housing to reach the 30% AMI goal.