

PORTLAND CITY COUNCIL AGENDA
City Hall - 1221 SW Fourth Avenue
WEDNESDAY, 9:30 AM, MARCH 17, 2021

Disposition:

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). Testimony is not taken on communications, reports, second readings, proclamations or presentations in accordance with Code 3.02.040 F. and G. 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.

The deadline to sign up for the March 17, 2021 Council meetings is March 16, 2021 at 4:00 p.m.

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

CONSENT AGENDA – NO DISCUSSION

Mayor Ted Wheeler

Office of Management and Finance

***157** Create a new non-represented classification of Peer Support Specialist and establish a compensation range for this classification (Ordinance)

No direct cost to establish the new classification. Maximum salary for the new classification, which is specific to the Portland Street Response Program, is \$68,682.

Commissioner Jo Ann Hardesty

Bureau of Transportation

158 Authorize a Subrecipient Grant Agreement to Community Cycling Center in the amount of \$20,000 for FY 2020-21 and FY 2021-22 for the Parkrose School District Safe Routes to School program (Ordinance)

This grant is included in PBOT’s budget for the current fiscal year and the Bureau’s FY 21-22 Requested Budget.

REGULAR AGENDA

Mayor Ted Wheeler

Office of Management and Finance

159 Accept bid of \$4,986,018 from Stellar J Corporation for the Powell Butte Reservoir 1 Roof Upgrades Project (Procurement Report - Bid No. 00001567) 15 minutes requested

No fiscal impact. The bureau has budgeted \$5 million in capital outlay expenditures in their FY 2021-22 Requested Budget, the year in which they project this project the majority of project expenses to be incurred.

Commissioner Dan Ryan

Housing Bureau

***160** Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Burnside Apartments located at 11005 E Burnside St (Ordinance) 10 minutes requested

This action would result in estimated foregone property tax revenues to the City totaling \$12,190 over ten years for 4 units affordable at or below 80% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$36,939. The estimated value of the tax exemption for the first year is \$4,011 (all jurisdictions), which equals approximately \$923 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 \$3,400 application activation fee if the application moves forward.

<p>*161 Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for 2231 Pettygrove LLC located at 2231 NW Pettygrove St (Ordinance) 10 minutes requested</p>	<p>This action would result in estimated foregone property tax revenues to the City totaling \$14,990 over ten years for 5 units affordable at or below 80% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$45,424. The estimated value of the tax exemption for the first year is \$4,932 (all jurisdictions), which equals approximately \$908 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 \$4,250 application activation fee if the application moves forward.</p>
<p>*162 Authorize new construction financing not to exceed \$14,926,500 to Rosewood Stark Limited Partnership or a Human Solutions, Inc. affiliate for development of a 93-unit affordable housing project (Ordinance) 20 minutes requested</p>	<p>See below.</p>
<p>*163 Authorize new construction financing not to exceed \$17,037,077 to CCC-Westwind Apartments Limited Partnership or a Central City Concern affiliate for development of a 100-unit affordable housing project (Ordinance) 20 minutes requested</p>	<p>See below.</p>
<p style="text-align: center;">Commissioner Mingus Mapps</p>	

Bureau of Environmental Services

<p>164 Amend contract with HDR Engineering, Inc. for additional support services for the Columbia Boulevard Wastewater Treatment Plant Renewable Natural Gas Facility Project No. E10033 for \$283,039 (Ordinance; amend Contract No. 30003218)</p>	<p>The established cost for the contract amendment is \$283,039 for a total amended contract amount of \$2,028,849. The level of confidence in the estimate high. Funds are available in the BES's FY 2020-21 budget in the Sewer System Operating Fund. This is a revenue generating project. When the RNG Facility is complete and operational in 2021, it is expected to generate revenue in the range of \$3 million to \$8 million a year. The expected simple payback for the project is within 4 to 8 years.</p>
<p><u>WEDNESDAY, 2:00 PM, MARCH 17, 2021</u></p>	
<p>*165 TIME CERTAIN: 2:00 PM – Amend Title 33 Planning and Zoning to facilitate the provision of shelter and housing options for Portlanders in need (Ordinance introduced by Mayor Wheeler and Commissioners Rubio and Ryan; amend Code Title 33) 3 hours requested for items 165-166</p>	<p>See below.</p>
<p>*166 Amend City Code Health and Sanitation, Emergency Code, Public Improvements, Water, Property Maintenance Regulations and Affordable Housing to facilitate the provision of shelter and housing options for Portlanders in need (Ordinance introduced by Mayor Wheeler and Commissioners Rubio and Ryan; amend Code Titles 8, 15, 17, 21, 29, and 30)</p>	<p>See below.</p>

***162** Authorize new construction financing not to exceed \$14,926,500 to Rosewood Stark

Limited Partnership or a Human Solutions, Inc. affiliate for development of a 93-unit affordable housing project (Ordinance) 20 minutes requested

CBO Analysis

This Ordinance approves financing in an amount up to \$14,926,500 using Portland Housing Bond resources from fiscal years 2021-23 to Rosewood Stark Limited Partnership to construct a new 93-unit affordable housing project. 62 units will be affordable to individuals and families earning up to 60% AMI and 31 units will serve households earning up to 30% AMI. 16 units will be permanent supportive housing (PSH) units affordable at the 30% AMI level. The PSH units will receive service subsidies from the Joint Office of Homeless Services (JOHS) and will be subsidized by Federal Project-Based Section 8 vouchers.

The financing amount requested and the cost of PHB delivery of the units, including community outreach, Bond oversight committee costs, construction monitoring, and other related activities is included in the PHB FY 2020-21 Adopted Budget and the bureau five-year forecast. PHB will charge a fee over the life of the project to cover compliance monitoring costs. The Project is applying and qualifies for System Development Charge (SDC) waivers, which collectively total an estimated \$1,539,740 in foregone City revenue.

The proposed City funding leverages more than \$24 million of other public and private financing contributed by Human Solutions, Inc., JP Morgan Chase Bank, Metro, the Oregon Housing and Community Services Department and other funders, and City development incentives in the form of System Development Charge exemptions.

***163** Authorize new construction financing not to exceed \$17,037,077 to CCC-Westwind Apartments Limited Partnership or a Central City Concern affiliate for development of a 100-unit affordable housing project (Ordinance) 20 minutes requested

CBO Analysis

This Ordinance approves financing in an amount up to \$17,037,077 using \$12,662,077 of Portland Housing Bond resources and \$4,375,000 of Multnomah County Sales Proceeds from fiscal years 2020-2022. Resources will allow CCC–Westwind Apartments Limited Partnership, to construct a new 100-unit affordable housing project, including 92 units at 0-30% area median income (AMI), with 70 of these being Permanent Supportive Housing units with Project Based Section 8 voucher rental support, and 8 units restricted to households earning up to 60% AMI.

The financing amount requested and the cost of PHB delivery of the units, including community outreach, Bond oversight committee costs, construction monitoring, and other related activities is included in the PHB FY 2020-21 Adopted Budget and the bureau five-

year forecast. CCC-Westwind is applying and qualifies for System Development Charge and Construction Excise Tax exemption and building permit waivers which are expected to total approximately \$688,773 in foregone City revenue.

The proposed City funding leverages nearly \$16.8 million of other public and private financing contributed by US Bank, Central City Concern, and the Oregon Housing and Community Services Department.

- *165** Amend Title 33 Planning and Zoning to facilitate the provision of shelter and housing options for Portlanders in need

CBO Analysis

This Ordinance amends Portland's Planning and Zoning Code (Title 33) in order to expand shelter and housing options throughout the city. The four most significant code changes are:

- Providing more flexibility for shelter siting,
- Establishing outdoor shelters as a new community service use,
- Liberalizing the group living allowances, and
- Allowing permanent occupancy of recreational vehicles and tiny house on wheels.

There are several other smaller code changes discussed in Exhibit B. These changes do not have a direct financial impact on the City's resources. Although this Ordinance reduces the level of regulation that applies to some types of housing and shelter, it does not create new regulations that would require any new Bureau of Development Services (BDS) or Portland Housing Bureau programs. However, any changes in zoning may impact property values and have eventual impacts on property tax revenue, but this impact is currently unknown.

Since the intent of these changes is to enable an increase in the development of shelters and affordable housing units in Portland, these zoning codes changes could result in an increase in future commitments from the City for development and/or operational costs for shelters and affordable housing developments. However, this potential increase is also currently unknown. This action removes regulatory barriers but does not commit resources for the additional facilities.

Other potential future indirect financial impacts to the City and other stakeholders include:

- **Conditional Use review:** This Ordinance reduces the number of shelters that would require Conditional Use review, which the current zoning code requires for opening a shelter. Application fees for the review range from \$6,000 to \$26,000 and are paid to BDS to facilitate cost recovery of the program. The change will result in less workload and revenues to BDS, and also will result in savings to the Joint City-County Office of Homeless Services and other entities involved in opening new

shelters.

- **Reduction in unsanctioned camping impacts:** the project aims to reduce the number of people camping in unsanctioned locations in the public right of way and other public spaces by making it easier to open sanctioned managed facilities. In the long term, the bureau expects this will help reduce City expenses related to responding to unsanctioned camping impacts, such as those currently funded by PBOT, Parks, and BES, among others.
- **Group Living Classifications:** The project reclassifies Group Living from a Conditional Use to a use that is allowed by right in more zones. Single Room Occupancy (SRO) housing is one type of Group Living use that is sometimes included in affordable housing projects. By removing the Conditional Use requirements, the project will reduce the cost to obtain permits for certain affordable housing projects that incorporate SRO configurations.
- **Household and Group Living Development Fees:** By changing the code definitions of Household and Group Living, the project could impact how some development projects are classified, which could have impacts on fees that apply to those projects, or how Systems Development Charges (SDCs) are assessed. These changes will primarily impact apartment units and houses with a large number of bedrooms. These impacts are expected to be minor because there are a limited number of projects that are configured this way.
- **BDS Staff capacity and Land Use Services Fees:** Changes to the Zoning Code in this ordinance will require BDS to make a small onetime investment in staff time in 2021 to update informational handouts and other public information. This may include new summaries of regulations impacting RV/Tiny House on Wheels, Group Living uses, and Community Service uses. There may be a small decrease in the amount of land use review fees collected by BDS, and a small decrease in the Land Use Services Division workload. However, the bureau expects the effect to be minimal as the number of Conditional Use Reviews for Group Living and shelters has only averaged one or two applications per year.

***166** Amend City Code Health and Sanitation, Emergency Code, Public Improvements,

Water, Property Maintenance Regulations and Affordable Housing to facilitate the provision of shelter and housing options for Portlanders in need

CBO Analysis

This Ordinance is related to Item #165, which adopts the recommended Shelter to Housing Continuum changes to Title 33 – Planning and Zoning. This companion secondary

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ordinance adopts the supporting changes to Portland City Code Titles 8, 15, 17, 21, 29, and 30. Most of the changes made with this second ordinance are technical in nature – primarily to align terminology definitions across various City titles. The largest substantive changes in this second ordinance are the authorizing language in Title 29 related to the occupancy of RVs and tiny houses on wheels, and changes to several City titles to clarify that the City’s System Development Charge (SDC) exemption for shelters will also apply to the new Outdoor Shelter category. The ordinance also clarifies that the bureaus will not charge SDCs for the utility hookups serving individual occupied RVs or tiny houses on wheels.

There are no significant financial or budgetary impacts expected from aligning these definitions; however, the project will require BDS to make a small one-time investment in staff time in 2021 to update informational handouts and other public information describing the Title 29 regulations about RVs and tiny house on wheels. By changing these regulations, the ordinance will also have minor impacts on BDS’s code enforcement staff priorities. The Title 29 changes may also create some additional plumbing and electrical permit applications for the required utility connections.

By clarifying that the City’s SDC exemption for shelters will also apply to the new Outdoor Shelter category, this ordinance could have minor impacts on SDC revenue. This impact is expected to be minimal because this is a new land use category that had not previously been routinely permitted before.