



Multnomah County Oregon

Board of Commissioners & Agenda

connecting citizens with information and services

REVISED

BOARD OF COMMISSIONERS

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MARCH 21 & 23, 2006 BOARD MEETINGS FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:30 a.m. Tuesday Three Board Briefings
Pg 3	9:30 a.m. Thursday Public Comment
Pg 3	9:30 a.m. Thursday SAP Transactions Audit
Pg 3	9:51 a.m. Thursday First Reading Ordinance Amending MCC Chapters 12.200 and 12.230 Relating to Business Income Tax Collection
Pg 4	10:00 a.m. Thursday Resolution Directing Facilities to Present Preliminary Planning Proposal for Site Acquisition as the First Step Towards Constructing a New Facility for the Fourth Judicial District Circuit Court in or near Portland Government Center Area
Pg 4	11:00 a.m. Thursday Resolution Directing Preparation of Alternative Program Offer "Schools Bail-Out Package" for FY 2006-2007

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Tuesday, March 21, 2006 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

BOARD BRIEFINGS

- B-1 **9:30 AM:** Department of County Human Services Related Board Adopted Fiscal Year 2006 Budget Notes. Presented by Iris Bell and Rex Surface. 30 MINUTES REQUESTED.
- B-2 **10:00 AM:** Jail Personnel Costs Audit: Manage Staffing Levels and Absences. Presented by Suzanne Flynn and Invited Others. 30 MINUTES REQUESTED.
- B-3 **10:30 AM:** Martha Washington Building Disposition Recommendation Pursuant to Board Resolution 05-201, Surplus Property Declaration. Presented by Doug Butler and Invited Others. 45 MINUTES REQUESTED.
-

Tuesday, March 21, 2006 - 11:15 AM
(OR IMMEDIATELY FOLLOWING BOARD BRIEFINGS)
Multnomah Building, First Floor Commissioners Conference Room 112
501 SE Hawthorne Boulevard, Portland

EXECUTIVE SESSION

- E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by Agnes Sowle. 15-30 MINUTES REQUESTED.

Thursday, March 23, 2006 - 9:30 AM
Multnomah Building, First Floor Commissioners Boardroom 100
501 SE Hawthorne Boulevard, Portland

REGULAR MEETING

REGULAR AGENDA - 9:30 AM

PUBLIC COMMENT - 9:30 AM

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

AUDITOR'S OFFICE - 9:30 AM

R-1 Multnomah County Audit Presentation on County Payment Transactions: Better Communicate Expectations. Presented by Suzanne Flynn. 15 MINUTES REQUESTED.

DEPARTMENT OF HEALTH - 9:45 AM

R-2 Budget Modification HD-23 Adjusting the Classification of Ten Positions in the Health Department, as Determined by the Class/Com Unit of Central Human Resources

R-3 Budget Modification HD-27 Appropriating \$387,664 from the Homeless Families Grant, and Proposed \$92,000 General Fund Contingency Transfer for the Medical Mobile Van Program

R-4 NOTICE OF INTENT to Submit a Proposal to the Department of Health and Human Services Administration for Children and Families Community Based Abstinence Education Grant Competition

DEPARTMENT OF COUNTY MANAGEMENT - 9:51 AM

R-5 First Reading of a Proposed ORDINANCE Amending Multnomah County Code Chapters 12.200 and 12.230 Relating to Business Income Tax Collection

R-6 Reallocation of Facilities Capital Project Funds FPM-05, Multnomah County Detention Center Jail - Kitchen Floor and Wall Repairs Project

R-7 Reallocation of Facilities Capital Project Funds FPM-06, Multnomah County Wapato Project Close Out

NON-DEPARTMENTAL - 10:00 AM

R-8 RESOLUTION Directing Facilities and Property Management Division to Prepare and Present to the Board a Preliminary Planning Proposal for Site Acquisition as the First Step Towards Constructing a New Facility for the Fourth Judicial District Circuit Court in, or in Proximity to, Downtown Portland's Government Center Area

R-9 RESOLUTION Directing Preparation of Alternative Program Offer "Schools Bail-Out Package" for Fiscal Year 2006-2007



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Lonnie Roberts
Multnomah County Commissioner
District 4



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MEMORANDUM

DATE: March 21, 2006

TO: Chair Diane Linn
Commissioner Maria Rojo de Steffey, District 1
Commissioner Serena Cruz, District 2
Commissioner Lisa Naito, District 3
Board Clerk Deb Bogstad

FROM: Kristen West
Staff Assistant to Commissioner Lonnie Roberts

RE: Notice of Meeting Excuse

Commissioner Roberts is scheduled for a medical procedure and is unable to attend the March 21, 2006 Board Briefings and Executive Session.



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 03/21/06
Agenda Item #: B-1
Est. Start Time: 9:30 AM
Date Submitted: 03/01/06

BUDGET MODIFICATION: -

Agenda Title: **Briefing on Department of County Human Services Related Board Adopted Fiscal Year 2006 Budget Notes**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Date Requested:	<u>March 21, 2006</u>	Time Requested:	<u>30 minutes</u>
Department:	<u>County Human Services</u>	Division:	<u>Director's Office</u>
Contact(s):	<u>Jana McLellan</u>		
Phone:	<u>503 988-3691</u>	Ext.	<u>25390</u>
		I/O Address:	<u>167/1/620</u>
Presenter(s):	<u>Iris Bell, Rex Surface</u>		

General Information

1. What action are you requesting from the Board?

There is no Board action requested. This is only for briefing purposes to update all seven DCHS FY 2006 Budget Notes.

2. Please provide sufficient background information for the Board and the public to understand this issue.

In a Budget Note to the FY 2006 Adopted Budget, the Board directed the Department of County Human Services (DCHS) to review seven different budget notes. This briefing is to update the Board as to the status of each of those seven budget notes, and receive any further clarification on this assignment. The analysis prepared for this review will be presented and discussed at the briefing.

To date, four of these budget notes are already completed and were presented to the Board over the last few months. These four completed budget notes include:

Alignment of Gang Programs;

Prioritizing Use of Resources for Senior Services;
Domestic Violence;
Project Respond.

The three budget notes that will be presented in detail at this briefing include:

Cultural Competency;
Synthetic Opiate Program Sunset;
Children's Mental Health HeadStart.

3. Explain the fiscal impact (current year and ongoing).

There is no immediate fiscal impact from this briefing. No Board action is being requested at this time.

4. Explain any legal and/or policy issues involved.

None.

5. Explain any citizen and/or other government participation that has or will take place.

There was much citizen involvement specifically addressing the Department's work around Budget Note #5, Cultural Competency. Many key providers of culturally specific mental health providers were invited to discuss their concerns and opportunities for solutions to address the lack of mental health services for underrepresented communities. Findings of these meetings as well as recommended solutions that the Department and County can support will be presented during this briefing.

Required Signatures

Department/
Agency Director:

Pat Surface

Date: 03/01/06

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

Attachment D

FY 2006 Budget Notes

Joint Budgeting with Other Local Jurisdictions

Safety is a top priority to citizens throughout the county. Currently both Multnomah County, the City of Portland and other jurisdictions within the county commit substantial portions of their budgets to safety – and none has enough to do all that it wants.

Given the complementary nature of the safety activities in these jurisdictions, they could deliver even more results for the money available IF they worked together and used their combined resources to buy safety results. Doing so would mean:

- Agreeing on the results, indicators of success, and the factors that contribute most to delivering safety to citizens. (Multnomah has a first draft of this work complete as a result of its 2005-06 budget process.)
- Agreeing on the strategies (i.e. frameworks or overall approaches, not programs) they would together choose that would most effectively deliver safety.
- Obtaining program offers from both city and county departments to deliver a specific result at a specific price within a specific time.
- Ranking those program offers based on their relative effectiveness per dollar in achieving safety.
- Developing new or revised programs even more effective at achieving safety.
- Choosing an order for funding to guide final budget decisions.

The goal of this process will be to successfully deliver safety results to citizens throughout the county with the reduced resources expected to be available in 2007 and beyond. The Board directs that \$50,000 be earmarked in Contingency to help support this process.

City of Portland Jail Beds

The City of Portland has purchased a one-time allocation to increase jail capacity for their local offenders. Within legal constraints, the City has the right to determine how that capacity will best fit their needs and objectives. The allocation will increase local capacity in the jail system by 57 beds. The Sheriff's Office shall track and report the utilization rate and profile the offenders using this additional capacity. The City Council, the Local Public Safety Coordinating Council, and the Board of Commissioners—through regular Board meetings—and will receive regular quarterly reports of the utilization of this resource.

Use of ITAX Sunset Reserves

The Board has set-aside approximately \$10 million in contingency of one-time-only funds to manage the reductions as a result of the sunset of ITAX. The Board had indicated their willingness to review proposed programs or projects to invest in FY 2006 projects that will reduce the cost of future County operations significantly greater than these original investments. In addition to FY 2007 savings, projects selected must also maintain or improve

Attachment D FY 2006 Budget Notes

service to County customers or end users served.

Cultural Competency

Multnomah County currently provides \$1 million to provide Mental Health services to specific ethnic, cultural, and underrepresented communities and the County will issue an RFP to distribute these resources. The Board of County Commissioners seeks to strengthen the County's commitment to culturally competent service delivery. Culturally competent services should be integral elements in the framework of service delivery to ethnic, cultural and underrepresented communities County-wide, by contractors and employees alike. The Board seeks to ensure there is performance based contracting processes and procedures regarding those resources and services.

Staff shall review how the resources are being directed in terms of the clientele we are to serve and are those services best delivered directly by the County, community based providers, a larger not-for-profit organization, or a combination of all three. The Board is concerned by changing demographics and wants to ensure that people served by the County reflect the entire community.

With regard to mental health contracts specifically, staff shall review the level of funding and services reaching the communities that the Board has determined are underrepresented in the mental health system. Funds will be reallocated where services are determined to be deficient ON AN ONGOING BASIS.

The Department of County Management shall report back to the Board about current status and proposed policy direction for planned improvements no later than January 31, 2006.

Reporting on Internal Services, Central Procurement & Contracting, Countywide Administration

In light of the departmental restructuring and reductions the County faces in FY 2007, The Board directs the Chief Financial Officer by September 30, 2005 to:

- Report to the Board on the status of Central Procurement and Contracting Administration (CPCA) as it relates to the morale of CPCA staff, knowledge and skill level of staff, status of unexecuted contracts and other issues that may come up.
- Report to the Board on Internal Services as it relates to service level agreements with departments, cost saving plans/recommendations for information technology, facilities, FREDS and Risk Management. In addition a report will be made on the revised service and delivery methods for human resources and financial operations.
- Provide a detailed schedule and analysis of administrative costs within the departmental budgets. The analysis will compare each department and will include: the Directors, Deputy Director, finance/business/budget staff, hr staff, evaluation staff and other

Attachment D

FY 2006 Budget Notes

appropriate staff. The CFO is to work with the departments to ensure that all staff are included.

Performance Contracting

The County wants to be able to evaluate the effectiveness of programs and contractors. To accomplish this the Board is asking the Department of County Management to lead the efforts to develop language to ensure that performance outcomes and measures are included in County contracts that will indicate progress being made on the marquee indicators of the six priority areas. The outcomes and measures will be used in evaluating programs and contractors. The process will begin with a review of mental health contracts, paying specific attention to a contractor's performance in adequately serving all demographic groups.

Flash Money

The County understands that, on occasion, the use of large sums of money known as "flash money" is a necessary element to the successful investigation of drug, property, and other types of crimes by the Sheriff's Office. In order to further an investigation, the use of flash money is an important tool to the infiltration of the criminal enterprise and in gaining the acceptance and confidence of an alleged criminal. The County also understands that there is a risk of loss when flash money is used during these types of investigations. The County acknowledges the sum of \$100,000 as an acceptable risk when using flash money in a criminal investigation.

Alignment of Gang Programs

The Board directs staff from DCJ, OSCP, DCHS to work together to improve and coordinate the County's gang intervention and prevention programs throughout the County. The interdepartmental group will align gang services, coordinate target populations and what define what results are expected from the programs. The group will provide a report to the Board by October, 2005.

Synthetic Opiate Program Sunset

The Board directs County Human Services and the Department of Community Justice to provide the Board with a plan to reduce the utilization of clients receiving methadone and direct remaining resource methadone from for-profit agencies to not-for-profit agencies. Of the \$400,000 budgeted for this program, the Board directs that \$150,000 placed contingency until the Board has an opportunity to review the plan proposed by the departments. It is the Boards intent that this program be phased out over the course of FY 2006.

Funding Flexibility for Medium & High Risk Offenders

Anticipated reductions to the county's percentage of State DOC funding would eliminate services for high risk offenders. DCJ's program offers for medium risk offenders could fund those services and supervision to ensure that public safety is continued for the most dangerous offenders. In the event the State cuts come to pass, DCJ is directed to provide a revised plan for this program,

Attachment D

FY 2006 Budget Notes

for review and approval by the Board.

Prioritizing use of Resources for Senior Services

The State budget has eliminated a portion of the funding for Mental Health Older & Disabled Services. It is unclear whether or not that State cut will be restored by the end of the legislative session. The Board is requesting that Aging staff develop a proposal for the Board's consideration regarding prioritizing resources for senior services (long term care and mental health multidisciplinary team) and the best use of use of those resources.

Children's Mental Health HeadStart

The Board requests clarification on the general fund and state funding sources for Children's Mental Health and Headstart program. The \$200,000 proposed reduction to this program, is merely a placeholder until County Human Services can provide clarification regarding how to maximize State Medicaid reimbursement dollars. It is the intent of the Board to fully fund the program offer up to the \$900,000 or an equivalent service level. \$200,000 will be earmarked in contingency pending the results of DCHS analysis, report, recommendation and ultimate Board action.

Domestic Violence

Domestic Violence services are vitally important to the welfare of our community. To this end, the Board will purchase 3 program offers related to domestic violence services. These are:

- Program Offer #25082A—General DV Services
- Program Offer #25082B—Centralized DV Access Line
- Program Offer #25083B—HUD DV Housing

It is the Board's intent that the Department of County Human Services (DCHS) will provide domestic violence services at current service levels and serve culturally specific populations. To that end, the Board will propose an amendment to provide \$100,000 of funding for Program Offer #25083A—Culturally Specific DV. This amount will increase the total funding for domestic violence services over the total FY 2005 amount, and will enable the department to maintain its current level of effort in this critical service area. DCHS will report back on the performance measures and results for these four program offers regularly throughout FY 2006.

City of Portland Jail Beds – A&D Treatment Support

The City of Portland has purchased a one-time allocation to increase jail capacity for their local offenders. Within legal constraints, the City has the right to determine how that capacity will best fit their needs and objectives. The allocation will increase local capacity in the jail system by 57 beds. The Sheriff's Office shall track and report the utilization rate and profile the offenders using this additional capacity. The City Council, the Local Public Safety Coordinating Council, and the Board of Commissioners—through regular Board meetings—and will receive regular quarterly reports of the utilization of this resource.

Attachment D

FY 2006 Budget Notes

Of the City's \$1.8 million public safety contribution, \$1.3 million will be allocated to open a dorm at Inverness (57 beds), \$500,000 will be used to match the \$2 million contribution by the County to maintain a total of 68 alcohol and drug treatment beds that would have closed due to State budget cuts.

County Management & Sheriff's Office Internal Service Taskforce

The Department of County Management, the Sheriff's office, staff from the Board of County Commissioners and mutually agreed-upon citizen representatives will form a task force to review internal service costs in the Sheriff's budget. This proposal is in addition to the budget note entitled, "Reporting on Internal Services, Central Procurement & Contracting, Countywide Administration," that will be looking at these issues across the County.

The goal of the County-Sheriff's Office Internal Service Task Force will be to find \$6 million of general fund savings through elimination of duplication and inefficiencies in internal services. The task force will maximize value for County taxpayers by seeking the best solutions countywide. Task force recommendations may include a combination of the County and/or the Sheriff's office continuing to provide his internal services.

If at least \$2.6 million of general fund savings is identified by Dec. 31st, then \$600,000 of those savings will be appropriated to open two dorms at Inverness Jail for three months (April – June 2006). Remaining savings may be used to offset public safety cuts for FY 2007. This entire proposal is contingent on the closure of Close Street Supervision for FY 2006. It is the intent of the Board to provide transition funding to the Sheriff's Office for a period of no more than two months to ramp down Close Street Supervision. The Budget Office will bring a budget modification to implement this action.

Project Respond

The Board values the work of Project Respond, a mental health outreach program operated by Cascadia Behavioral Healthcare. Project Respond's community outreach teams maintain an important link between our community's public safety and mental health service systems, responding to more than 2,200 crisis calls annually in downtown Portland and the surrounding areas. In years past, the County has provided some funding to Project Respond through the Portland Business Alliance. For FY 2006, the County will seek to provide its funding for this service directly to Cascadia Behavioral Healthcare. The Budget Office is directed to work with the County Attorney to determine the feasibility of this alternative, and to report back to the Board no later than August 31, 2005.

**DEPARTMENT OF
COUNTY HUMAN SERVICES**

Response to

FY2006 BUDGET NOTES

Prepared for Board briefing on March 21, 2006

Budget note #5 Cultural Competency
UPDATE INCLUDED

Budget note #4 Alignment of Gang Programs
COMPLETED

Budget note #8 Synthetic Opiate Program Sunset
UPDATE INCLUDED

Budget note #10 Prioritizing use of Resources for Seniors
COMPLETED

Budget note #9 Children's Mental Health Head Start
UPDATE INCLUDED

Budget note #11 Domestic Violence
COMPLETED

In the FY 2006 Adopted Budget, the Board directed the Department of County Human Services (DCHS) to review six different budget notes. To date, three of these budget notes are completed and were presented to the Board over the last few months. These completed budget notes include:

Alignment of Gang Programs;
Prioritizing Use of Resources for Senior Services;
Domestic Violence.

The three budget notes still awaiting update with the Board are:

Cultural Competency;
Synthetic Opiate Program Sunset;
Children's Mental Health Head Start.

The following report highlights the specific Board directive for each budget note and the work that has been completed to date. Any remaining questions and policy direction will result from the March 2006 briefing to the Board of County Commissioners. The first section of each write-up includes the *actual* budget note from the adopted budget followed by analysis and response.

BUD NOTE #5-DCHS Cultural Competency

Multnomah County currently allocates \$1 million to provide Mental Health services to specific ethnic, cultural, and underrepresented communities. For FY 2006, the County will issue a Request for Proposals (RFP) to distribute these resources. The Board of County Commissioners seeks to strengthen the County's commitment to culturally competent service delivery. Culturally competent services should be integral elements in the framework of service delivery to ethnic, cultural and underrepresented communities countywide by contractors and employees alike. The Board seeks to ensure performance based contracting processes and procedures regarding those resources and services.

Staff shall review how the resources are being directed in terms of the clientele we are to serve and how those services might best be delivered: directly by the County; by community based providers; by a larger not-for-profit organization; or by a combination of all three. The Board is concerned with the County's changing demographics and wants to ensure that all people are equally served by available County services.

With regard to mental health contracts, staff shall review the level of funding and services reaching the communities that the Board has determined are under-served in the mental health system. Where services are found to be deficient, funds will be reallocated on an ongoing basis.

The Department of County Management shall report back to the Board about current status and proposed policy direction for planned improvements no later than January 31, 2006.

REQUESTED INFORMATION:

The information that follows is the targeted work from the Committee in addressing this budget note. The Committee included Terry Naito, Andy Smith, and Iris Bell, who convened a group of DCHS staff, representing both the Director's Office and the Mental Health Division to work on this assignment.

“Ensure performance based contracting process and procedures are developed”

All mental health provider contracts are now required to include performance base contracting. The most recent RFP's and contract awards include this key element within their contracts. Programmatic and financial compliance are maintained by the Division's staff to continuously monitor and refine these outcome measures. Outcome measures are included in the FY07 program offers and monitored by the Quality Management team.

“Staff will review how the resources are being directed in terms of how to best deliver the services”

A culturally competent mental health system incorporates a culturally diverse mix of clinicians and skills to provide culturally relevant care to multiple groups, inclusive mindsets, and policies to ensure that it is effectively addressing access to treatment and psychosocial needs of consumers and families with backgrounds that vary by ethnicity, race, religion, and/or language along with diverse values, beliefs, and sexual orientations. Stated briefly, cultural competency can also be defined as the extent to which programs provide effective access and services to members of various cultural backgrounds.

Multnomah County has been working towards continuously improving the access to culturally competent and culturally relevant mental health services to the County's African American and African Immigrant, Asian/Pacific Islander, Latino, Native American/Alaska Native, and White/Eastern European residents in various ways. Specific areas include:

1. Managed care and state funded service contracts with all community mental health providers require an agency specific cultural competency plan aimed at increasing access and improving treatment for Multnomah County's culturally diverse population groups;
2. Mental Health and Addiction Services Division contractors must submit monthly practitioner reports that identify individuals in each agency that are competent to serve different population and language groups.

The Multnomah County Board of Commissioners authorized county general fund dollars (FY06) to contract with culturally specific mental health programs (program offer #25101A) in order to:

1. Fund outreach activities to individuals that are less likely to seek mental health services due to their cultural backgrounds;
2. Fund personnel and other program infrastructure costs when the volume of individuals served is insufficient to generate enough revenue to maintain the services;
3. Fund services for specific cultural groups that are likely to access higher levels of care, and;
4. Fund services that are culturally relevant specific to each community.

In addition, this report is in response to the communities that wrote letters to County Chair Diane Linn requesting continued funding and additional resources from the Multnomah County Human Services Department to continue ongoing culturally relevant services and establish an infrastructure for capacity building, and sustainability. In the fall and early winter, meetings were convened with NARA, Asian Health and Service Center, Network of Culturally Specific Coalitions (African and Slavic), and the African American Mental Health Commission to discuss the needs and barriers that each community of color faces regarding mental health services.

In conjunction with these meetings with the above-mentioned providers and community groups, data was collected to identify which groups are underserved and which groups access higher levels of care

and have a higher prevalence of severe mental illness. In addition to sustaining current services and infrastructure, funding should be used to help build infrastructure where currently there is none.

Analysis

The following chart reviews the ethnic and cultural utilization of mental health treatment services. The data is gathered from the Client Process Monitoring System (CPMS) data. CPMS is required for anyone who receives any amount of Mental Health service covered by public funds. Public funds include Medicaid, Oregon Health Plan, Medicare, state, federal, county, and grants.

ACCESS TO MENTAL HEALTH TREATMENT

Current racial/ethnicity demographics and treatment episodes within Multnomah County mental health system.

Population Group	2004 U.S Census/American Community Survey	CPMS Treatment Episodes	Treatment Episode Rate Per 1000 Census	Unduplicated Individuals Served	Rate Unduplicated Individuals Served Per 1000
African American	44,360	2,502	56.4	1,589	35.8
Asian	41,713	535	12.8	283	6.8
Eastern European	28,566	NA	NA	NA	NA
Latino	61,249	967	15.8	688	11.2
Native American	16,505	1,817	110.1	1,278	77.4
White	463,054	15,770	34.1	9,307	20.1

Asian and Latino residents are the most underserved groups. CPMS data does not capture African or Slavic populations. Their populations are grouped into either African American or White.

HIGHER LEVELS OF NEED				<p>African Americans are placed on Emergency Holds five times more frequently than Asians and Latinos.</p> <p>Native Americans are placed on Emergency Holds two times more frequently than Asians and Latinos</p> <p>African Americans are three times more likely than Latinos and five times more likely than Asians to have a severe mental illness.</p> <p>Native Americans are six times more likely than Latinos and eleven times more likely than Asians to have a severe mental illness.</p>
Population Group	2004 Census	Emergency-holds	NMI Rate Per Thousand*	
African American	44,360	316	7.1	
Asian	41,713	55	1.3	
Eastern European	28,566	NA	NA	
Latino	61,249	99	1.6	
Native American	16,505	53	3.2	
White	463,054	2,702	5.8	
Population Group	2004 Census	Unduplicated Individuals with SMI and Priority Two Needs**	Rate Per Thousand with SMI and Priority Two Needs	
African American	44,360	815	18.4	
Asian	41,713	144	3.5	
Eastern European	28,566	NA	NA	
Latino	61,249	390	6.4	
Native American	16,505	640	38.8	
White	463,054	2,541	5.5	

*Notice of Mental Illness; **Seriously Mentally Ill

The previous tables clearly show a need to fund mental health services in each of these communities for different reasons. The Asian and Latino communities underutilize services based on cultural beliefs concerning mental illness, or not meeting eligibility criteria for the Oregon Health Plan (financial, geographic, and clinical).

Additionally, the African American and Native American communities utilize more outpatient services, and these two communities exhibit a higher prevalence of severe mental illness and a need for higher levels of care.

“Review level of funding and services for under-served”

Currently, over \$1m of county general fund dollars is contracted to agencies for culturally competent mental health treatment services. These contracts specifically target the under-served populations of African-American, Asian, Native American, Latino and Slavic immigrants.

The current budget note directs the Department to review its current contracts providing culturally competent services. The Committee met with representatives from the various cultural communities and repeatedly heard a need for enhanced services to these populations. The theme of developing infrastructure to support the Department’s commitment of providing culturally competent services was repeated in every discussion. Upon investigation of possible funding, the Department was able to identify \$1.9m of unspent state monies from a prior fiscal year. The Department has identified funds that potentially can be reallocated through a RFP process to meet these needs.

Conclusion

This budget note directed the department to review current services and funding levels to the under-served populations receiving culturally competent mental health services within the County. If the Board desires, the Department will return with Budget Modifications for Board review to reallocate these funds.

BUD NOTE #8-DCHS

Synthetic Opiate Program Sunset

The Board directs the departments of County Human Services (DCHS) and the Department of Community Justice (DCJ) to provide the Board with a plan to reduce the number of clients receiving methadone and directs the remaining resource for methadone from for-profit agencies to not-for-profit agencies. Of the \$400,000 budgeted for this program, the Board directs that \$150,000 be placed in contingency until the Board has an opportunity to review the plan proposed by the departments. It is the Board's intent that this program is phased out over the course of FY 2006.

History:

In FY 06, program offer #25039 was purchased which gave \$250,000 CGF and \$362,063 (State Mental Health) to the methadone program for the twelve-month period. Through this budget note, it was directed that DCHS Alcohol and Drug staff would work with DCJ staff to investigate the options for phasing out the CGF funded element of this program by the end of FY 06. To that end, \$150,000 was placed in contingency funds awaiting such analysis.

Analysis of budget note:

Representatives from both DCHS and DCJ met in the fall with Commissioners Cruz and Naito and their staff. Commissioner Naito began the meeting by explaining her intent within the budget note in directing resources from a for-profit organization to a not-for-profit organization. She stated that in her research she had learned that this was not a viable option and she no longer was interested in pursuing it as such.

Further discussion illustrated the joint departments' plan for the reduction in all CGF funds by the end of FY 06. Simply put, if there are no CGF treatment dollars there will be no CGF funded service slots available. There are two providers who participate in the synthetic opiate program and the reduction would be shared equally across both providers. County staff communicated directly with the providers to oversee who were removed from the slots, offered other appropriate options to these clients, and provided follow-up with the providers in supporting these efforts.

This program offer purchased 120 slots for clients, an equal division of 60 slots to both CODA and Allied Health. Of the 60 slots at each location, half of the slots were CGF dollars and half were state funded. There are specific examples of how these slots were reduced in accordance with the reduction of all CGF dollars by June of 2006. There was an extensive chart review of all clients and it was determined that some of the clients were now able to self-pay for their methadone and their treatment model assumed that change. Some clients decided on their own to move to a self pay model when they realized their treatment resource would be cut at the end of the fiscal year. Other clients were offered a significantly longer detoxification process, three to six months, than is standard. The Division believed that where this was clinically appropriate, it allowed for individuals to fully acclimate off of the methadone and supported the client's efforts to this end.

For FY07, there are no CGF dollars requested in program offer #25080, which includes the methadone treatment program. Only State dollars are requested which will support 60 slots for this service element.

Recommendation:

The DHCS ask for approval to forward budget modification #15, which will release \$150,000 in contingency funds from CGF to complete the service commitments for FY 06.

BUDGET NOTE #9-DCHS
Children's Mental Health Head Start

The Board requests clarification on the general fund and state funding sources for the Children's Mental Health and Head Start program. The \$200,000 proposed reduction to this program is merely a placeholder until the County Human Services Department (DCHS) can provide clarification on methods of maximizing State Medicaid reimbursement dollars. It is the intent of the Board to fully fund the program offer up to \$900,000 or an equivalent service level. \$200,000 will be earmarked in contingency pending the results of DCHS analysis, report, recommendation, and ultimate Board action.

History:

In FY 06, program offer #25075 (A and B) was purchased. It was the Board's intention to fully fund the program offer up to \$900,000 or an equivalent service level. Of that total, \$200,000 was earmarked in contingency, pending the results of DCHS analysis, report, recommendation, and ultimate Board action.

Analysis of budget note:

In July 2005, Division representatives from the Children's System of Care and a representative from Lisa Naito's office convened a meeting with the Head Start and Early Childhood Directors. The purpose of the meeting was to negotiate a possible increase in their contribution to the revenue contract. Given their budgetary realities, which included recent State and Federal funding reductions, they could not agree to an increase at this time despite their value for the services our mental health consultants provide. The Division looked to other sources of funding and was able to generate a \$5,000 contribution from both the Commission on Children, Families, and Community (CCFC) and the Health Department.

In addition to these agreements, the Division also looked into increasing the FQHC billings. The adopted budget required the Division to commit \$78,436 in yet-to-be realized FQHC billings, but was there a way to realize more FQHC dollars? Internal programmatic changes to best leverage Medicaid dollars have resulted in projected revenue in excess of the \$78,436 required within the adopted budget.

Medical records and clinical documentation have been streamlined to meet Medicaid standards. The Division has been in ongoing discussion with the State FQHC/RHC Program Manager and the State approved the request for inclusion of previously non-reimbursable billing codes. This recent billing code inclusion is projected to significantly increase the rate of encountered reimbursable services. With the billing lag time of three months or more, the data does not reflect real time analysis. It is currently approximated that half of the CGF contingency funds (\$100,000) will be needed to cover the shortfall of revenue compared to total program expenses.

The following table outlines the above discussion:

FY06 approved budget for Head Start	\$900,000
Contingency dollars pending budget note response	\$200,000

FQHC revenue generated from previously non-reimbursable services (i.e. diagnosis, medication management, therapy) Jul-Dec 05 (FY06)	\$ 87,325
Adopted budget FQHC appropriation required	(\$78,436)
Projected FQHC Jan – Jun 06 (FY06)-additional billings	\$87,325
Health Department commitment	\$ 5,000
Commission on Children and Families commitment	\$ 5,000
TOTAL NON-CGF PROJECTED REVENUE earned for FY06	\$106,214
Request for CGF contingency dollars	\$100,000

Recommendation:

The DCHS asks for the approval to forward the budget modification on Children's Mental Health Head Start, requesting the release of \$100,000 in contingency funds from CGF to complete service commitments for FY06. All FQHC generated revenues and contributions from other County entities will be refunded to Central Accounting Office if final reconciliation of these dollars is in excess of the required amount for full program utilization. Monthly updates of the financial status will be provided to Central Finance until all dollars are reconciled.



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 03/21/06
Agenda Item #: B-2
Est. Start Time: 10:00 AM
Date Submitted: 03/08/06

BUDGET MODIFICATION:

Agenda Title: **Jail Personnel Costs: Manage Staffing Levels and Absences**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Date Requested:	<u>March 21, 2006</u>	Time Requested:	<u>45 minutes</u>
Department:	<u>Non-Departmental</u>	Division:	<u>Auditor - Suzanne Flynn</u>
Contact(s):	<u>Judy Rosenberger</u>		
Phone:	<u>503 988-3320</u>	Ext.	<u>83320</u>
		I/O Address:	<u>503/601</u>
Presenter(s):	<u>Suzanne Flynn</u>		

General Information

1. **What action are you requesting from the Board?**
Board Briefing
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
The Auditor's Office analyzed total personnel costs in the jails from the period FY03 to FY05. We found personnel costs had increased due to overtime. The increases in overtime were largely due to under staffing.
3. **Explain the fiscal impact (current year and ongoing).**
4. **Explain any legal and/or policy issues involved.**
5. **Explain any citizen and/or other government participation that has or will take place.**

Required Signatures

**Department/
Agency Director:**

Date: 03/08/06



Budget Analyst:

Date:

Department HR:

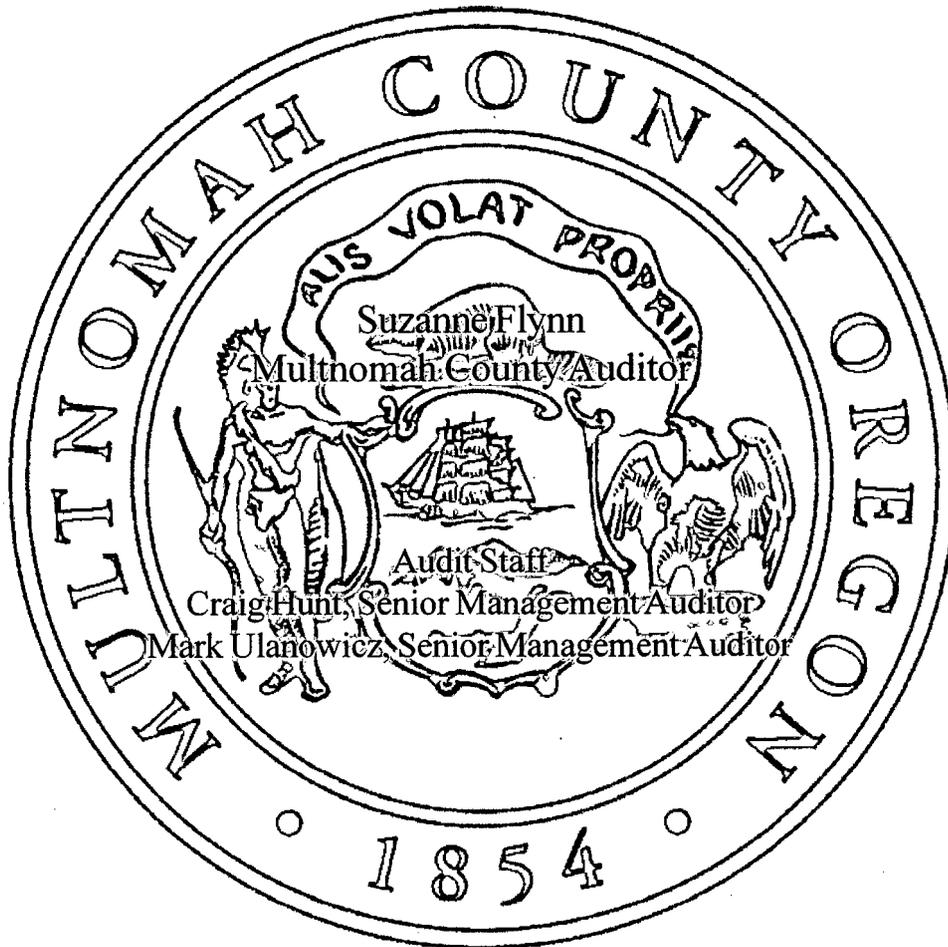
Date:

Countywide HR:

Date:

Jail Personnel Costs

Manage staffing levels and absences
March 2006





Suzanne Flynn, Auditor
Multnomah County

501 SE Hawthorne, Room 601

Portland, Oregon 97214

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MEMORANDUM

Date: March 9, 2006

To: Diane Linn, Multnomah County Chair
Maria Rojo de Steffey, Commissioner, District 1
Serena Cruz, Commissioner, District 2
Lisa Naito, Commissioner, District 3
Lonnie Roberts, Commissioner, District 4

From: Suzanne Flynn, Multnomah County Auditor

Subject: Jail Personnel Costs Audit

The attached report covers our audit of the Sheriff's Office management of jail staffing and personnel costs. This audit was included in our FY05-06 Audit Schedule.

It appears from our analysis that there were several contributing factors to the significant increase in overtime. The decision by the Sheriff's Office to reduce staffing to meet budget constraints resulted in higher levels of overtime and higher total personnel costs. Determining the optimal staffing level for a jail is not an easy task, but, it is possible to improve staffing and management decisions by better utilizing data. The Sheriff's Office would have been better positioned to respond to budget constraints if it had gathered and analyzed available staffing, absence and workload data.

We have discussed our findings and recommendations with the management team at the Sheriff's Office. A formal follow-up to this audit will be scheduled within 1-2 years.

We would like to acknowledge and thank the management and staff in the Multnomah County Sheriff's Office for the cooperation and assistance extended to us.

Table of Contents

Summary	1
Background	3
Results	6
Jails were understaffed in prior years	6
Understaffing, combined with absences led to higher personnel costs	6
Absence rate has increased	8
Absences need to be better managed	9
Higher levels of overtime hindered absence management	10
Follow-up on 1994 audit	11
Recommendations	12
Responses to the Audit	13
Bernie Giusto, Multnomah County Sheriff	14

Summary

Recently, there has been considerable study and discussion about the use of overtime in the Multnomah County Sheriff's Office (MCSO) jail operations. The Corrections Grand Jury in 2004 urged the Auditor's Office to conduct an audit after reviewing jail overtime and again in 2005 spent considerable time analyzing the use of overtime. The previous sheriff also was asked by County Commissioner Naito to review jail operations and the use of overtime. In July, 2005, this office began an audit with the goal of offering objective and independent analysis to assist in this policy discussion.

Determining the level of staffing needed for a jail is challenging because jail facilities must operate 24 hours a day, 365 days a year. Based upon our independent analysis of workload and historical absence rates, and our review of current MCSO staffing, it appears that MCSO jails were understaffed in FY04 and FY05. However, since FY05, a number of program and facility closures occurred that may mean staffing is at a more appropriate level. Prior to making any future staffing decisions, the MCSO should further study current staffing levels and gain a better understanding of staffing needs in light of these changes.

Like other County programs, the MCSO responded to budgetary pressure by reducing jail staff and trimming the associated workload. The number of corrections officers working in the jails declined 13% and the number of jail beds was reduced by 18% from FY02 to FY05. Reducing staffing and a commensurate level of workload should have allowed the MCSO to control its level of overtime spending and reduce total personnel costs.

However, it does not appear that workload was reduced sufficiently to decrease total personnel costs. We found that the MCSO paid about the same amount in personnel costs in FY03, as it did in FY05, but received less work for this money. We estimate that the MCSO would have had to pay about \$1.08 million more in FY05 to get the same amount of work it got in FY03.

Typically, managers of jail operations can control personnel costs to some extent by managing absences. When the absence rate increases, it is necessary to hire more staff or incur overtime. We reviewed historical absence patterns of jail staff to determine if the MCSO could have compensated for understaffing more effectively by managing staff absences.

We found that total absences per jail staff FTE increased by 6% from FY03 to FY04 and by 7% from FY04 to FY05. The single largest contributor to this increase has been the rapid growth in comp time – time taken in lieu of overtime pay. Comp time grew more than 51% in FY04 and another 44% in FY05. Approximately 25% of corrections officers working in the jails were absent more than 11 weeks (the annual absence rate) in FY05. While most likely this was

allowed under the bargaining unit agreement, the high number of absences requires a significant effort to manage.

Having a very large amount of overtime in the system significantly blunts the effectiveness of absence management tools. For example, one way to minimize the amount of overtime needed to cover for staff members who take vacation is to manage the vacation schedule and shift vacation use to lower demanded times. But this is not possible if almost every day a shift is staffed with the use of overtime.

We followed up on our previous audit of overtime completed in 1994 and found that some of the recommendations had not been implemented. The MCSO has not successfully collected or monitored staffing, absence or workload data in the interim. We did find a study of all corrections facilities posts had been completed in 1997.

The audit recommends that the MCSO dedicate resources to maintain on-going analysis of staffing trends, conduct a study of staffing needs, and set a performance measure target for overtime in agreement with the Board of County Commissioners. We also recommend that the County Human Resources Division give more thought to personnel decisions that can significantly effect a 24/7 operation and plan for future contract negotiations that will assist the MCSO in better managing jail staffing.

Background

Multnomah County jails are administered by the Multnomah County Sheriff's Office (MCSO) Corrections Division. From FY02 to FY05, there were four operable jails: one in the Multnomah County Courthouse, the downtown Justice Center, and two jails on the east side of the County – the Inverness Jail and correctional facility in Troutdale. The Courthouse Jail was closed in FY04 and Wapato Jail in north Portland has not yet opened for operation. Corrections operations also included a Booking/Release Center, Classification Unit, Work Crews, the Work Release Center, Courthouse Services, and Inmate Transport.

Sheriff's Office
Organizational Chart

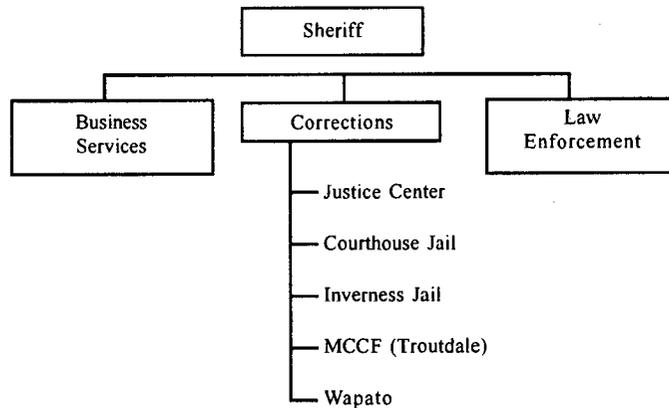


Exhibit 1

When adjusted for inflation, total MCSO spending decreased by 3% since FY01 – from \$100.4 million to \$97.2 million. In contrast, spending for Corrections Facilities has increased 6% or \$3.4 million in the same time period. The Executive Office and Enforcement Division had the largest decreases in the last five years.

MCSO
Spending FY01 to FY05
(adjusted for inflation)

	FY01	FY02	FY03	FY04	FY05	Change
Exec Office	\$6,610,313	\$5,558,722	\$4,045,698	\$3,485,559	\$3,376,441	-49%
Programs	\$15,690,080	\$15,698,103	\$17,284,060	\$16,187,389	\$17,338,168	11%
Facilities	\$60,451,324	\$58,881,069	\$57,019,838	\$59,927,429	\$63,823,715	6%
Enforcement	\$17,684,916	\$17,103,486	\$13,717,020	\$13,767,523	\$12,624,577	-29%
TOTAL	\$100,436,633	\$97,241,380	\$92,066,616	\$93,367,900	\$97,162,901	-3%

Exhibit 2

In FY05, Corrections Facilities expenditures were \$63.8 million – two-thirds of the total MCSO spending. The primary expenditure category for jails was personnel at 82% of the total. In FY05, \$52.1 million was spent on Corrections Facilities personnel costs, an increase of 12% from FY01.

Most corrections officers are assigned to a particular location or “post” such as a jail dorm. Most posts are fixed and are the same each day of the week while some posts vary by the time of day or week. For example, it is always necessary for an officer to be present at a facility control station, but it is only necessary to have officers available to escort inmates to meetings with attorneys on weekdays. Staff can also perform unanticipated “non-post” work, such as supervising an inmate in a hospital. The amount of non-post work that is necessary on any day is very difficult to predict.

MCSO management has worked with corrections consultants to determine how many fixed posts are necessary for a given facility. These managers also use historical information to estimate the need for staff to fill non-post activities and to account for absences. All of these factors contribute to the decision of how many officers to assign to each shift at each facility.

Scope and Methodology

The objectives of the audit were to assess:

- Whether the Sheriff's Office was efficiently staffing its jails to minimize total personnel costs
- What factors, such as staffing levels, absence rates, training, and comp time, or change in workload contributed to increased levels of overtime
- Whether sufficient data were available and used to effectively manage corrections staffing

The scope of our work included all corrections officers and sergeants. We did not include lieutenants or captains in our study. In some analysis, we limited our scope to corrections officers and corrections sergeants assigned to work in jail facilities including Booking and Release and the courts. Jail facilities include the Booking and Release function and courts because they backfill one another for each shift when there is a shortage of staff to work. When analyzing the jails, we did not include other work units such as Classification, Transport, Work Crew, Close Street Supervision, and administrative positions because they do not backfill jails.

We obtained SAP daily payroll information for FY03 through FY05 for all sergeants and corrections officers and verified its reliability to analyze personnel work hours and costs. We used this data to develop a personnel cost trend, and to compute work and absence hours. Using these data, we were able to make significant progress towards conducting a net annual work hour analysis using the National Institute of Correction's Staffing Analysis Workbook for Jails. However, we could not reliably estimate or obtain estimates from management for non-post activity because the information had not been tracked.

We obtained training records for all sergeants and corrections officers from FY03 through FY05 from the State and from several County sources. The training hours are likely to be slightly understated because they may not include

all on-site training in the jails. We used these data to see when training is taken by month of the year. We also estimated training hours per FTE.

We interviewed personnel in the Sheriff's Office and the SAP Support section. We read the 2004 – 2010 Multnomah County Corrections Deputy Association Agreement, the reports of the 2005 and 2004 Multnomah County Corrections Grand Juries, former Sheriff Noelle's Report reviewing the Sheriff's jail bed proposal (11-23-05) and the December 7, 2005 Agreement regarding the opening of 114 beds at the Inverness Jail Facility.

This audit was included in our FY06 audit schedule and was conducted in accordance with generally accepted government auditing standards.

Results

Jails were understaffed
in prior years

Determining the level of staffing needed for a jail is challenging because jail facilities must operate 24 hours a day, 365 days a year. Based on our independent analysis of workload and historical absence rates, and our review of MCSO staffing, it appears that MCSO was understaffed in FY04 and FY05.

Staffing plans are built based on an analysis of historical data of the number of posts, the variation in workload, and estimated absences. The analysis yields a staffing or "post factor" that tells the jail managers how many corrections officers should be assigned in the aggregate to a particular shift or unit to ensure that it is continuously staffed. According to our analysis the MCSO uses a post factor of 1.82 for jails. This means that for any particular shift, managers should assign 1.82 staff for each post on that shift. The MCSO staffed below a 1.82 post factor. This analysis related staffing to workload and should not be confused with an analysis of the number of actual staff versus the number of staff that are authorized in the budget.

The most recent staffing analysis that we could find was completed in January, 1997. Because the MCSO staffing analysis was so old, we attempted to conduct an independent analysis to arrive at a more up-to-date post factor. Using daily payroll data, we were able to make significant progress toward conducting a net annual work hour analysis using the methodology outlined in the National Institute of Correction's Staffing Analysis Workbook for Jails. However, we could not reliably estimate or obtain estimates from management for non-post activity because the information had not been tracked.

Because we could not obtain complete, reliable data, we could not arrive at a definitive post factor figure and finish the net annual working hour analysis. However, because it is a relatively small portion of total jail workload, our analysis led us to conclude that it is likely the current post factor for jails is at least 1.82 once non-post activity is included. According to Corrections Division and individual facilities managers we talked to and based on a review of weekly activity summaries, staffing levels were well below the recommended post factor.

Since FY05, a number of program and facility closures occurred that may mean that staffing is now at a more appropriate level. Prior to making any future staffing decisions, the Sheriff's Office needs to further study current staffing levels and gain a better understanding of staffing needs.

Understaffing,
combined with
absences led to higher
personnel costs

The MCSO has faced significant budgetary pressure over the past few years. Like other County programs, it responded to this pressure by reducing staff and trimming some of the associated workload. The MCSO decided to meet its budget constraint in part by reducing jail staff and the number of available jail beds. As shown below in Exhibit 3, the number of corrections officers working

in the jails declined 13%, from 424 in FY02 to 369 in FY05. During the same time period the number of jail beds was reduced by 18% from 1,844 in FY02 to 1,519 in FY05.

Reducing staffing and a commensurate level of workload should have allowed MCSO to control its level of overtime spending and reduce total personnel costs. However, jail workload is more complicated than opening and closing jail beds and can be difficult to predict. Put simply, workload includes everything that must be done each day to operate the jails safely and securely. In addition to staffing jail posts, managing workload involves determining how many corrections officers are needed to accompany inmates to medical appointments or how many are needed to provide security at a trial. The decisions in these examples depend on the characteristics of the individual inmates or the type of trial.

Jail beds and staff
(equivalent of full-time)
FY02-FY05

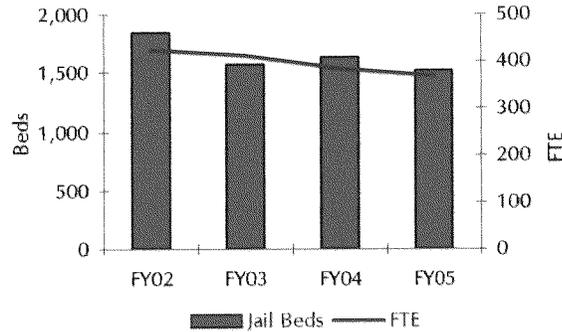


Exhibit 3

It does not appear that workload was reduced sufficiently to decrease total personnel costs. We found that the MCSO paid about the same amount in personnel costs for all corrections officers in FY05 as it did in FY03, when adjusted for cost of living and other rate changes, but it got less work for this money. From FY03 to FY05 after jail beds were cut by 4% and FTE was cut by 8%, total hours worked by all corrections officers decreased by about 26,000 hours. Put another way, the MCSO would have had to pay about \$1.08 million more in FY05 to get the same amount of work it got in FY03. Most of this increase in cost was the result of increased overtime. Because the cuts in corrections FTE did not decrease personnel costs as originally planned, it appears MCSO management had to make cuts in other areas to meet their budget targets.

Total personnel and
overtime costs
FY03-FY05

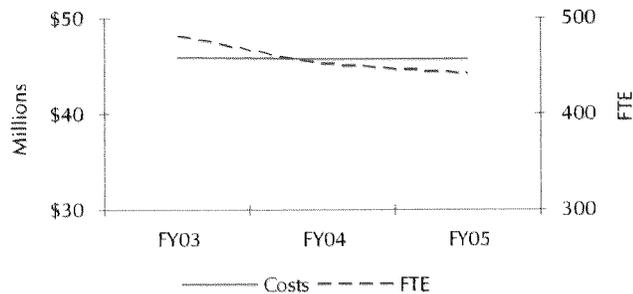


Exhibit 4

Absence rate has increased

Absences occur when corrections officers cannot work their usual shifts. When the absence rate increases, it is necessary to either hire more staff or incur overtime to operate the jails. Generally speaking, absences can fall into one of two categories: those that require prior approval and those that do not. The largest subcategories that require prior approval to use include personal holiday, vacation, and compensatory time. The largest subcategory that does not require prior approval (with some limited exceptions) is sick leave. Family and Medical Leave Act (FMLA) related absences are another large subcategory and fall somewhere in between – whether or not it requires pre-approval depends on the circumstances of the FMLA absence. Training is the last major category of absence that we discuss separately because MCSO management has the control over the amount and timing of training.

Total absences per jail staff FTE increased by 6% from FY03 to FY04 and by 7% between FY04 and FY05. The single largest contributor to this increase has been the rapid growth in comp time taken – comp time taken grew more than 51% in FY04 and another 44% in FY05. Approximately 25% of corrections officers and sergeants working in the jails were absent more than 11 weeks (the annual absence rate) in FY05. While most likely this was allowed under the bargaining unit agreement, the high number of absences requires a significant effort to manage.

Jail staff absences per FTE (in hours)

Exhibit 5

	FY03	FY04	FY05	% Change
Vacation	118.73	122.95	131.87	11%
Sick	104.39	100.63	108.08	4%
Comp-Time Taken	25.41	38.50	55.55	119%
Training	30.2	40.1	35.7	18%
FMLA	32.09	43.76	41.64	30%

Vacation is one of the highest individual sources of absence. The amount of vacation corrections staff can accrue increases with seniority, with officers with at least 20 years of service accruing six weeks of vacation per year (240 hours). Because MSCO chose to reduce staff to meet budget constraints, MCSO corrections staff hiring was limited over the last three years. Despite this, there has not been a significant increase in the aggregate accrual of vacation. The average number of weeks of vacation accrued by corrections officers has remained steady over the last three fiscal years, at about four weeks per year. Average vacation use has grown in the past three years, but still lags behind average vacation accrual. When looked at individually, the vacation use varies from 1 day to 40 days in FY05.

The second largest group of absences is related to sick leave. Generally, sick leave does not require prior approval, and an officer's use of sick leave is not limited to his/her accrued sick leave balance. Corrections officers that call in sick can pay for the absence using several other paid leave categories such as vacation, personal holiday or comp time. For example, they can use vacation time in lieu of sick leave. In FY05, 16% of sick leave hours were charged to another leave category.

Sick leave can also be used in conjunction with the Federal Family and Medical Leave Act (FMLA) and its companion the Oregon Family and Medical Leave Act (OFLA). These acts entitle County employees to take leave for the birth of a child, the placement of a child for adoption or foster care, and the serious health condition of the employee or the employee's spouse, parent, or child. In addition to the above, OFLA allows leave for the serious health condition of a parent-in-law, stepchildren, domestic partner, or child requiring home care who does not have a serious health condition.

Like sick leave, FMLA/OFLA leave can be taken using a variety of paid leave categories. There has been a 30% increase in use in this type of leave in the last three years. However, there is an important difference. When a corrections officer calls in sick, he/she cannot work a different shift for overtime on that same day. When an officer calls in sick with FMLA, he/she can work a shift for overtime later in that same day.

The single fastest growing category of absence is comp-time. Corrections officers may elect to receive comp-time instead of overtime pay, when they work overtime. Employees receive 1.5 hours of comp-time for every overtime hour they work, so long as the accumulated balance of comp-time does not exceed 80 hours. Theoretically, offering comp-time in lieu of overtime pay can save the County money; however, it can also have the effect of increasing absences and increasing overtime costs. By paying for overtime with additional time off, the MCSO is essentially exchanging one absence for 1.5 absences – which may only increase over time. In FY03, comp-time accounted for 7% of all absences, but rose to 13% of all absences in FY05. The number of hours taken in comp-time by the different staff time ranged from 0 to 665 in FY05.

The final category of absences we looked at was training. For most County workers, time spent in training would not be considered an absence. But with a jail operation, a corrections officer that is away from his/her regular shift in order to attend training is for all intents and purposes absent; any absence can create a need for overtime. While training hours per FTE declined from FY04 to FY05, the number of training hours in FY05 increased 18% from FY03. MCSO managers told us that they have increased mandatory training in response to a perceived lack of training in the past and to adjust to changes in the current corrections environment.

Absences need
to be better
managed

It is important to manage absences in such a way to minimize their impact on overtime costs. The nature of the absence determines how it can best be managed. For absences that must be pre-approved, such as vacation, scheduling is frequently the most effective management tool. Managers can use historical trends and other data to try and manage and adjust for more unpredictable absences like sick leave. MCSO management has not effectively used these tools to manage absences; however, their ability to reduce overtime using these tools alone has been limited by the general lack of adequate staffing in the system.

The collective bargaining agreement between the sworn correction staff and the County allows for limits to be placed on how many individuals may use their vacation, personal holidays, and comp time on any day, for a particular facility or shift. For example, only six officers can be on vacation, personal holiday, or

comp-time each day on the west-side day shift. These limits are designed to smooth out the number of absences over the course of a year so that fewer staff shortages occur and less overtime is needed. During fiscal year 2005, MCSO frequently approved vacation, personal holidays, and comp-time for corrections officers and sergeants at levels above the maximum number of slots allowed per shift. The most extreme example of this was on the west side day shift (for corrections officers) where not only did they exceed their daily vacation/ personal holiday slots 170 times during the year; they also exceeded the total number of slots available for the year.

Training related absences can also be managed. MCSO managers have some latitude in determining how much training to require of their staffs and required training can be scheduled to minimize its impact on overtime. The MCSO operates under a variety of legal requirements regarding the level of training necessary for its corrections officers. The majority of these legal requirements are satisfied during the certification process that takes place before a new corrections officer works a regular shift. There are other professional training thresholds, such as professional accreditation, that are not legally binding and the MCSO has chosen not to pursue. However, MCSO managers told us that they have increased annual training requirements recently to help staff adjust to a changing corrections environment and to make up for what they believe to be a lack of training in previous years.

How training is scheduled can also have an impact on overtime costs. Ideally, managers would schedule training during the year at times when the absence rate is generally low and avoid times when absence rates are generally high – such as during the summer or in conjunction with other popular vacation times. However, recent MCSO training has not been scheduled this way. During the last three years, very little training has been scheduled during what are traditionally the lowest absence months of the year – January and February. Moreover, some of the highest training months have come during the summer and early fall – times that traditionally are associated with high absence rates.

High levels of overtime hindered absence management

Managing absences is a good practice for a jail organization in general and very important for controlling overtime, specifically. However, having a very large amount of overtime in the system significantly blunts the effectiveness of absence management tools. Having so much overtime in the system can also create the wrong incentives for individual staff members and makes it difficult for management to identify unusual use of leave and overtime.

Managing the vacation schedule should help minimize the amount of overtime needed to cover for staff members that take vacation because it helps to move vacation use out of high demand times of the year and into time with lower demand. However, with such a high percentage of days having overtime, it is very difficult to schedule vacation or training without adding to overtime. For example, there was overtime charged on all but four days in the year on the swing shift. This level of overtime essentially eliminated any possible benefit from moving vacation or training scheduling around on the calendar.

A high level of overtime in the system also creates unintended incentives for staff. With the availability of overtime a near certainty, it is possible for staff members to essentially replace their regular shift with an overtime shift – theoretically up to the point where they use all their available leave. For example, a staff member on swing shift could leave and be absent from his/her assigned shift and instead work overtime on the day shift for either comp-time (and accrue additional leave) or overtime pay. The large amount of overtime in the system, combined with the very complex scheduling process, make this type of activity very difficult to detect and manage.

Follow-up on
1994 audit

In 1994 the Auditor's Office recommended that the Sheriff's Office collect and monitor staffing, absence & workload data. It does not appear that the Sheriff's Office has developed or used data over the intervening years to manage personnel costs. For example, we found that a staffing study that helps determine proper staffing levels has not been conducted for over nine years.

Since the last audit, SAP, the County's automated financial system, has improved some of the payroll data available for analyzing corrections staffing costs. Many types of unpaid leave are now tracked. But SAP is not set up to provide all needed data to analyze correction's personnel costs. For example, SAP only tracks costs based on where staff is assigned. In a jail operation, corrections officers frequently work someplace other than where they are assigned. This causes many adjusting entries in an attempt to determine personnel costs for the jails.

Further, this information is not easily available in management reports. In this audit we used a custom-built program that relied on daily data from SAP. Although we were able to perform many useful analyses, they were time-consuming. This custom-made program is now available for the use by the MCSO. In order to use the program for analysis of aggregate staffing information as well as individual officers, MCSO must dedicate adequate resources to this task. Even using a custom-made program with daily data, some needed data will not be available or is currently tracked elsewhere in a way that would be useful for staffing analysis.

In 1994, we recommended that practices for scheduling vacation and personal holiday leave follow the bargaining unit agreement. Some progress was made when the bargaining unit agreement was changed to limit the number of officers by shift that could schedule vacation and personal holidays. However, as noted above, these limits were frequently not followed.

The Sheriff's Office did have a study done of all corrections facilities posts as recommended in the 1994 audit.

Recommendations

1. To assist the Sheriff's Office in controlling total personnel costs:
 - a. The County should evaluate how policies will affect a 24-hour per day 7 day per week operation like the jails when developing new or revising existing County personnel policies, and
 - b. The County should coordinate with the Sheriff and other County executives to establish long-term strategies and goals for future collective bargaining sessions.
2. To improve communication and accountability, the Sheriff's Office should work with the Board of County Commissioners to set a performance measure target for overtime as it relates to total personnel costs or hours.
3. To improve the Sheriff's Office ability to better manage staffing and overtime the Sheriff's Office should:
 - a. Commit resources to reviewing and analyzing personnel cost data on a regular basis.
 - b. Review staffing, absence and workload data at an aggregate level as well as at the individual staff level.
 - c. Begin tracking non-post activity and training data in a way that it can be more easily used for staffing analysis.
4. Prior to proposing any adjustment in staffing levels, the Sheriff's Office should evaluate current staffing levels taking into consideration recent changes and analyze staffing needs.

**Responses to
the Audit**



MULTNOMAH COUNTY SHERIFF'S OFFICE

501 SE HAWTHORNE BLVD., SUITE 350 • PORTLAND, OR 97214

Exemplary service for a safe, livable community

**BERNIE GIUSTO
SHERIFF**

**503 988-4300 PHONE
503 988-4500 TTY
www.sheriff-mcso.org**

March 9, 2006

Suzanne Flynn
Multnomah County Auditor
501 SE Hawthorne, Room 601
Portland, Oregon 97214

Dear Auditor Flynn:

In response to our receipt of the Auditor's Report on the use of overtime in our office, let me first extend my thanks to you and your staff. Your efforts to bring an independent analysis to the issue of overtime in the Multnomah County Sheriff's Office are greatly appreciated. Given the complex relationship of overtime use to work load, available budget, staffing and the overlay of collective bargaining agreements your Office provided a clear and thoughtful assessment.

In response to the audit, I offer the following comments regarding the key findings:

Staffing – The audit found that MCSO jails were understaffed and indicates that because of program changes we should assess current staffing prior to making future staffing changes.

Historically the Sheriff's Office has used many strategies to retain delivery of direct services to the public. One strategy that has been used is to fund 24/7 post positions such as in the jails using a post factor of 5.46 FTE. However, other positions that may also require a fill behind are managed through overtime rather than staffing. For example, deputies in certain positions, such as Court Services or hospital security activities, are not budgeted using a post factor. Although these activities must be staffed during vacancies, the use of overtime for these types of positions is clearly the better choice. It is predictable that when MCSO does not have post staffing at 1.82 that overtime will be used to maintain minimum staffing; this is not just a one year impact, it is multi-year. It also creates the dynamic where fully staffed equals short-staffed.

During the FY 06-07 budget process, the Sheriff's Office has "mapped" every position to the activity it performs. While there have been program changes, the budget maps created for the FY 06-07 budget process when reconciled to the budget showed us that we are both understaffed in areas where we had historically eliminated the post relief factor and that we are understaffed in

our jail facilities. While it would be easy to reverse the changes of posts from 1.82 to 1 FTE or to add posts within the facilities, turning that from a paper exercise to a budget one is not as easy. The County has been experiencing declining resources for years. The sticker shock of adding the posts, even if it would bring overtime into a better balance, would likely prevent any success in rectifying this problem. With that said, your finding validates our recent analysis.

The workload reduction did not lead to an equal decrease in total personnel costs.

While MCSO has tried to explain the economies of scale and the amount of work to run a jail that is not in a dorm, the new budget maps will be more valuable in understanding this than any verbal explanation. When closing beds, we eliminate the costs and staff directly associated with those inmates. However, the costs of the control centers, administration and support staff do not scale at the same rate. Since I have been Sheriff, 75-100% of MCSO's correctional facilities have had vacant capacity; in these facilities we pay the majority of the infrastructure costs. The observation that the workload and personnel costs have scaled at different rates, is fact. The movement to two full facilities, MCIJ and MCDC, should bring us to an operational scale where our jails are running at their most efficient, from an economic and operational perspective.

Comp Time – Comp time has been the single largest contributor to the total absence per employee.

Compensatory time is allowed by the MCCDA collective bargaining agreement. The true cost of this change to the CBA was not well predicted, nor was the effect on schedule management. Combined with the available time for employees, the phenomena of year-round travel commitments for both family and leisure purposes are a permanent factor. We believe that this is a permanent part of our employment picture, as families are no longer settled in the same regions. In small part, the aggressive commercial marketing of "vacations" in what were traditionally very low activity months has also become a permanent part of the workplace. Your analysis highlighted the actual cost of compensatory time on the work place. We believe that are some constructive methods that managers can use to limit the impulsive use of compensatory time.

Data in/Data out – MCSO needs to dedicate more resources to data analysis and monitoring.

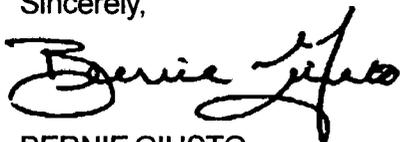
Since the 1994 Audit, the County implemented SAP. SAP has worked to improve the data entry process, but it is not set up to aid in the "data out" process. Because of the significant limitations in SAP, MCSO is working with the County to develop new reports and to purchase new scheduling and reporting software. The report that was developed by the Auditor is a new tool that can be used. But the effort to get that data and create the report, shows how unsuitable SAP is for non-object based reporting.

In past budget cycles, MCSO has cut its administration in support of direct services. The impact of these reductions has been felt in the ability to perform research and monitoring. While our research and evaluation staff is now fully staffed, it is still small for the agency (three FTE). I agree with the recommendation that more review of data and monitoring is needed. The scheduling software should help, but the shortfall of staff available for research and analysis will still limit the abilities to carry out the recommendation.

Your audit is very timely due to the Corrections Grand Jury reports and our internal overtime study. Through our overtime study, we have worked to create new reports in SAP, fully hire staff, monitor overtime more closely, move more staff to posts, move training to low overtime periods and limit vacation to planned-for levels. There are factors that will continue to drive overtime costs: the lack of access to a range, medical and suicide watch, uncontrolled absences such as FMLA/OFLA, training to mitigate risk and meet case law, and the amount of sick, vacation time, and comp time that our more senior workforce accrues. Our ongoing work, this audit, and work to access outside consultation on staffing will assist us in coming to a better balance of FTE costs and overtime expenses.

I thank you and commend your staff for the manner in which this audit was conducted in its approach, communication with my office, and in the data collected. The audit will be provided to all of the Sheriff's Office employees and will also be further considered as we evolve our business, staffing and analysis practices. Every day since becoming Sheriff, I have learned something new about jail management. As the audit states, "jail workload is more complicated than opening and closing jail beds and can be difficult to predict" (p. 7). What I once thought was rather simple, or as a police officer did not think of at all, is a highly complex and sophisticated system to assure the safety of employees and inmates and the adherence to many laws and rights. This audit has value because of its findings and in the way the data is presented. This audit will also increase understanding in what we do and will help us better serve the public.

Sincerely,



BERNIE GIUSTO
Sheriff



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

Board Clerk Use Only

Meeting Date:	03/21/06
Agenda Item #:	B-3
Est. Start Time:	10:30 AM
Date Submitted:	03/08/06

BUDGET MODIFICATION: -

Agenda Title:	Briefing on Martha Washington Building Disposition Recommendation Pursuant to Board Resolution 05-201, Surplus Property Declaration
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Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Date Requested:	March 21, 2006	Time Requested:	45 minutes
Department:	Non-Departmental	Division:	Chair's Office
Contact(s):	Diane Linn		
Phone:	(503) 988-3308	Ext.:	83308
		I/O Address:	503/6006
Presenter(s):	Doug Butler, Director, Facilities and Property Management Division		

General Information

1. **What action are you requesting from the Board?**
No Board Action is requested. Informational only.
2. **Please provide sufficient background information for the Board and the public to understand this issue.**
By Resolution 05-210, the Martha Washington Building was declared surplus. Facilities and Property Management Division (FPM), in conjunction with the Public Affairs Office, was directed to commence the public notification requirements of the Surplus Property Process, including solicitation of public input on an affordable housing component. The Board Directed FPM, in conjunction with the Public Affairs Office and Board Staff, to prepare a report to the Board, as specified under the Surplus Property Process, not later than 45 days from the date public input is due. This briefing delivers the report as directed within the mandated time interval.
3. **Explain the fiscal impact (current year and ongoing).**
No immediate financial impact. No Board action is being requested or recommended at this time.
4. **Explain any legal and/or policy issues involved.**
None

5. Explain any citizen and/or other government participation that has or will take place.

The Report is a result of an extensive citizen participation process. It included posting of lawn and window signs on the property immediately after the surplus declaration on December 8, 2005. Newspaper display ads were run in The Oregonian Metro Section published January 5, 12, and 19, 2006, soliciting comment and February 23 and March 2 and 9, 2006, announcing this Board meeting. Two open houses were held on January 12 and 24, 2006, with at least 80 total citizen site visits generated. Some direct mail and telephone canvassing was employed; however, it was limited due to expense constraints. An e-mail distribution to over 500 members of the metropolitan real estate community was completed using the subscriber service, Vertical E-mail. The Multnomah County Surplus Property website, which has been featured in Disposition efforts over the last year, was continuously updated. Relevant excerpts from the appraisal were posted on the County's Surplus website, as well. (To access this site, follow the "Surplus Property" link from the County homepage.) Targeted outreach was achieved with the Downtown Neighborhood Association, the Portland Business Alliance, and the City of Portland's District Planner. Finally, an announcement of this hearing was mailed to all parties expressing interest.

Required Signatures

**Department/
Agency Director:**



Date: 03/08/06

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date:

Martha Washington Building Disposition Recommendation

March 16, 2006



MULTNOMAH COUNTY OREGON

Contact Information:

**Doug Butler, Director
Facilities and Property Management Division
503-988-6294**

Surplus Property Policy Overview and Status

On December 12, 2004, the Multnomah County Board of Commissioners adopted Resolution Number 04-185, creating a Surplus Property Policy for declaring real property owned by Multnomah County as surplus. Per this resolution, if the Director of Facilities and Property Management determines that a property is no longer required for County use, the Director will submit a recommendation to the Board to declare the property surplus. If the Board approves the recommendation, the Director commences a public comment and notification process for a minimum of 45 days. The Surplus Property Policy requires posting of signage and publishing of newspaper advertisements for not less than 45 days declaring the property surplus and seeking public comment. Following this public comment period, the Director has 45 days to prepare a report to the Board detailing the Director's compliance with the Surplus Property Policy, describing public comment received and recommending a course of action. This document has been prepared for this purpose.

The Multnomah County Board of Commissioners, by Resolution Number 05-201, dated December 8, 2005, declared this property surplus. In declaring the property surplus, the Board found it in the County interest to solicit public comment during the Surplus Property Process about the appropriateness and feasibility of requiring that the redevelopment or reuse of the Property include an affordable housing component. Immediately following this resolution, Multnomah County Facilities sought input as to the future of this property. Interested parties were invited to express interest in the property and any proposals for disposition. Public Comment was due by Monday, January 30, 2006, 4:00 P.M. A summary of comments and proposals is included in this document; the full text of public comment is contained in an Appendix. Per the Surplus Property Policy, Facilities and Property Management published a Notice in The Oregonian on February 23, March 2 and 9 announcing the briefing on March 16.

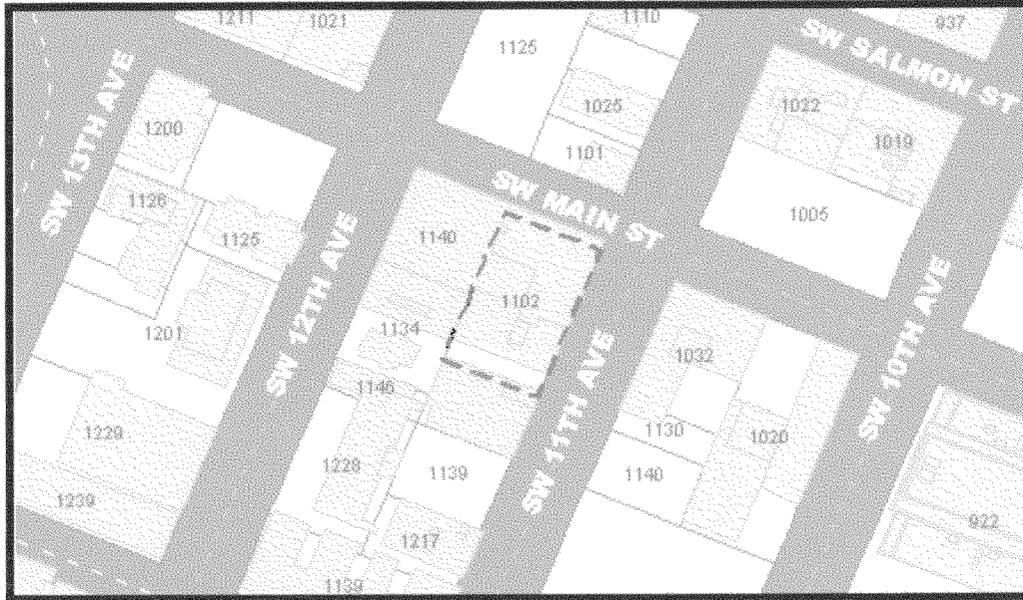
Property Report

History. The property at 1115 SW 11th Avenue, Portland, was completed in the early 1920's as a young women's residence hotel known as the Campbell Court Hotel. The architect was Herbert Gordon and the developer was Mrs. E. Jean Campbell. It was operated as a hotel for many years. It was owned by the Portland Women's Union until purchased by the Rajneesh Investment Corporation in the early 1980's, which operated a hotel in the building. On June 30, 1986, Multnomah County purchased the property from the Rajneesh Investment Corporation for \$1.6 million. Most recently, the property was the site of the River Rock treatment program and the Sheriff's restitution program. The County programs vacated the building in January 2006.

Building. The building is a 4-story brick building with approximately 65,000 square feet of useable area, including the basement. Gross square footage approximates 72,000 feet. The building has 133 units, a commercial kitchen, cafeteria, common areas, and a landscaped interior courtyard. The physical

condition of the building was observed to be in "fair condition" by an appraiser. Under the County's classification system, the building is rated as, "Tier 3--Maintain Functionality", with a substantial list of deferred maintenance projects. The Deferred Maintenance totals approximately \$5.8 million, with \$3.1 million identified as seismic related.

Property. The building sits on a lot of .37 acres, or 16,000 square feet. It is located in the West End of downtown Portland, along the Portland Streetcar Line. The map below indicates the location of the property:



Ownership Status:

Title for this surplus property is vested in Multnomah County, a political subdivision of the State of Oregon. The property description follows:

- County Building #: 155
- Location: 1115 SW 11th Avenue
Portland, Oregon 97205
- Land Area: .37 Acres = 16,000 Sq. Ft.
- Building Area: 72,185 Sq. Ft. (gross)
- MC Property Lot #: R246628
- MC Property Code: MC00011
- Legal Description: Portland Lot 1-3, Block 262;
N10' of Lot 4 Block 262

Zoning: RX z RX=High Density Residential,
z= Downtown Development

Conditional Use Permit for Residential Care
Facility/Restitution Center (See entitlement
discussion below)

Appraised Value: \$4,600,000 AS IS (as of August 18, 2005);
Debt: \$0

Entitlements. In November 1986, Multnomah County secured a Conditional Use Permit (CUP), in order to operate a residential care facility (restitution center) for 80 residents and 22 staff in the building. In that same year, Multnomah County obtained a Major Variance reducing required outdoor open space for that use from 12,000 SF to 1,862 SF. In 1988, the adoption of Central City Plan did not affect the zoning designation. In 1989, the Conditional Use was modified to increase the number of residents to no more than 160 and no less than 31 staff. A new Variance was approved to reduce the required 24,000 SF outdoor open space required for 160 residences to the previously approved 1,862 SF. The 1986 & 1989 Conditional Use Permits (CUPs) allowed for the operation of the Martha Washington Building as a residential care facility/restitution center that continued for nearly twenty years. Since 1989, subsequent changes in zoning for the site have resulted in elimination of the “outdoor open space requirement” from the current zoning code. Parking is also not a requirement of the current zoning, although future operational, economic, or practical considerations may dictate the need for parking.

The Approval of the Conditional Use Permit clearly states that it “shall be limited to the operator and the number and class of persons to be served as specified in the license to operate”. Multnomah County conditional use entitlements do not transfer with the sale or conveyance of the property. Future use will be dictated by the parameters of the current underlying “RXz” zoning or allowed variances. Most uses require a Land Use Application through Type I, II, IIX, and III Procedures.

Under “RXz”, Household Living, Parks and Open Space, & Daycare operations are the uses that are explicitly allowed. Group Living, a narrow definition of Commercial Operation, and most Institutional categories are allowed, but with limitation. Each of these uses requires one of the land use/conditional use applications mentioned above. The timeline for a typical Type III procedure without complication is over 100 days.

Public Comment

In declaring this property surplus, the Board found it in the best interests of the County to solicit specific public comment about the appropriateness and feasibility of requiring that the redevelopment or reuse of this property include an affordable housing component. Therefore, special emphasis has been placed on soliciting comment from groups associated with affordable housing advocacy, development,

and operation. While this targeted effort may have skewed comment, it was not to the exclusion of others.

The outreach process was multi-channeled. It included posting of lawn and window signs on the property immediately after the surplus declaration on December 8, 2005. Newspaper display ads were run in **The Oregonian Metro** Section published January 5, 12, and 19, 2006. Two open houses were held on January 12 and 24, 2006, with at least 80 total site visits generated. Some direct mail and telephone canvassing was employed; however, it was limited due to expense constraints. An e-mail distribution to over 500 members of the metropolitan real estate community was completed using the subscriber service, Vertical E-mail. The Multnomah County Surplus Property website, which has been featured in Disposition efforts over the last year, was continuously updated. Relevant excerpts from the appraisal were posted on the County's Surplus website, as well. (To access this site, follow the "Surplus Property" link from the County homepage.) Targeted outreach was achieved with the Downtown Neighborhood Association, the Portland Business Alliance, and the City of Portland's District Planner, Karl Lisle.

The first phase of the 45-day public comment period ended January 30, 2006. A total of 22 interested public comments were formally received. Generally, the public responders can be broadly categorized in one of four groups: 1) Citizen, Neighbor, or General Public; 2) Governmental Body; 3) Non-government (NGO), Non-Profit, or Religious; or 4) Private Developer, Broker, or End User:

Legend for response "Type" code

C = Citizen, Neighbor, General Public

G = Government

N = Non-government, Non-Profit, Religious

P = Private Developer, Broker, End User

Organization	Name	Type	Comment
	Marc Batko	C	Continue the "half-way" facility
	Violet Eaton	C	Use it as originally intended, she was a resident years ago
City of Portland, Bureau of Housing and Community Development	Ruth Benson	G	Convey into non-profit ownership for use as housing for adults with special needs
City of Portland, Bureau of Planning	Betsy Ames	G	Require the preservation of the building's exterior and other important historic features, use building as housing or mixed-use that is predominately housing

Portland Development Commission	Andy Wilch	G	Support public or private interests looking to use the property as affordable homeownership, community social service or cultural uses, as well as affordable rental housing
Housing Authority of Portland	Steve Rudman	G	Preserve the building for affordable housing or develop and invest in a replacement housing strategy to avoid shortages of housing for our neediest citizens
Loaves & Fishes Center, Inc.	Joan Smith	N	Proposes senior affordable housing, social service agencies and a Loaves & Fishes meal site
St. James Lutheran Church	Linda Kinman	N	Place on mailing list for future notification and public process
Central City Concern	EV Armitage	N	Advocates an RFP process preserving building as affordable housing at least partially dedicated to housing the County's priority special needs population, deed to a non-profit housing entity
Guardian Management	Ross Cornelius	N	Proposes it develop senior affordable housing and senior social services in one location
Church of Scientology	Steve Crandell	N	Proposes purchase, offering a fair price for future Church home, religious and charitable purposes with historic preservation emphasis
Dinner and a Movie	Robert M. West	N	Proposes purchase to house faith-based 501 (C) 3 to provide services to homeless youth including housing, training, and medical

Cascadia Behavioral Healthcare/ Volunteers of America/ SE Works	Leslie Ford/ Kay Toran/ Heidi Soderberg	N	Proposes it take lead on interim and long-term plan to operate permanent supportive housing for offenders and formerly homeless people with special needs
Community Development Network	Sam Chase	N	Supports the grant of the property to an appropriate non-profit for Permanent Supportive Housing (PSH)
AIA Portland	Philip Stewart	N	Restore the exterior of the building and adaptively re-use the interior as some form of housing
The Northwest Pilot Project. Inc.	Susan Emmons	N	Develop affordable housing for the poorest, homeless and low income seniors
Northwest Academy/Northwest Film Center/West Park Cultural Collaborative	Margaret G. Hinshaw/Bill Foster/Bill Failing	N	Secure building for one location to serve a student population and educational programs for 210 students, film center and cultural center
Gray Company Realty, Inc.	Mike Gray	P	Has client interested in a market sale
Winkler Development Corporation	James Winkler	P	Expressed interest in affordable housing project aimed at enhancing the independence of senior citizens
Focus Healthcare	Charles Dickens	P	Commented on interest in possible purchase of the building and provision of mental health and/or chemical dependency services
Pacific Real Estate Partners, Inc.	Ben McInnis	P	Represents client interested in some sort of residential redevelopment

E & F Properties
LLC

Mark D. Fraser

P

Noted affordable housing need
for downtown workforce.
Opposed non-residential use

C = Neighborhood/General Public – Two unaffiliated members of the community contacted the County. One urged continued use as a “halfway” facility. The second proposed “use as it was originally intended”, which was as hotel housing for young women. It should be noted that E & F Properties, the Northwest Film Center, and the Northwest Academy represent three neighboring property interests. The first offered comments against non-residential use of the property. The last two propose a non-residential, cultural program use for the building. The Downtown Neighborhood Association did not submit formal comment, though a representative did attend one of the open houses.

G = Government – Four government agencies responded, three from the City of Portland in addition to the Housing Authority of Portland. Their responses were varied. One proposes gifting the property to a non-profit while another suggested that Multnomah County develop new alternatives and invest in a replacement housing strategy. In general, the governmental agencies support historic preservation of the building exterior and use of the property for affordable homeownership, community social service or cultural uses, as well as affordable rental housing. However, none offered any commitment or suggestion of resources toward either affordable housing or historic preservation and the Portland Development Commission specifically noted the limited resources available to help with the redevelopment of the property.

N = Non-government/Non-Profit – Eleven responses were made by non-government organizations, all are non-profit, social service, cultural, or religious in nature. Most of these organizations propose use of the existing facility for either affordable housing (senior, youth, or general) or for supportive housing for homeless, special needs, and/or offenders. AIA supports Historic Preservation of the exterior with adaptive reuse of the interior for housing, but they did not address the type of housing. The Northwest Academy is unique in proposing a non-residential use, though the Church of Scientology use might also include significant non-residential use: Most comments are based on the property being conveyed *gratis* for their use, though some suggest a fair or market price. As for timing, it varies, ranging from a normal closing to well over a year or a lease scenario.

P = Developer/Broker/End User – In most cases, the developer/broker/end-users anticipate a market sale of some kind for the property. Uses proposed by this group include affordable senior housing, affordable downtown workforce housing, a rehabilitation program or unspecified. It should be noted that many members of this group indicated informally that they were not going to comment publicly on their interest at this stage of the disposition process due to market conditions and privacy concerns. However, they did indicate an interest should the property be listed for sale.

Disposition Issues

Housing Issues. The Board expressed an explicit interest in determining the appropriateness and feasibility of requiring that the redevelopment or reuse of this property include an "affordable housing" component. The definition of "affordable housing" is generally accepted as that for which housing costs comprise no more than 30% of the household income at 60% of the median income. Within the definitions of interested parties, "Affordable Housing" or the component could alternately be described as:

- Housing for the Homeless, both adult and youth
- Low Income or Subsidized Senior Housing
- Low Income or Subsidized General Housing
- Transitional Housing
- Other (A replacement use of the site as an immediate need to provide units under the "No Net Loss" policy)
- A means of providing an economic contribution to "Affordable Housing" as supported by the City of Portland and Multnomah County

There were meaningful comments from a range of interested, accomplished organizations on affordable housing. There are a number of dimensions to the housing issue that have been identified as a result of the public comment process. The level of affordability is a critical issue. It is intuitive that the poorer the population served, the higher the subsidy required. This is not contradicted from the comments received. Moreover, in most cases it appears that the higher the ratio of affordable to market-rate units in a development, the higher the subsidy. However, the public comment reflected an "all or nothing" configuration, with none suggesting an affordable-market rate mix of units within the building that are now a common part of the new housing stream. The absence of these comments may be explained by the reticence of private developers to reveal their market intentions early in the process; they are the most common developers of these mixed developments with an affordable component.

In addition to the income level served, there is the consideration of the characteristics of the target population. Homeless, seniors, youth, and the disabled are among the potential groups for which affordable housing is targeted. The appropriate income level, tenant mix, and target population are critical issues that need to be explored in any housing redevelopment.

Neighborhood Issues. There are three distinct communities of interest that are indicated by the public comment received: Affordable housing; market rate housing; and, cultural center. All three represent competing, often conflicting views, all with sound basis in existing public policy.

The multi-jurisdictional commitment to end homelessness and the City's "no net loss" policy support affordable housing. The neighborhood in which the Martha Washington is located is an urban renewal district, with substantial public infrastructure (e.g. the Portland Streetcar) designed to leverage private development, tax increment, and market capital. The City designation of the

neighborhood as part the Cultural District and the identification of art and culture as an engine of economic development comport with an educational and cultural emphasis. All three communities are represented in the immediate neighborhood.

The affordable housing in the Jefferson West at the south end of the 1100 block of S.W. 11th has been slated for replacement as The Jeffrey, an affordable housing development on the parcel immediately south of the Martha Washington. This will allow for the redevelopment of the Jefferson West site as market rate housing. Across the street from the Martha Washington is the recently completed affordable development, The St. Francis, as well as the nearing completion market rate condominium development, The Elliot. Moreover, the Northwest Film Center and the Northwest Academy represent the arts and culture community on immediately adjacent parcels. There is a balance of all three communities in what most observers agree is a changing neighborhood. Any actions need to fully consider the existing community balance and neighborhood situation.

There is no reason to assume that the recent use of the building for community service would enjoy community support in the future. However, there is one area of implied agreement: not one comment suggested tearing down the building. Indeed, many specifically advocated for the structure's preservation.

Asset Issues. The property's "as is" appraised value is \$4.6 million as of August 2005. There is no debt encumbering the property. Facilities has no basis to seriously question the appraiser's opinion and believes it to be a fair market value. Any potential disposition must consider the terms and timing of a proposed sale or transfer. There can be considerable risk and carry costs in any transaction, however, they tend to increase with increasing variance from a pure market sale. The declaration of surplus was predicated on the building's being surplus to County use. As a practical matter, this was partly based on the building's physical needs, which Facilities believed to be beyond the current and foreseeable capacity of Multnomah County. It is unclear whether that responsibility could be shifted either in a long, uncertain transaction or in any lease-to-purchase scheme.

As there appears to be a consensus on the historic structure remaining, consideration should be given to the ability of a future owner to maintain and preserve this 1920's era building. While the deferred maintenance, including seismic, is considerable, a full-scale, faithful and accurate period restoration could exceed County estimates and might be beyond the ability of the non-profit sector. While preservation of the structure might be an imposed condition upon transfer, it would be difficult to enforce compliance. The same compliance challenge should be noted with any condition of sale that survives closing, not just from a legal perspective, but, from the ongoing monitoring resources required. The cost and complexity could increase with increasing variance from a pure market sale.

It should be noted that this is the only significant residential property in Multnomah County's Facilities portfolio. As such, it must be recognized that this unique status makes it a singular opportunity to make an in-kind contribution to housing issues. At the same time, this one time disposition is a liquid asset in a very active market. Since the existing entitlements do not automatically transfer with a sale or transfer

of the property, it is difficult to ascribe any special housing value to the asset other than its market value.

The importance and value of affordable housing is apparent, both from the public comment received on this disposition and the expressed public policy of Multnomah County and other jurisdictions. Considerable and credible comment was received on affordable housing. The communities of interest on market rate housing and cultural uses are also sincere and persuasive. There is a diversity of opinion and no clear community consensus indicated in the public process, save possibly preservation of the structure. As the appraiser's opinion indicated a clear value in the structure, our assumption is that the historic building would likely survive without special conditions in a market sale or subsidized transfer. The real issue would be concerning the resources available to support a particular level of restoration or preservation.

The Martha Washington Building is a unique asset and a unique opportunity for the next owner, should the County dispose of it. As an asset, it is difficult to establish a premium value for affordable housing alone. Residential development is possible in the widest range of zones in the City. The recent use as community service is not explicitly supported by current neighborhood dynamics. Moreover, the entitlements currently in place are specific to Multnomah County, without specific value in a transfer or sale.

The Board's direction to specifically solicit comment on the feasibility and appropriateness of an affordable housing component clearly indicated an area of high priority for Multnomah County. Public comment skewed toward an "all or none" approach with respect to an affordable housing re-use. There was no comment or staff analysis that established an economic premium for use of the property as affordable housing. The property's highest and best use is reflected in its market value, not in a restricted use. Therefore, we believe a market sale is indicated. This would provide a liquid, divisible source of funding to leverage affordable housing or any number of other competing County priorities and values, including the possible funding of an affordable housing component in a development elsewhere in Multnomah County.

It should be noted that the Board has adopted a Consolidation And Disposition Strategy (Resolution 04-168) and a Facilities Strategic Plan (Resolution 05-148) for County-owned facilities. The vital public safety function sited at the Hansen Building demands immediate attention. The health services at the McCoy Building and the community justice programs at the Mead Building are two sites near to the Martha Washington with the potential to require significant resources in the near term. A market sale could yield funds for these competing County priorities, unconstrained by the fixed geography of an undivided asset. These County facilities will need significant resources in the future, regardless of source.

It is the recommendation of the Director of Facilities that the Martha Washington Building be listed for a market sale, with application of proceeds to be used for consolidation and disposition projects as directed by the Board.

Appendixes

- A. Surplus Property Notice
- B. Open House Sign-In Sheets
- C. Newspaper Notice Ads
- D. Public Comment

SURPLUS PROPERTY



**The Martha Washington Building
1115 SW 11th Ave
Portland, OR 97205**



Multnomah County is seeking input as to the future of this property. Interested parties are invited to express an interest in the property and any proposals

for disposition. The Board will hold a public hearing to consider disposition of the property after receiving public input. All those who submit statements of interest will be notified by mail of the date and time of the hearing. In declaring this property surplus, the Board found it is in the best interests of the County to solicit specific public comment about the appropriateness and feasibility of requiring that the redevelopment or reuse of this property include an affordable housing component.

**Public Comment is due Monday, January 30, 2006, 4:00 p.m. Submit your comments and/or questions to:
Multnomah County Public Affairs Office, 501 SE Hawthorne, Suite 600
Portland, Oregon 97214 (503) 988-6800 | pao.org@co.multnomah.or.us**

*For more information on available properties, visit the County's Surplus Property website at: <http://www.co.multnomah.or.us> click on **Surplus Property***

Notice of Surplus Property

Martha Washington Building

The Multnomah County Board of Commissioners, by Resolution Number 05-201, dated December 8, 2005, have declared this property surplus. The disposition of this property is open for Public Comment until 4:00 pm, January 30, 2006.

Address:	1115 SW 11 th Ave.
Property ID#:	R246628
Legal:	Portland Lot 1-3 Block 262; N 10' of Lot 4 Block 262

Planning Information

Zone:	Central Residential (RX) Map 3128
Overlay:	Design Overlay Zone (d)
Comprehensive Plan:	Central Residential (RX)
Plan District:	Central City
Conservation District:	n/a

Property Information

Lot Area:	Acres = .37	Sq. Ft. = 16,000
Improvements:	<ul style="list-style-type: none">• 3+ Story office/residential space<ul style="list-style-type: none">○ Built in 1923○ Building Area = 65,000 Sq. Ft.	
Services	All urban services are available	

Community Contacts

Neighborhood Association:	Downtown Neighborhood Association
Business Association:	Portland Business Alliance, 503.224.8684
Portland District Planner:	Karl Lisle, 503-823-4286, klisle@ci.portland.or.us

Public Comment

Individuals and groups may provide statements of their interest in this property and any actions that are desired as to its future use. In declaring this property surplus, the Board found it is in the best interests of the County to solicit specific public comment about the appropriateness and feasibility of requiring that the redevelopment or reuse of this property include an affordable housing component. Written comments are welcome and may be submitted to our website at:

<http://www.co.multnomah.or.us/dbcs/facilities/bld/index.cfm> or contact Multnomah County Public Affairs Office, 501 SE Hawthorne Blvd., Suite 600, Portland, Oregon 97214. Telephone: 503-988-6800, Fax: 503-988-6801, TDD: 503-823-6868 or email comments to pao.org@co.multnomah.or.us. For property information, please contact Michael Sublett, Multnomah County Facilities and Property Management, 401 N Dixon St., Portland, Oregon, 97227, or e-mail questions to michael.a.sublett@co.multnomah.or.us.



MULTNOMAH
COUNTY

OPEN HOUSE
1/12/06

Sign In Sheet

Name	Organization	Address	Phone	Email	Add to Notification List
JOHN THORPE	LOVES FISHES				
JEFF SHOLIAN	PNWP		503-819-5100		
Brian Tracy			503-223-3171	BRIANTR@NORRSTEV.COM	YES
Mary Folberg	The Northwest Academy		223-3367		
John Dwyer	" " "		" "		
Diane Luther	Co. Housing		8-4463		
Li Allwood	HOST		331-1752		
Ross Cornelin	University Mt		802-3600		
STUART SMITH	EMMORTS ARCHITECTS		230 2211		
Gina Heidrick	"		"		
Melissa Darby	Portland Landmarks Commission		2810204		
BRIAN BJORNSON	Nami + Stem		503/225-8438	brianb@norrstev.com	
Jim Hlava	Cascadia		503/998-3406	jim@cascadiabhc.org	YES
Loyce Downum	CASCADIA		503-780-4978	loyceb@cascadiabhc.org	YES
James Winchell	NORTHWEST ACADEMY		503.223.3367	winchell@nwacademy.org	
Tim Saebel	RELAX Family Group		503 332 1013	Tsaebel@comp.net	
John Z	Northwest Academy				
Johns Cam	NW Academy		503-227-3367	JCam@nwacademy.org	YES
Victoria Hagan	Central City Concern		503-294-1641	vjgates@centralcityconcern.org	
Transfer Sites	"		"		
AVERY LOSCHEN	CENTRAL CITY CONCERN		"	avery@centralcityconcern.org	
Traci Manning	" "		503-525-5483	tmanning@centralcityconcern.org	
Kathryn Kryger	PRC		503 823 2033	kryger@prc.us	
Lisa Abouf	"		503 823 7380	abouf1@prc.us	
Ty Barker	UNICO		503 425 6705	tyb@unicoprop.com	
Breg Rubin	UNICO		503 425 6702	greg@unicoprop.com	
Greg Rubin			503 243-6041	gsdavis55@msn.com	
Greg Rubin	APARTMENT SOLUTIONS, INC		503 310 4499	trudymunzel@comcast.net	

OPEN HOUSE
1/12/06

Sign In Sheet

Name	Organization	Address	Phone	Email	Add to Notification List
Jim P. Allen	DNA				
Ganesh Sonpatki	Value Inns			ganesh@sonpatki.com	
G. Baziuk	RTG				
Steven Nuhn	Self				
Jim Lewis	Cushman + Wakefield			jim-lewis@cushw.co.uk	
Peter Meijer	PMA				
Denise Gaur	Volunteers of America	3910 SE Stark St	503.595.5477	DGaur@voaia.org	
Margaret Hinds	NWA		3-7960186		
Liza Mickle	Planning Bureau	1900 SW 4th Ave	3-7666	lmickle@ci.portland.or.us	
Michael Hank	HAP				
Don Mulligan	CAK				
VICTOR SMELTZ	HAP				
Jim Murny	MBM		224-4898		
Rick Jacobson	Jacobson & Co		699-7838	rljacobson@gwest.net	
Anne Watnock	NWA		503-223-3367		
Michael DeLeon	NWA		503-223-3367		
Heather Johnson	City BHCD		823-2356		
Andy Miller	" "		823-2353	amiller@ci.portland.or.us	
Trell Anderson	" "		823-2388	trellanderson@ci.portland.or.us	
Sue Perkel	WINDERMERE	825 NE Multnomah	503-516-9254	SPERKEL@WINDERMERE.COM	
DAVID POLYMER	NW ACADEMY		503 872-4200	dp@reddoorfilms.com	
OBSERVED:					
SCOTT HENDERSON	ADS				
PHIL DEAS	ADS				
MONICA MURRY	MBM				
8 PEOPLE DECLINED OR DID NOT SIGN					

1/24/06 SHAWING

Sign in sheet

NAME

JEFF STOLIAN

JULIA CHARK

MARK WRIGHT

Rick Ochsner

Chuck Ochsner

DEAN GROVER

LARRY ROBERTSON

Robert Ridgeway

Angel P. Stuts

Kelly Farrell

Abigail Stewart

ANN FOSTHOEFEL

Thomas Weatherall

Sheri Emery

Theresa Willett

Pam Kelly

Pats Malone

JACKEN WASSWORTH

Joan Smith

Pacific R.E.

BOODMAN R.E.

PENINSULA PLUMBING CO.

Ochsner Electric

HUNTER-DAVISON, INC.

WALSH CONST.

Central City Concern

Loaves + Fishes.

Loaves + Fishes.

" "

VOA

VOA

VOA

VOA

VOA

VOA

VOA

Loaves + Fishes.

503-736-6325

From **The Oregonian**
January 5, 12, 19

Surplus Property Disposition

Multnomah County is seeking input as to the future of the "Martha Washington Building" property, located at 1115 SW 11th Ave. in Portland.

Interested parties are invited to express an interest in the property and any proposals for disposition. The Board will hold a public hearing to consider the property's disposition after receiving public input. Those submitting statements of interest will be notified by mail of the date and time of the hearing.

In declaring this property surplus, the Board found it is in the best interests of the County to solicit specific public comment about the appropriateness and feasibility of requiring that the redevelopment or reuse of this property include an affordable housing component.

The public comment deadline is January 30, 2006, 4:00 p.m. For more information, visit the County's Surplus Property website at: <http://www.co.multnomah.or.us> and click on "Surplus Property".

Submit comments and/or questions to:
Multnomah County Public Affairs Office
501 S. E. Hawthorne, #600
Portland, Oregon 97214 (503) 988-6800
pao.org@co.multnomah.or.us



**MULTNOMAH
COUNTY**

From **The Oregonian**

February 23 and March 2 and 9, 2006

Surplus Property Notices

Penumbra Kelly Building

Multnomah County is seeking input as to the future of the "Penumbra Kelly Building," located at 4747 East Burnside Street in Portland. Interested parties are invited to express an interest in the property and any proposals for disposition.

The Board of County Commissioners will hold a public hearing to consider disposition of the property after receiving public input. All those who submit statements of interest will be notified by mail of the date and time of the hearing. In declaring this property surplus, the Board found that the City of Portland, which leases 54.3% of the property for a police precinct, has a right of first refusal should it eventually be offered for sale.

The public comment deadline is Monday, March 20, 2006, 4:00 p.m. For more information, visit the County's Surplus Property website at: <http://www.co.multnomah.or.us> and click on "Surplus Property".

Submit comments and/or questions to:
Multnomah County Public Affairs Office
501 S. E. Hawthorne, #600
Portland, Oregon 97214 (503) 988-6800
pao.org@co.multnomah.or.us

Martha Washington Building

The "Martha Washington Building" property, located at 1115 SW 11th Ave. in Portland, was declared surplus property by the Board of County Commissioners on December 8, 2005.

After a public comment period with specific emphasis on the potential redevelopment or reuse of this property with an affordable housing component, the Board is scheduled to take further action on this property at 9:45 a.m. on March 16, 2006. Updated agendas for this and other meetings may be viewed online at <http://www.co.multnomah.or.us/cc/agenda.shtml>.



CUNNINGHAM Shawn D

From: mbatko batko [mbatko@lycos.com]
Sent: Sunday, January 29, 2006 8:12 AM
To: Public Affairs Office; pao@co.multnomah.or.us
Subject: Surplus Property: Please Preserve Half-Way Facility!

Dear Friends,

As a resident of SW Portland, I urge you to continue the "half-way" facility at 11th and Main. This was a valuable transition facility, enabling prisoners to live and work in downtown Portland. I hope you will resist the temptation to sell the property for short-term profit. Reintegrating people, preventing recidivism and promoting human dignity should have a priority in the short-term and long-term. There are no corresponding facilities in downtown Portland. Selling the property would be an expression of contempt to the "least of these my brethren" and a reflection of short-term fixation and the path of least resistance blind to long-term infrastructure necessities. In a time of payback when people are becoming increasingly cynical about government, selling this facility would represent another chapter in the "privatization mania". For your edification and strengthening, here is a link to an article "Housing as a Human Right" that I translated from the German: <http://portland.indymedia.org/en/2003/06/266635.shtml>

Thank you for your attention and consideration on this important matter. Please notify me of your decision.
Sincerely, Marc Batko 1515 SW 12th Ave. Portland, OR 97201
503-229-0628

Search for businesses by name, location, or phone number. .-Lycos Yellow Pages

http://r.lycos.com/r/yp_emailfooter/http://yellowpages.lycos.com/default.asp?SRC=lycos10

CUNNINGHAM Shawn D

From: DISCIASCIO Barbara A
Sent: Monday, January 30, 2006 1:47 PM
To: Public Affairs Office
Subject: Martha Washington Comment

1-30-06 10:50 am – voice mail message

Violet Eaton
503-244-4611

Many years ago she was a resident of the Martha Washington Building, and has nothing be pleasant memories of her experience there. She is sorry it will not be available for that type of use for young women today, and would like to recommend that the building be used as originally intended.

Barb Disciascio
Multnomah County Public Affairs Office
503-988-6800
503-780-5916 (cell)
barbara.disciascio@co.multnomah.or.us
newsroom: <http://www.co.multnomah.or.us/news>

CUNNINGHAM Shawn D

From: Benson, Ruth [rbenson@ci.portland.or.us]
Sent: Monday, January 30, 2006 3:48 PM
To: Public Affairs Office; CHAIR Mult; NAITO Lisa H; ROBERTS Lonnie J; District1; SERENA CRUZ
Cc: SUBLETT Michael A; Culp, Sara; WHITE William; POTTER Tom; Sten, Erik; Wilch, Andrew; LUTHER Diane M; Ames, Betsy; Bax, Margaret; Gardipee, Kathleen; Bruce Whiting (E-mail); CADE Carol J; Colin McCormack (E-mail); Connie Hansen (E-mail); LUTHER Diane M; TUPPER H C; Irma Valdez (E-mail); Janet Byrd (E-mail); Janet Young (E-mail); Javier Mena (E-mail); Jim McConnell (E-mail); Joe Wykowski (E-mail); John Miller (E-mail) (E-mail); Kaye, Beth; Linda Kaeser (E-mail); Rachael Duke (E-mail); Rob Bole (E-mail); Robin Boyce (E-mail); Susan Stoltenberg (E-mail); Tony Jones (E-mail)
Subject: Martha Washington Response

Attached are the comments of the Bureau of Housing and Community Development supporting the use of the Martha Washington Building for affordable housing, specifically as permanent supportive housing for individuals with special needs who are exiting homelessness.

A. Ruth Benson

Bur. of Housing and Community Development
Housing and Community Development Commission
421 SW 6th Ave., Room 1100
Portland, OR 97204
(503) 823-2392
(503) 823-2387 (fax)



PORTLAND, OREGON

County Board

Washington Building

BUREAU OF HOUSING AND COMMUNITY DEVELOPMENT

Will White, Director
421 SW 6th Avenue, Suite 1100
Portland OR 97204
(503) 823-2375
Fax (503) 823-2387
www.portlandonline.com/BHCD

January 30, 2006

DRAFT FOR REVIEW

Multnomah County Chair Diane Linn
Multnomah County Commissioner Serena Cruz
Multnomah County Commissioner Lisa Naito
Multnomah County Commissioner Lonnie Roberts
Multnomah County Commissioner Maria Rojo de Steffey
co Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland, OR 97214

RE: the Martha Washington Building

Dear Multnomah County Commissioners:

On behalf of the City of Portland Bureau of Housing and Community Development, I appreciate the opportunity to comment on the proposed disposition of the Martha Washington ("MW").

We believe the community would be best served if the County would convey the MW into non-profit ownership for use as housing for adults with special needs who are exiting homelessness, and, further, would commit to provide a service package to the residents.¹ Several local non-profits that are experienced providers of permanent supportive housing have alerted the City to their interest in acquiring and managing the property for this purpose. Rehabilitating the MW appears to be a good match with key City policies favoring preservation of existing affordable units, No Net Loss of affordable units in the Central City, and developing permanent supportive housing as a tool for ending homelessness.

The MW has specific advantages for use as permanent supportive housing. It is a unique resource due to its location, its proximity to services and mass transit, its many small units, and the fact that it could be brought back into service in a relatively short time frame. The neighborhood is accustomed to having low-income residents in this building. A rehabilitation of the MW would be unlikely to face the same siting hurdles as a new property would, because has already been granted conditional use as a facility.

1. County policy supports the use of the Martha Washington as permanent supportive housing.

The County Commission will, of course, base its decision about the disposition of the MW on a number of factors. We ask that the County give careful consideration to

¹ If the County were willing to retain ownership of the property, we believe that it could package a long-term lease with a service package and RFP management of the facility without difficulty.

two broad policy initiatives that it has recently and unanimously adopted following extended public involvement.

The first is the County's commitment to *Home Again: a 10-year plan to end homelessness in the City of Portland and Multnomah County*, adopted in December 2005. The success of the 10-year plan hinges on moving individuals and families experiencing homelessness into permanent housing, with services as needed to allow these new tenants to remain housed. Without an adequate supply of permanent housing, none of the goals of the 10-year plan can be achieved: not the ending of the "institution" of homelessness, not the restoration of dignity to people experiencing homelessness, not the savings on arrests, hospitalizations, incarcerations or other institutional care.

In 2002, the County adopted the Report and Recommendations of the Housing and Community Development Commission's *Special Needs Report*. That Report documented that there was a shortage of approximately 8,000 units for adults with special needs² and extremely low incomes, and that adults with special needs were, as a consequence, disproportionately over-represented among people who were homeless. The Report compared the cost of housing with the cost of incarceration, hospitalization, and shelter, and found that it would be both fiscally prudent and compassionate to provide permanent supportive housing for people with special needs.

The County has been a good partner in the implementation of both the 10-year Plan and the recommendations of the Special Needs Committee. The MW gives the County another opportunity to support these important policy initiatives.

2. Sale of the property for market value would not be in the public interest.

The County currently incurs holding and operating expenses related to the MW. Those expenses would be relieved by conveyance of the property to a non-profit for nominal consideration, for use as permanent supportive housing. Seeking to improve the County's balance sheet further, by asking the purchaser to pay some or all of the fair market value of the property, while appealing in the short run, would not be in the long-term public interest.

The reasons for this are simple. For a property to serve the disabled and chronically homeless population – a group with severely limited incomes³ – it cannot carry any debt. The tenants will not pay enough rent to cover both the building's operating expenses and debt service. Indeed, the project will need to leverage additional resources to finance needed repairs (including significant deferred maintenance),

² "A person with special needs" was defined as an individual with severe mental illness, a physical disability, substance abuse disability, or developmental disability, or more than one of these conditions.

³ The Special Needs Committee Report noted that a household of one with Social Security as its only source of income would have monthly income of \$552. Using the federal affordability guideline, this household could afford rent of \$165/month, leaving barely enough to pay for food, medicine, and other necessities.

cover those operating expenses that are unique to permanent supportive housing, and to create a reserve for on-going maintenance needs.

The County's sale of the property to a non-profit would allow the non-profit to leverage these additional resources and run the property for the benefit of the focus population. In contrast, if the County seeks to maximize its return from the sale of the property, it might be priced beyond the reach of a non-profit, and could be subject to conversion into condominiums or market rate housing. This section of downtown is currently experiencing strong gentrification pressures, as high-cost condominiums are being built or converted in this neighborhood. Retaining this building as affordable housing will help to maintain a balanced residential population in this area for decades to come.

If the County passes by this opportunity to convert the MW into permanent supportive housing for people experiencing chronic homelessness, the decision will come at a price. The County will continue to bear the clinical and financial risk for those individuals who could have been housed, as they cycle through shelters, jails, and hospitals.

3. If the County decides to sell the Martha Washington at fair market value, consider using the proceeds to advance the 10-Year Plan.

We are, of course, aware that the County is facing serious budget pressures. If, due to these circumstances, the County is determined to sell the property for maximum value, we encourage the County to consider ways to use the sale to support the 10-Year Plan.

For example, the County could dedicate a portion of the proceeds to another permanent supportive housing project, to defray development and service costs. The County could also condition the sale of the property for on the Buyer's commitment to provide a certain number units of housing affordable to extremely low-income households. None of these options, in our assessment, would benefit the public as much as conveyance of the MW to a non-profit for use as permanent supportive housing for our highest priority populations.

However, the City respects that the decision lies with the County Commission, and we have confidence that you will make the best choice you can. Once again, we appreciate the efforts you have made to seek public comment on this issue.

Sincerely,



William L. White,
Director

cc: Portland City Commissioner Erik Sten
Portland Mayor Tom Potter
Housing and Community Development Commission
Andy Wilch, PDC



CITY OF

PORTLAND, OREGON P 515

PLANNING

1900 S.W. Fourth Avenue, Suite 4100
Portland, Oregon 97201-5350



Hasler

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01/25/2006

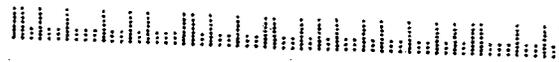
Mailed From 97204

US POSTAGE

RECEIVED
JAN 26 2006

MULTNOMAH COUNTY PUBLIC AFFAIRS
ATTN: IRIS BELL
501 SE HAWTHORNE, SUITE 600
PORTLAND OR 97214

97214+3588-30 0008





CITY OF PORTLAND, OREGON
BUREAU OF
Planning

Tom Potter, Mayor
Gil Kelley, Director

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www.portlandonline.com/planning

January 25, 2005

Iris Bell
Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland, OR 97214

RECEIVED
JAN 26 2006

RE: Disposition of the Martha Washington Building

Dear Ms Bell:

The Bureau of Planning welcomes the opportunity to comment on the disposition of the Martha Washington Building at 1115 SW 11th Avenue. The Bureau of Planning supports the preservation of this building as housing or mixed-use that is predominately housing. This property is zoned for residential use, with allowances for ground-floor commercial. The site's allowed height and floor area ratio exceed the building's existing envelope, creating the possibility of demolition and complete site redevelopment, if the property were to be conveyed without requirements to the contrary. Preservation of this property is desirable for two reasons:

1. **Historic Preservation.** This building was constructed in the early 1920s as the Campbell Court Hotel. It is listed as a Rank III structure (highest ranking) on the City's Historic Resource Inventory and is potentially eligible for listing on the National Register of Historic Places (and related financial incentives such as Federal Tax Credits). It is an excellent example of once prevalent downtown Streetcar Era Apartments. Its preservation is important to the neighborhood character of the West End, where a notable number of Streetcar Era apartments and other buildings have survived, despite decades of demolition and redevelopment. We encourage Multnomah County to require the preservation of the building's exterior and other important historic features when conveying the property.
2. **Affordable Housing.** The property was built as an apartment building and could be used to add to the supply of affordable housing in the West End, which may decline in the future. Currently, vacant and underused properties in this area of Downtown are building-out with market rate condominiums (e.g. The Eliot and Benson Towers). In addition, at least one existing apartment building is undergoing a conversion to condominiums (University Park Apartments) and others may follow. This property is in a location with good transit service and access to employment and services, which would be advantageous to low-income households because they could live here without needing to own and maintain an automobile. Further, the building's generally small unit sizes are less attractive for market-rate housing and are more easily and less-expensively adapted as affordable units.

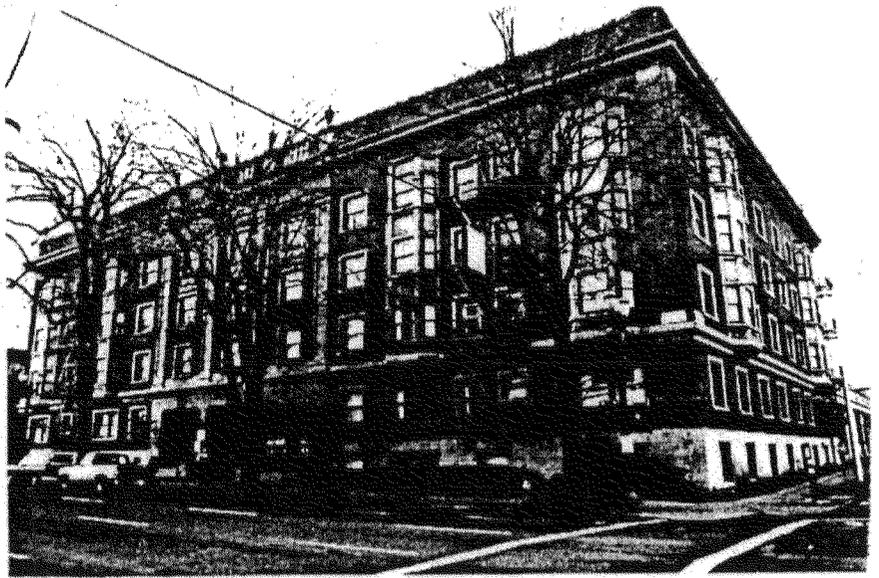
In closing, the Bureau appreciates the opportunity for public comment on the future of the property and strongly encourages the County to require the preservation and reuse of this historic resource as affordable housing.

Sincerely,

Betsy Ames
Assistant Planning Director

cc: Portland Historic Landmarks Commission
Will White and Trell Anderson, Bureau of Housing and Community Development
Margaret Bax, City Housing Policy Manager
Michael Sublett, Multnomah County Facilities
Veronica Valenzuela, Office of Mayor Tom Potter

**Historic
Resource
Inventory**
CITY OF PORTLAND, OREGON



1-011-01115

1115 S.W. Eleventh Avenue

Portland, Block 262, Lots 1-3, North 10' of Lot 4
QUARTER SECTION MAP #: 3128
Downtown Community Association

ORIGINAL NAME: *Campbell Court Hotel*
OTHER NAMES: *Martha Washington Hotel*

ORIGINAL FUNCTION: *Hotel*
OTHER FUNCTIONS: *Apartment House*

DATE BUILT: 1921

STYLE: *Streetcar Era Apartments*

ARCHITECTURAL PLANS BY: *Gordon, Herbert*

ORIGINAL OWNER: *Campbell, Mrs. E. Jean*

TAX ASSESSOR'S ACCOUNT #: *R-66772-9040*
ZONING: *RXZ*

Rank *III*

SPECIAL FEATURES AND MATERIALS:

Exterior finish of brick. Polygonal bay windows rising from second through fourth stories. Three-bay recessed entry with caststone balustrade. Balustrade with cast-stone urns at parapet above entry.

AREAS OF SIGNIFICANCE: *Architecture*

1-011-01115

BIBLIOGRAPHY:

City of Portland Buildings Bureau microform and card files.

Multnomah County Tax Assessor records, microform, automated data files, and card files (Portland, 1980).

Gordon, Herbert, Hotel Building for Mrs. E. Jean Campbell, plans, 1920, City of Portland Buildings Bureau Microfiche Collection.

ORIGINAL BUILDING PERMIT #: 119882

Present owner as of May 1981: Portland Women's Union

MAILING ADDRESS: 1802 S.W. Tenth Avenue, Portland 97205

No Preservation Funding

Negative: 771-32

Score - Design/Construction: 8

Score - Historical:

Score - Rarity:

Score - Environment: 6

Score - Integrity: 10

Score - Intrinsic: 8

Score - Contextual: 16

Score - Total: 44

NOTE: THIS BUILDING IS ALSO ASSOCIATED WITH THE RASHNEESHI MOVEMENT, WHO OPERATED A HOTEL IN THE BUILDING IN THE 1980S.

Eric E. Parsons
Commission Chair

January 30, 2006

Douglas C. Blomgren
Commissioner

Bertha Ferrán
Commissioner

Ms. Iris Bell
Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland, OR 97214

Sal Kadri
Commissioner

RE: Martha Washington Property Disposition

Mark Rosenbaum
Commissioner

Dear Ms. Bell:

Tom Potter
Mayor

I appreciate the opportunity to comment about the appropriateness and feasibility of requiring that the redevelopment of the Martha Washington property include an affordable housing component. PDC is concerned about affordable housing in all areas of Portland and specifically in Downtown Portland. So, as you move forward toward disposal of this property, it is very appropriate to determine if the County should consider limitations on the sale that would require affordable housing either on this property or elsewhere in the area.

Bruce A. Warner
Executive Director

Over the last five years, the Portland Development Commission (PDC) has made substantial financial investment in the West End supporting affordable housing development and revitalization in the blocks around the Martha Washington building located at 1139 SW 11th Ave. Those investments have included directly financing the mixed-income Museum Place Apartments and Safeway store relocation, renovation of the YWCA, and development of low-income housing at the St. Francis, Kafoury Commons, St. James, Peter Paulsen and Hamilton West apartments. These efforts have also supported market rate housing development with the Mosaic and Cornerstone Condominiums, and currently under construction are the Eliot Tower and Benson Tower Condominiums.

www.pdc.us

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97209-3859

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fax: 503.823.3368
TTY: 503.823.3366

In addition to the efforts listed above, PDC is currently financing two new affordable housing projects in the neighborhood including:

- St. Stephens Church redevelopment at SW 13th and Clay, which will include up to 90 new units of affordable housing, and
- Jefferson West Replacement Housing project on the property adjacent to the Martha Washington at 1100 SW 11th Avenue. The Jefferson West Replacement Housing project will include 80-90 new



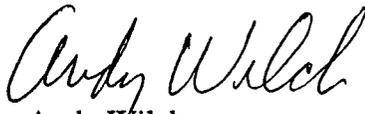
- affordable housing with units restricted to households at 30% median family income (MFI) and below, and 50% MFI.

The Martha Washington has the opportunity to provide a range of new uses in the neighborhood including affordable homeownership opportunities, community social service or cultural uses, as well as affordable rental housing. PDC would be supportive of efforts by public or private interests toward these uses.

I want to take the opportunity to inform you that the South Park Blocks Urban Renewal Area is approaching its expiration date and maximum indebtedness. This means that our resources are limited and we are in an environment where we are budgeting and prioritizing our final projects for the district. I feel this is important information to communicate to you as you complete your public input process and plan for the future disposition of the Martha Washington. In other words, PDC has limited urban renewal resources that limit PDC's ability to help with the financing for the redevelopment of the Martha Washington.

Thank you again for the opportunity to comment about the appropriateness and feasibility of requiring that the redevelopment of the Martha Washington property include an affordable housing component. Good luck with your deliberations.

Sincerely,



Andy Wilch
Housing Director

To Doug Butler

February 1, 2006

D - Diane
C - D. Luther

~~Diane Linn, Chair~~
Serena Cruz, Commissioner
Lisa Naito, Commissioner
Lonnie Roberts, Commissioner
Maria Rojo de Steffey, Commissioner

RECEIVED
FEB 03 2006

Multnomah County Commission
501 SE Hawthorne, Suite 600
Portland, OR 97214

Dear Chair Linn and Commissioners:

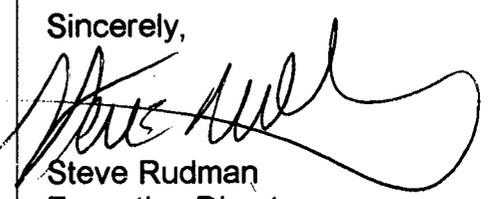
Thank you for the opportunity to comment on the future uses of the Martha Washington Building property. We understand that the County is weighing multiple options for disposition of this building, and that you are considering a range of policy and financial approaches.

As you know, HAP owns (through a tax credit limited partnership) the St. Francis affordable apartments immediately across the street from the Martha Washington. We understand the neighborhood in which this property lies, including the significant public investments in recent years which have created more housing and commercial/retail uses. HAP staff participated in the public open house you held so we could see the interior of the building.

Based on our knowledge of the real estate dynamics, we believe the preservation of the Martha Washington as affordable housing is critically important. HAP is clearly concerned about the lack of housing resources for people in need, and we hope that the County can find an avenue to preserve the building for affordable housing. Failing that, we would urge the County to develop and invest in a replacement housing strategy so that we do not inadvertently exacerbate the shortage of housing options for our neediest citizens.

Please let us know if we can be of any assistance.

Sincerely,



Steve Rudman
Executive Director

cc: Michael Sublett, Multnomah County Facilities and Property Management



EXECUTIVE OFFICE

Board of Commissioners

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Chair

Jeff Bachrach
Vice Chair

Richard Fernández
Vice Chair

Catherine Such
Treasurer

Harriet Cormack

Shar Giard

Chris Lassen

Lee Moore

Gavin Thayer

Executive Director

Steve Rudman

HOUSING AUTHORITY
OF PORTLAND

135 S.W. Ash Street
Portland, OR 97204

Tel 503.802.8300
Fax 503.802.8312

www.hapdx.org



CUNNINGHAM Shawn D

From: Smith, Joan [jsmith@lfcpx.org]
Sent: Monday, January 30, 2006 3:19 PM
To: pao.org@co.multnomah.or.us.
Subject: Martha Washington Property

Loaves & Fishes Centers has been in discussion with Guardian Management regarding the potential use of the Martha Washington Facility for co-location of ~~senior affordable housing~~ social services agencies and a Loaves & Fishes meal site.

Loaves & Fishes currently serves more than 120 seniors each day in the dining room at the YWCA on SW 10th. We need to relocate the ~~meal site~~ and with the rapid, development of the downtown community, it is becoming more difficult to locate affordable facilities to serve our most needy and isolated citizens.

It is possible to use the existing kitchen in the Martha Washington and to remodel the additional basement space for dining, fitness, ~~computer labs and classrooms~~ for seniors to enjoy and enhance their lives.

Affordable housing connected to supportive services is a healthy combination.

Joan Smith
Executive Director
Loaves & Fishes Center, Inc.

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CUNNINGHAM Shawn D

From: Linda Kinman [Linda@gov-law.com]
Sent: Monday, January 30, 2006 3:46 PM
To: Public Affairs Office
Cc: Jack Hammond
Subject: Martha Washington Building

Thank you for giving St. James Lutheran Church the opportunity to view the Martha Washington Building at 1115 SW 11th Ave. in Portland as a part of the input for future use of this property. We'd appreciate being placed on the mailing list regarding future notifications and public process regarding this property. Notification may be sent to me at my office address below.

Thank you again for the opportunity to view this significant property.

Jack Hammond

Linda Kinman

Legal Assistant to John H. Hammond, Jr.

Beery, Elsner & Hammond, LLP

1750 SW Harbor Way, Suite 380

Portland, OR 97201

Phone (503) 226-7191

Facsimile (503) 226-2348

www.gov-law.com

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CUNNINGHAM Shawn D

From: EV Armitage [evarmitage@centralcityconcern.org]
Sent: Monday, January 30, 2006 3:02 PM
To: Public Affairs Office
Subject: Public comment on Martha Washington Building

Please find attached Central City Concern's public comment on the Martha Washington Building surplus property. Please send a return email to confirm receipt of this message. Thank you.

E.V. Armitage
Project Director
Central City Concern
232 NW 6th, Portland, OR 97209
Tel 503-294-1681
Fax 503-294-4321
www.centralcityconcern.org

PUBLIC COMMENT

MARTHA WASHINGTON BUILDING

**PERMANENT SUPPORTIVE HOUSING
FOR PEOPLE WITH SPECIAL NEEDS**

January 30, 2006

Submitted by

Central City Concern

232 NW Sixth Avenue
Portland, OR 97209



Contact:

Traci Manning, Housing Director

Tel 503-525-8483

Fax 503-228-1696

tmanning@centralcityconcern.org

Central City Concern is urging the Multnomah County Board of Commissioners to publish a Request for Proposals for the Martha Washington building requiring that the successful proposer preserve the building as affordable housing that will be at least partially dedicated to housing the County's priority special needs populations.

Preserving affordable housing in the downtown core

The Martha Washington Building is a precious affordable housing resource which can help Multnomah County meet its mission to serve the health and welfare of the most vulnerable members of our community. Multnomah County has a rare opportunity to ensure this important housing remains available to low income people with special needs. There is an immediate housing crisis for populations which Multnomah County is currently serving, and the Martha Washington Building can play a vital role in the strategy to address this acute housing need. The highest and best use for the building is as affordable housing, and if the building is converted to another use, this opportunity will be lost forever. This building can play a critical role in the Plan to End Homelessness by providing additional housing capacity in Portland.

The Martha Washington's size and condition make it a prime candidate for relatively low cost and rapid reuse as affordable housing. The building has 133 residential units which are virtually ready for occupancy, and its central location and recent use as housing make it well suited for this purpose. Multnomah County has identified the urgent need for housing for people with low incomes and special needs, and has committed to create additional units of permanent supportive housing. This commitment has been expressed through multiple planning processes over the last few years, most notably through the following, all of which identified a critical shortage of permanent supportive housing and urged creation of additional housing:

- Housing and Community Development Commission Special Needs Committee Report, 2003
- Home Again Ten Year Plan to End Homelessness, 2005
- Consolidated Plan 2005-2010, developed by the Cities of Portland and Gresham and Multnomah County

Fiscal responsibility

Because the County routinely purchases housing in the market for populations for which it is providing services, the most fiscally responsible approach to this building is to preserve it as affordable housing. The Martha Washington presents an opportunity for a low cost approach to housing preservation, with the ability to use the building as immediate housing capacity as opposed to a much more expensive new housing development which would take several years to complete. The one-time revenue forgone by not selling this building to the highest bidder will be more than saved in County operating funds over time.

- People receiving services recover faster, are more stable, and need fewer services if they have permanent supportive housing, as detailed in the HCDC Special Needs Committee report.
- The stock of housing available from the County's traditional housing partners is minimal. Buying housing in the private market – if such housing can be sited – can cost \$100-150 more per unit per month than these units would rent for.
- Particularly at a time when we are trying to use existing housing resources to increase the stock of permanent supportive housing in the community, it is important to note that to replace these units

with new construction would cost upwards of \$15,000,000 at a location that would most likely not be as appropriate to the population.

The building's current maintenance needs are real but still substantially less than replacing these units. With a private market mortgage and support from non-public affordable housing resources, an experienced housing provider can deal with these needs in a cost-effective way while keeping the building safe, clean and operational quickly and for the long-term. The property is zoned for housing and does not appear to require a conditional use permit.

Economic model

Central City Concern proposes that Multnomah County deed the Martha Washington Building to a nonprofit housing entity in exchange for a commitment to house vulnerable people served by County contracts and programs for some period of time into the future. The asset can be mortgaged through non-public sources to provide funds to prepare the building for occupancy. The debt would need to be of a size to make needed repairs and ready the building for occupancy. In addition, the debt must not add excessively to the operational burden. Rents will be minimal, around \$375 to \$400 per month.

This proposal would convert a portion of owner equity to debt to finance repairs and a building reserve. It will minimize the need to invest scarce City or County funds in a full-blown multi-million dollar acquisition and rehabilitation. This model could have the new housing capacity online within a matter of months.

Additional building rehabilitation would be done as time and resources permit. Central City Concern operated the 122-unit Danmoore Building under this same model for many years. We know from experience that the Martha Washington is in better condition than the Danmoore, which provided safe, affordable housing to Multnomah County's most vulnerable people for over 15 years.

Community benefits

The Martha Washington is in an excellent location for affordable, supportive housing. Transportation is accessible and the building is close to services and grocery. It has been a part of this neighborhood for years. Strong management can make supportive housing an asset to its neighbors by maintaining the building, providing housing for people that would otherwise be sleeping in doorways, and providing a 24-hour presence in the neighborhood. And affordable housing doesn't impact traffic or parking loads!

What is most important in this process is that this asset be preserved as affordable housing. Central City Concern would be interested in making a proposal for the building that would allow it to stay in operation as affordable supportive housing. Given our current understanding of the building, we believe that an initial rehabilitation should add community kitchens by floor, repair plumbing, capitalize a replacement reserve, and paint and carpet the building. Over the next few years, the boiler, roof and electrical systems could be addressed. We would not propose repairing the secondary elevator or doing a seismic upgrade at this time. The initial repairs and upgrades could be funded by a private market mortgage.

Central City Concern has current demand for additional supportive housing units as our current housing stock is entirely spoken for. Central City Concern would continue to work with County Community Justice, Alcohol and Drug, Health and Mental Health departments to house their priority populations in this building. The Martha Washington can also provide low cost market housing to people working in the downtown area.

Central City Concern operates several programs serving the same population which would be housed in the Martha Washington. Because of the lack of affordable housing in the community, clients from these programs have a need for this housing and could begin occupying the building in a short time frame. There are long waiting lists for affordable housing at CCC and other housing providers, with the effectiveness of services compromised when clients do not have safe, secure housing. These programs all involve intensive case management, health care, and other services which will benefit the building by helping to stabilize the residents and ensuring their service needs are met. Programs which could house clients in the Martha Washington Building include:

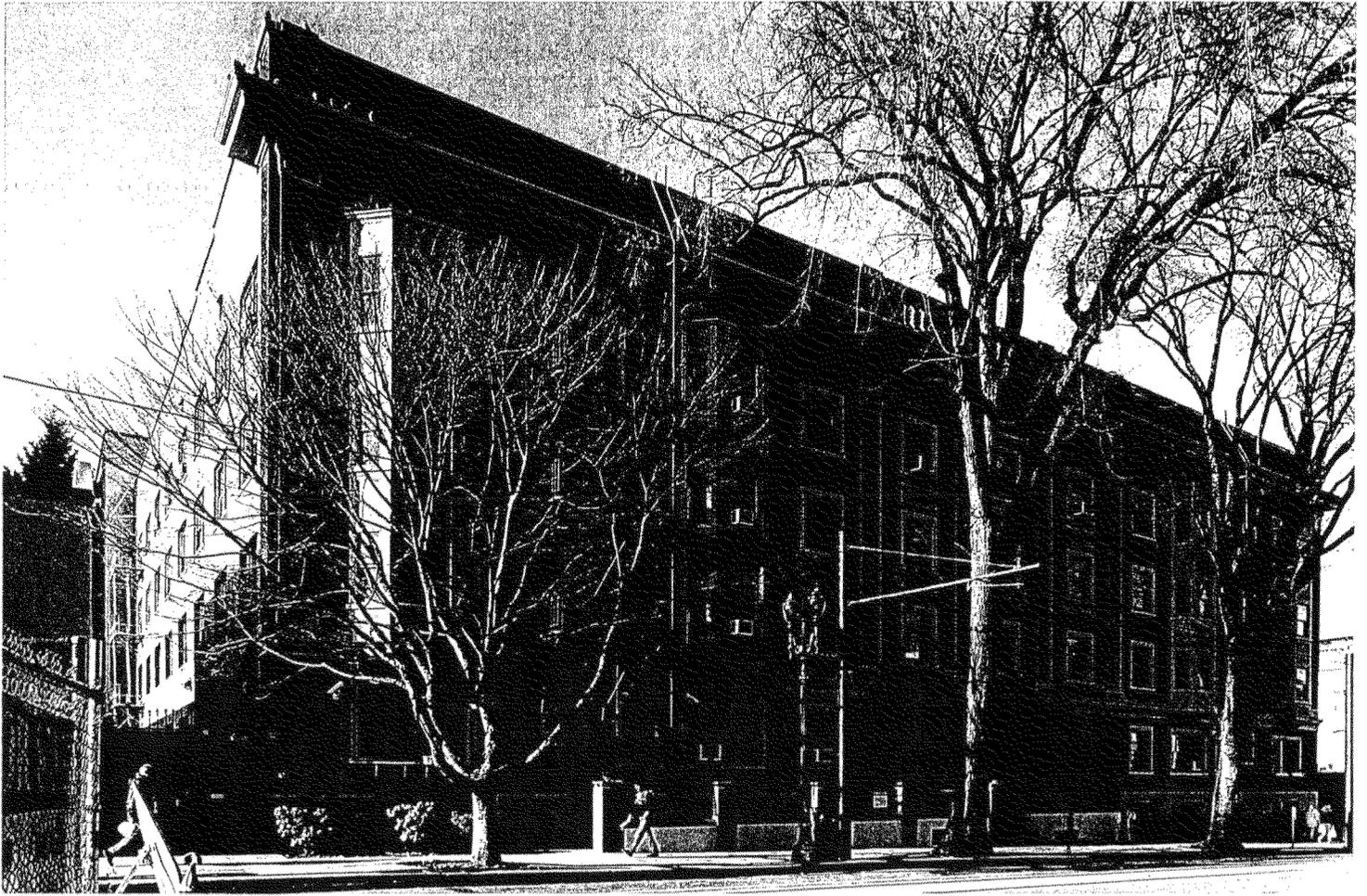
Community Engagement Program (CEP): Multi-disciplinary Assertive Community Treatment teams which serve homeless individuals with alcohol and drug addiction and mental illness. CEP operates on a "Housing First" model and engages clients wherever they are in their living situation and recovery process, providing case management, counseling, health care, mental health and alcohol and drug treatment, and housing support for as long as needed. CEP is funded by several federal Interagency Council on Homelessness grants and Multnomah County.

Housing Rapid Response (HRR): An outgrowth of CEP, this program targets the most frequent users of public resources and works with the Portland Police to engage people who have cycled through other programs multiple times. A case manager works with clients and engages them in the services of the CEP teams. HRR is funded by the City of Portland and the Portland Business Alliance.

Recuperative Care Program: Central City Concern Health Services has recuperative care agreements with Oregon Health Sciences University and Providence. Through these agreements, hospitals discharge homeless patients to CCC housing instead of to the streets, where the clients receive health care and basic needs as they recover.

Partnership Housing: A critical element of supportive housing is matching services and housing. CCC would actively engage other service providers who are in need of housing for clients served by County contracted resources. This model has been pioneered by CCC at the Danmoore and Estate buildings.

In conclusion, Central City Concern urges Multnomah County to preserve the Martha Washington Building as affordable housing for people with special needs. This is the best use of this scarce resource and will continue the building's community benefit many years into the future.



The Martha Washington Hotel Portland, Oregon

Guardian Management is pleased to present an idea for Multnomah County's Martha Washington Hotel that achieves two County goals:

1. Provide much-needed Senior Affordable Housing and Senior Social Services in one location in the downtown core.
2. Provide Multnomah County with significant funds for the property.

Senior Living and Services under One Roof.

The Martha Washington is situated in the heart of Portland's gentrifying West End, an area of town that is home to a large population of seniors and disabled people on fixed incomes with few means to relocate, and who are dependent on services and outreach from the county and non-profit service providers. As the West End continues to redevelop, rising real estate prices place mounting pressure on the system of services and affordable housing so essential to this fragile population. The Martha Washington provides a unique opportunity to effectively respond to the needs of this population and neighborhood.

The Martha Washington could build a new life for individuals who are on fixed income, in declining health, living single and looking for connection in their later years. The open courtyard provides the opportunity to develop gardening and other outdoor activities so vital to seniors living downtown. An indoor "senior day care" provides opportunities for community throughout the seasons.

The building has ample space to create community rooms for senior activities, meal preparation and service, clinics, counseling centers and offices, as well as hotel rooms which can be converted to independent living. Because of the pending displacement of the County Aging and Disabled Services offices and Loaves and Fishes Meal Center from the YWCA across the street, we propose relocating these essential services to the Martha Washington while converting the upper floors to low income housing for the senior and disabled - the ideal combination of affordable housing, with enriched services and ample community space - all under one roof.

EXECUTIVE SUMMARY

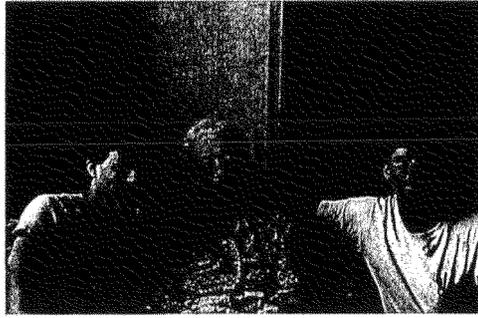


Placing the land in trust through a land lease with the Portland Land Trust or similar mission driven organization insures that the building will continue to be available to offer services, community center activities and outreach for both the tenants and the neighborhood into the foreseeable future.

Converting the Martha Washington to service enriched housing and community center located directly on the street car, and within easy walking distance of light rail and bus service, best utilizes these public transportation investments for those most dependent on them and provides both neighborhood and regional access to the facility.

Disposition proceeds of between \$1.5 and \$2 million can be anticipated to the county while achieving the extremely high level of public policy goals described above. This proceed can be accomplished by successfully bringing together a combination of financing sources, including non-competitive housing tax credits, tax exempt bond financing, historic tax credits, tax increment funds and fee waivers. Bond underwriters and legal advisors have shown favorable inclination towards funding this program as presented.

Preliminary review with Walsh Construction, Emmons Architects and KPFF Structural Engineers, indicate the building can rehabilitated to meet seismic, accessibility, egress and occupancy code requirements. We would plan on enhanced accessibility for the population served.



This is a perfect neighborhood for affordable senior housing. Seniors can become part of a community with many options for shopping, cultural events, and being outside. Here's a possible schedule for an active senior:

Sunday.

Church

Sunday midday dinner in Dining Room

visit with neighbors in the courtyard

Monday.

Shop at Safeway

Exercise Class downstairs

Tuesday.

Art Museum visit

visit in Park with friends

or, Martha Washington resident Excursion to the Japanese Garden

Wednesday.

Oregon Historical Society visit

Church Group meeting

or, just relax in the Day Room

Thursday.

Gardening in Courtyard

Matinee play at PCPA

Friday.

Window shop at Pioneer Place

Cards in the Day Room

Saturday.

Farmer's Market in South Park Blocks

Grandchildren visit

THE NEIGHBORHOOD

COMMUNITY:
Churches

NEIGHBORS:
St. Francis residents



SHOPPING:
Safeway

CULTURAL:
Art Museum

PARKS:
South Park Blocks

Giving seniors choices and providing a high level of independence, while still having nearby support close by if desired or needed, is a primary goal of our proposal.

The Martha Washington can provide much needed 30% median family income (MFI) housing for seniors in Portland's core. It can also be the home for social service agencies serving seniors.

UPPER FLOORS

Currently the building is configured like a hotel: 133 sleeping rooms with individual bathrooms and a common dining facility. It would be our goal to convert the hotel rooms into independent living studios by adding a kitchenette. Single Room Occupancies hotels with congregate dining is no longer a model that is desirable - as it is not a long term solution for people in the 30% MFI bracket.

FIRST FLOOR

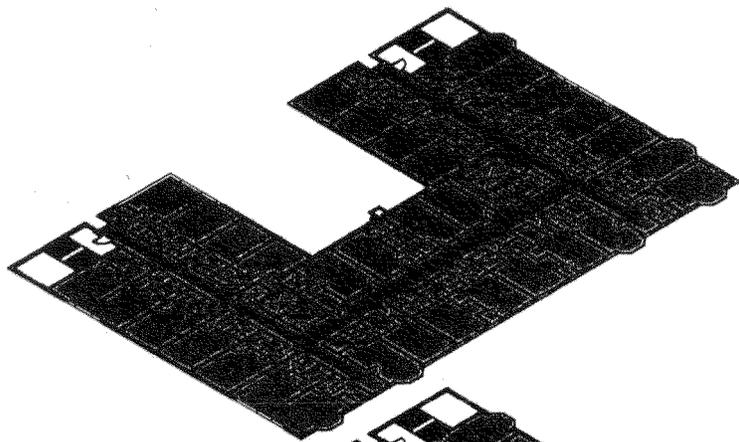
Multnomah County Aging and Disabilities could have counseling rooms, a clinic and offices in the north portion of the First Floor. Another social service agency could have a senior counseling center and clinic in the south portion of the First Floor.

BASEMENT

Loaves and Fishes, currently in the nearby YWCA, needs a new home. The Dining Room and Kitchen in the Basement is a perfect start. It is our plan to reconfigure the Basement so a Senior Day Room and Activity Room can be added. Seniors living upstairs can use the dining and living facilities, too.

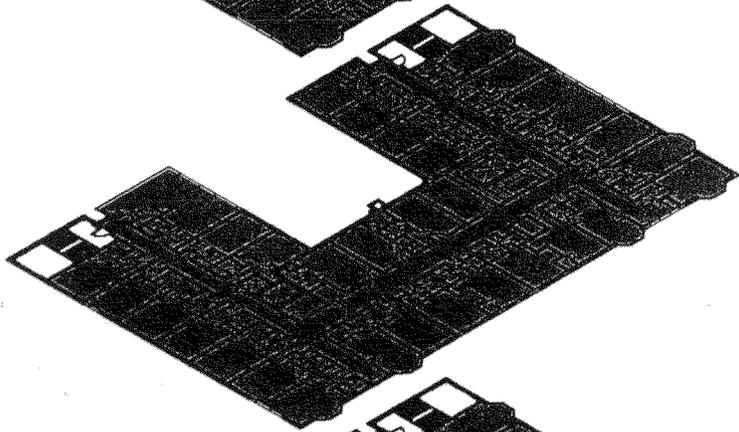
PROPOSED USE OF BUILDING

4



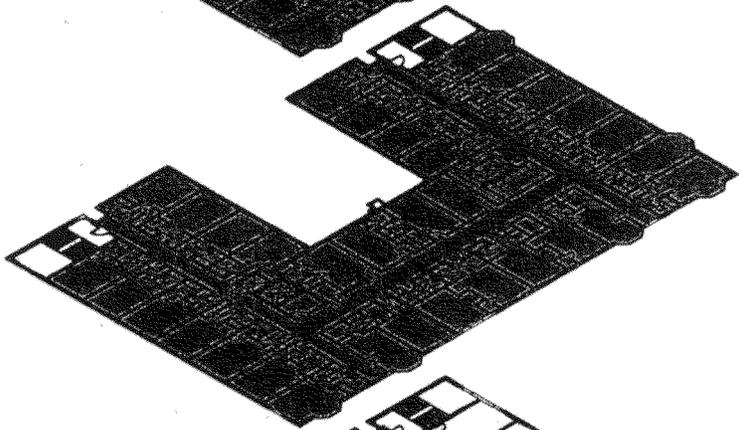
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3



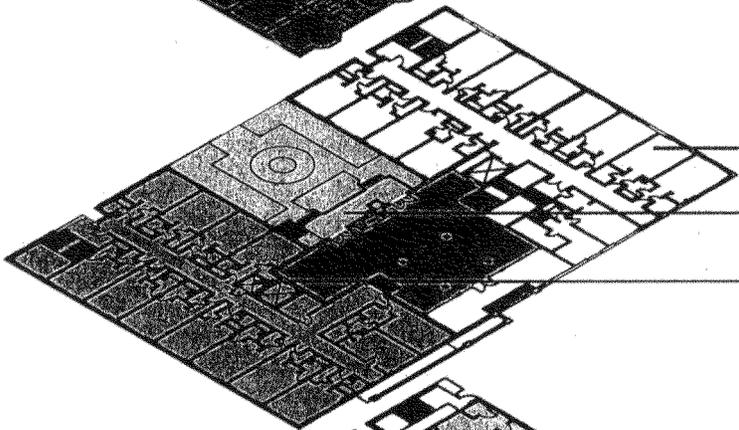
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33 UNITS SENIOR LIVING

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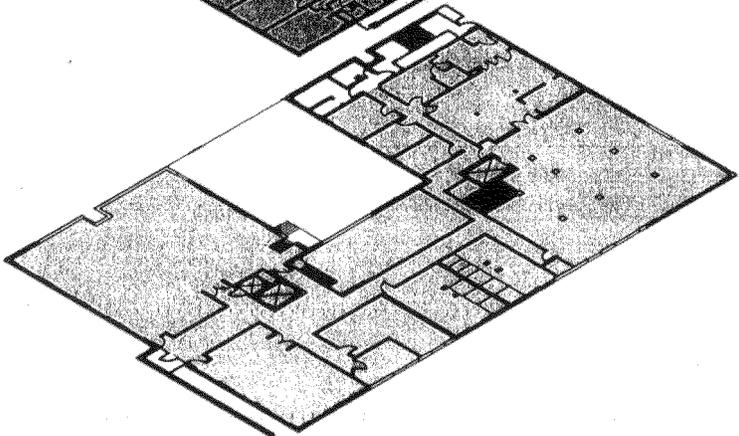


MULT. CO AGING AND DISABILITIES

COURTARD GARDENING

NON PROFIT SERVICE PROVIDER

B



LOAVES AND FISHES

DINING

SENIOR DAYROOM / ACTIVITIES

In order to keep the rents as low as possible for the residents, financing from both public and private sources needs to be secured, and leases entered into to “anchor” the project. An additional partner will be identified who can provide additional services to residents. Additional income streams to the building will be secured through sub-leasing of offices, community space, clinic space or other services related to the building and its residents.

Partner	Participation	Status
Multnomah County	Sign long term lease (subject to appropriation) for Aging and Disabled Services Offices to locate in the Martha Washington.	Currently being displaced from YWCA; looking for new space in the neighborhood. Preference for co-locating with Loaves and Fishes
Multnomah County	Receive disposition proceeds of Restitution Center Site of between \$1.6 and \$2.0 Million	Based on review of physical condition of building and rehab budget determined by Walsh Construction and Emmons Architects
Portland Development Commission	Budget to fund the acquisition of the land through the Portland Community Land Trust, or similar entity.	Requires proposal to PDC and County help in lobbying for budget
Portland Community Land Trust (or similar entity)	Acquire the land with PDC forgivable loan, and long term lease of land to project	PCLT has been contacted. Achieves goals of perpetual affordability and use.
Loaves and Fishes	Sign a lease to utilize the kitchen and dining facilities, including offices and construction of new restrooms.	Kitchen and dining area are in place; require some rehab and new equipment.
State of Oregon	private activity bond “conduit” authority	Adequate “cap” for this project is available.
Non-Profit Service Provider (pending)	Enter into agreement to lease space and provide services; possible co-developer role	We are talking with non-profit providers to locate services in the building.
City of Portland	Provide System Development Fee Waivers	Compelling public purpose; will require lobbying of city commissioners.
Guardian Management	Market space in the building for clinic, counseling, service provision	Ongoing...

THE TRANSACTION

Once a decision is made by the county to dispose of the building to us as a developer, the following schedule is anticipated:

1 MONTH
after County
Disposition Decision

Enter into tentative agreements to lease space for County and Loaves and Fishes.

6 MONTHS

Complete underwriting of project and secure financing;
Complete listing on historic register and historic tax credit approval.
Secure permitting, complete rehabilitation design.
Consultants anticipate that Historic Register Listing and tax credit approval is readily achievable.

7 MONTHS

Begin rehabilitation construction.

16 MONTHS

Complete construction – move in.

SCHEDULE

The Martha Washington Hotel was constructed as a 133 room women's hotel in 1923 at the SW corner of SW 11th and Main Street in the west end of Portland. It is a U-shaped, 4 story building with a high ceiling daylight basement and courtyard accessible from the Lobby on the First Floor. In the 1980's it was purchased by the Rajneeshees and upgraded with a fire sprinkler system, and numerous upgrades to the building. In the mid 1990's Multnomah County bought the property and operated it as a split facility: the southern half being for residents in a County Drug and Alcohol program and the northern half for residents in the County work-release restitution program.

EGRESS:

Egress is the primary challenge of the Martha Washington and should be the first issue addressed during a remodel, so residents and visitors have a clear, unobstructed and direct route to the sidewalks in the event of an emergency.

Challenges

Fire Escapes for egress

Potential Solutions

It may be possible for the building to maintain the egress by fire escapes, but, the system is not recommended for a safe building. To compound the safety concern, the two western fire escapes are only accessible through private rooms, which could be locked in a fire. **Fire escapes should be eliminated and replaced by an internal fire stair system.**

Existing stairways are not located so they can achieve full building exiting due to dead end corridors. They don't exit to the outside legally, and they are constructed with flammable materials.

As current stairway shafts are in the wrong location, it is advisable to **build two new code compliant stairways** in the NW and SW corners of the building and use the existing shafts for other purposes.

Corridors on all floors are not fire rated. Basement corridor system is not compliant.

Replace doors with rated doors with closers, add fire rated gypsum wall board assembly over existing transom windows. Reconfigure and fire rate corridors where necessary to insure clear, direct access to building exits.

Egress from Dining and other rooms are not code compliant.

Reconfigure rooms and door locations where possible, and review with city BDS/Fire officials.

CHALLENGES / SOLUTIONS WITH THE BUILDING

ACCESSIBILITY:

The building has been upgraded to partially address accessibility. There is a ramp going from the sidewalk to the Lobby that is close to ADA requirements and there is a lift to the first floor south wing. If remodeled, the building will require additional accessibility upgrades discussed below. If a population that includes disabled people occupies the building, upgrades would also be desirable. For an upgrade, 25% of the cost of the remodel would need to be spent on accessibility improvements.

Challenges

Elevators are too small to accommodate wheelchairs and scooters.

North portion of First Floor inaccessible.

The Lounge in the basement is inaccessible.

Individual rooms are inaccessible.

Potential solutions

Install 2 new elevators in the current staircase shafts.

New elevators to have 2 doors so they can stop at both First Floor Lobby Level and First Floor north and south wing level.

SEISMIC:

Building does not comply with current seismic code.

Building is not required to be upgraded seismically if the occupant load is not increased by 150 occupants, and if the overall type of occupancy is not changed to a higher occupancy group.

MECHANICAL:

The hot water radiator system has boilers in the basement that have exceeded their recommended life span.

Replace the boilers in the basement.

The building has no central air conditioning.

Place unit air conditioners in offices as necessary and increase ventilation in Dining Room.

ELECTRICAL:

The electrical system is old but satisfactory.

Upgrade electrical system as needed to comply with code.

PLUMBING:

The existing galvanized metal water piping system is showing wear. Hot water lines do not have optimal water flow.

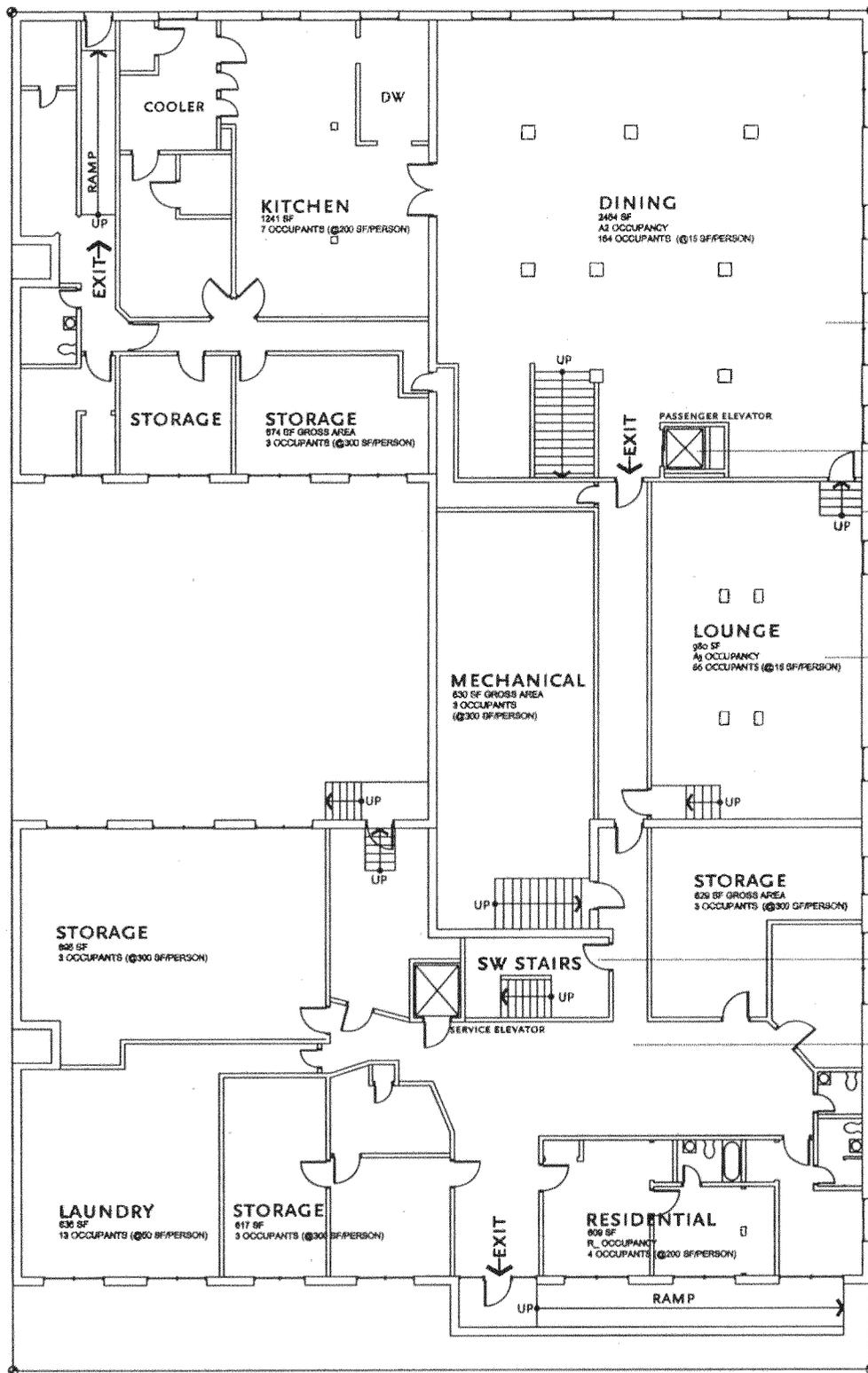
Replacing the piping system will result in major demolition of walls and unit bathrooms, and be costly. It may be advisable to maintain the system, but not add additional fixtures to the existing water system.

KITCHEN EQUIPMENT:

The equipment is antiquated. Kitchen ventilation is in place and functional.

Upgrade as necessary and allowed by budget.

These comments are based on preliminary observations by this team's members. They are not conclusive and will need to be verified and amended through detailed testing.



NON-COMPLIANT EXITING
OCCUPANCY SEPARATION
TOILETING

NON-COMPLIANT
ELEVATOR ACCESSIBILITY

NON-COMPLIANT STAIR
LANDING

LACK OF ACCESSIBILITY

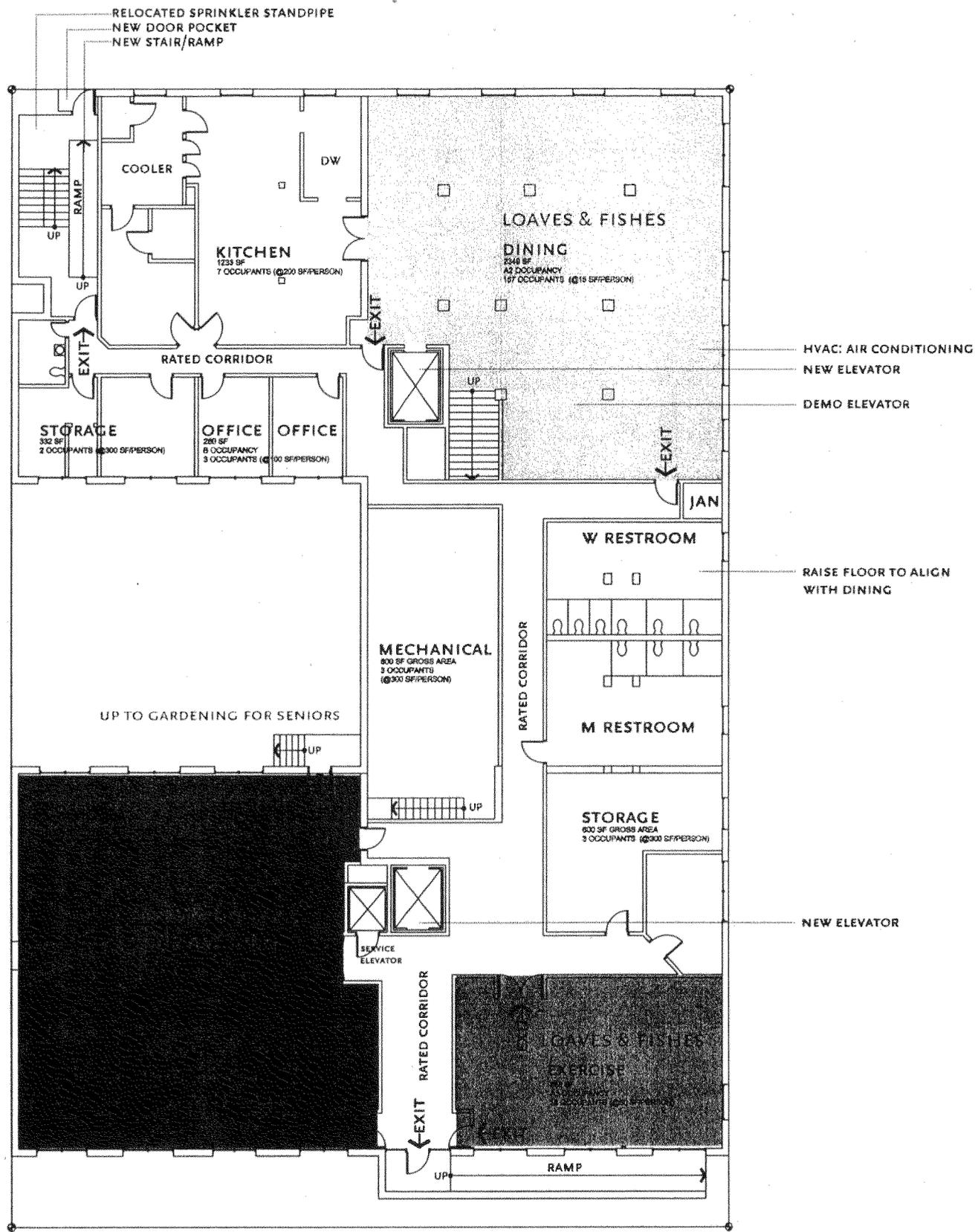
NON-COMPLIANT
STAIRWAY EXIT

NON-COMPLIANT EXIT
CORRIDOR



AREA: 11,939 SF
UNITS: 0
OCCUPANTS: 269

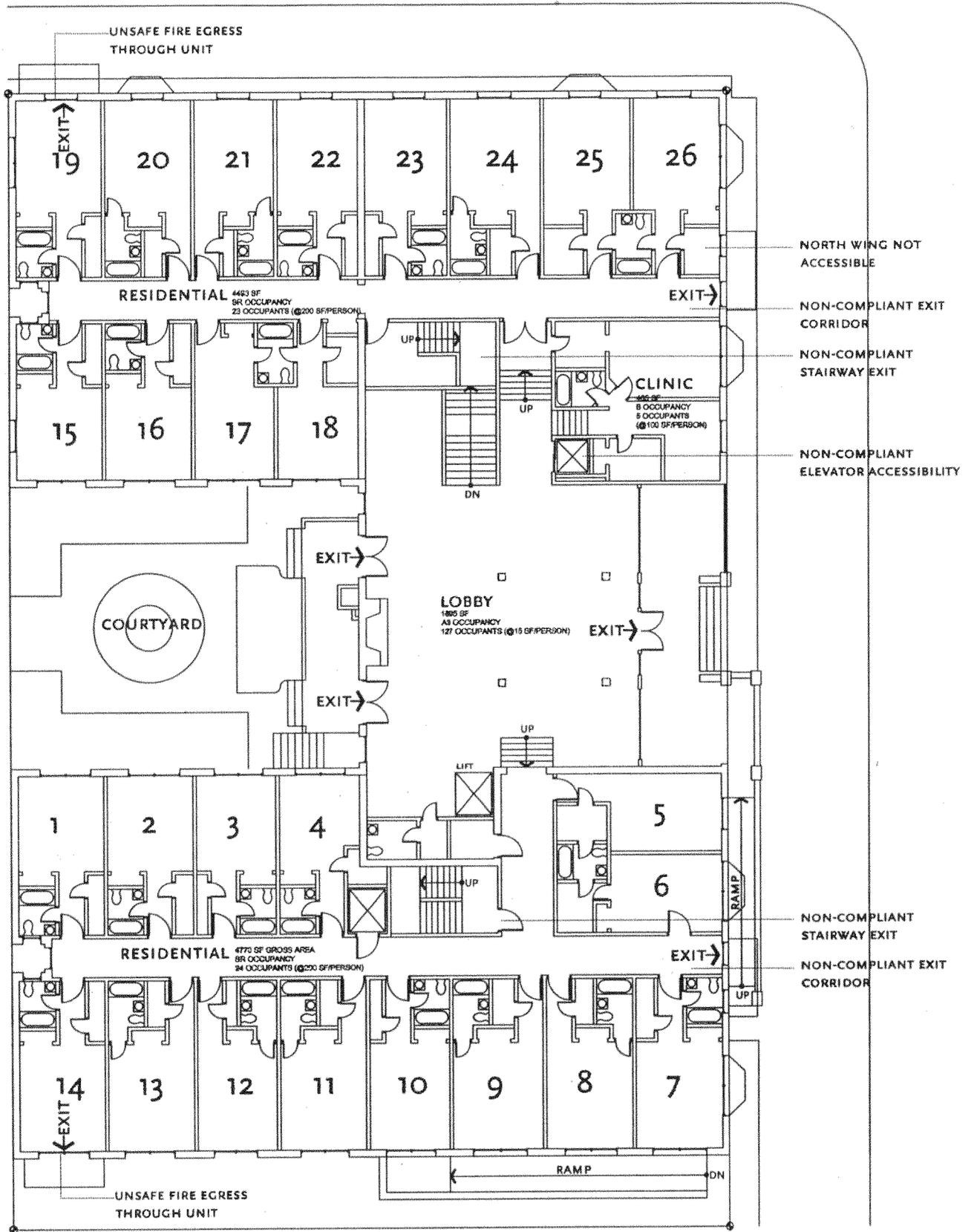
EXISTING BASEMENT



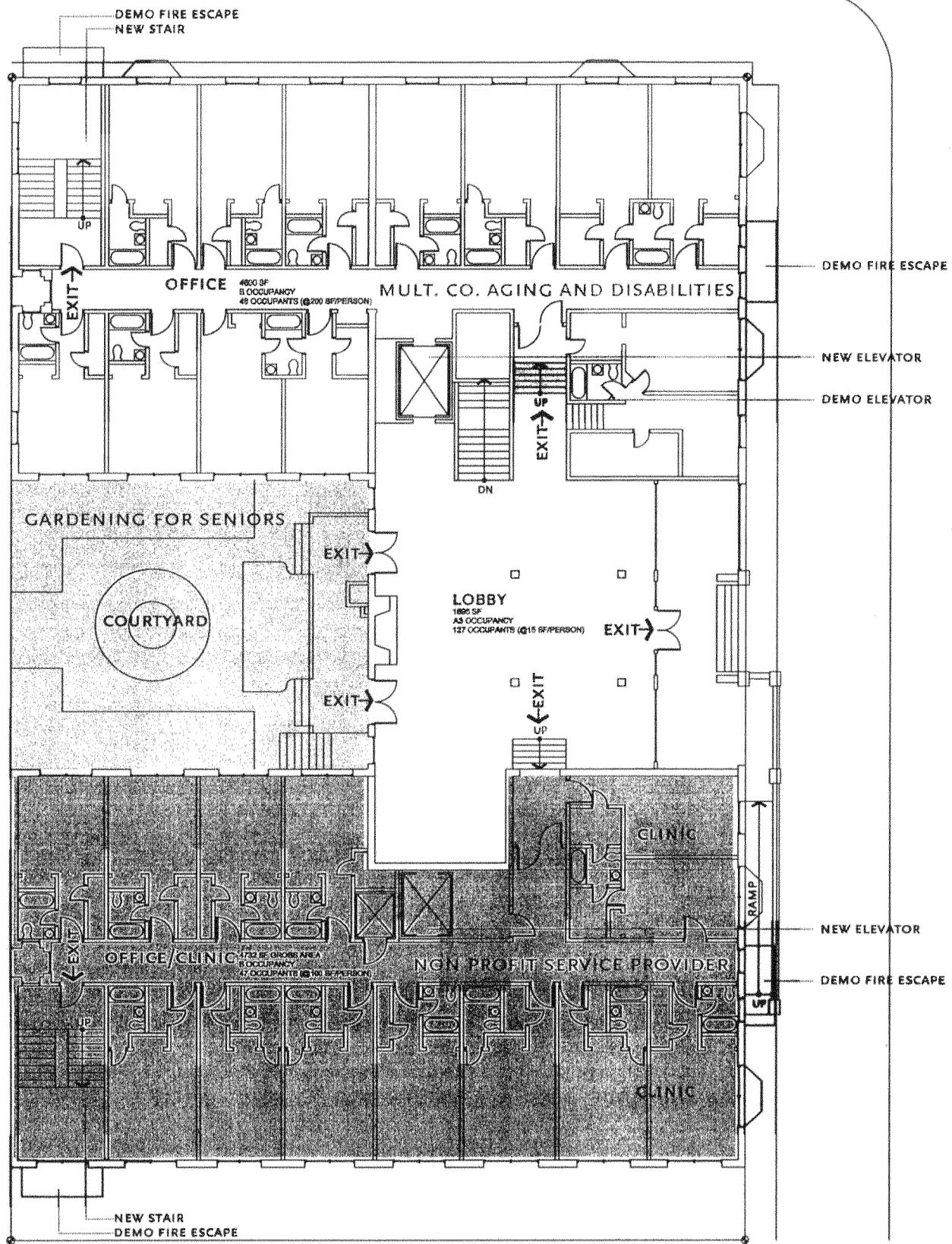
AREA: 11,939 SF
 UNITS: 0
 OCCUPANTS: 358
 OCC. INCREASE: 89



PROPOSED BASEMENT

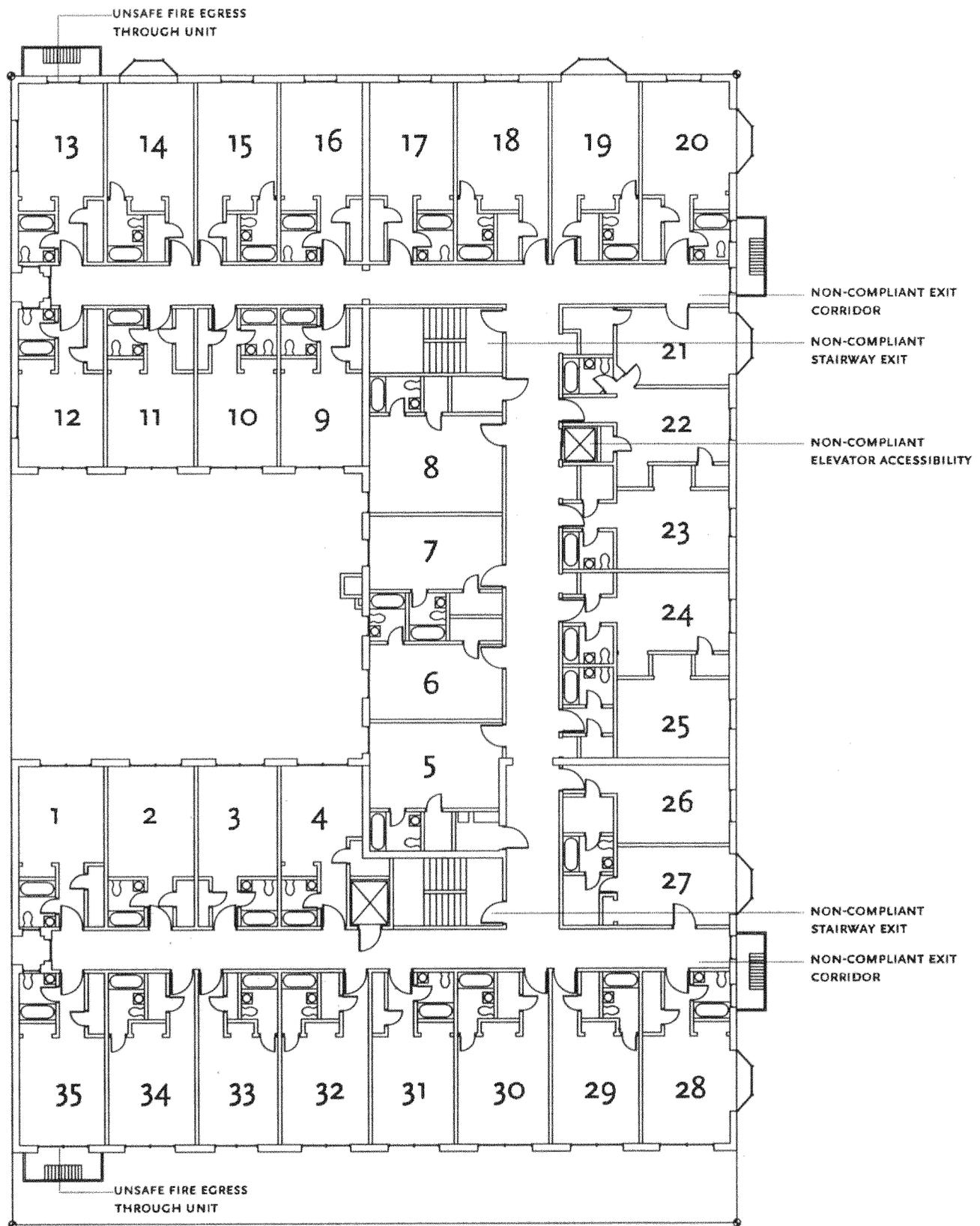


EXISTING FIRST FLOOR



AREA: 11,939 SF
 UNITS: 26
 OCCUPANTS: 218
 OCC. INCREASE: 39

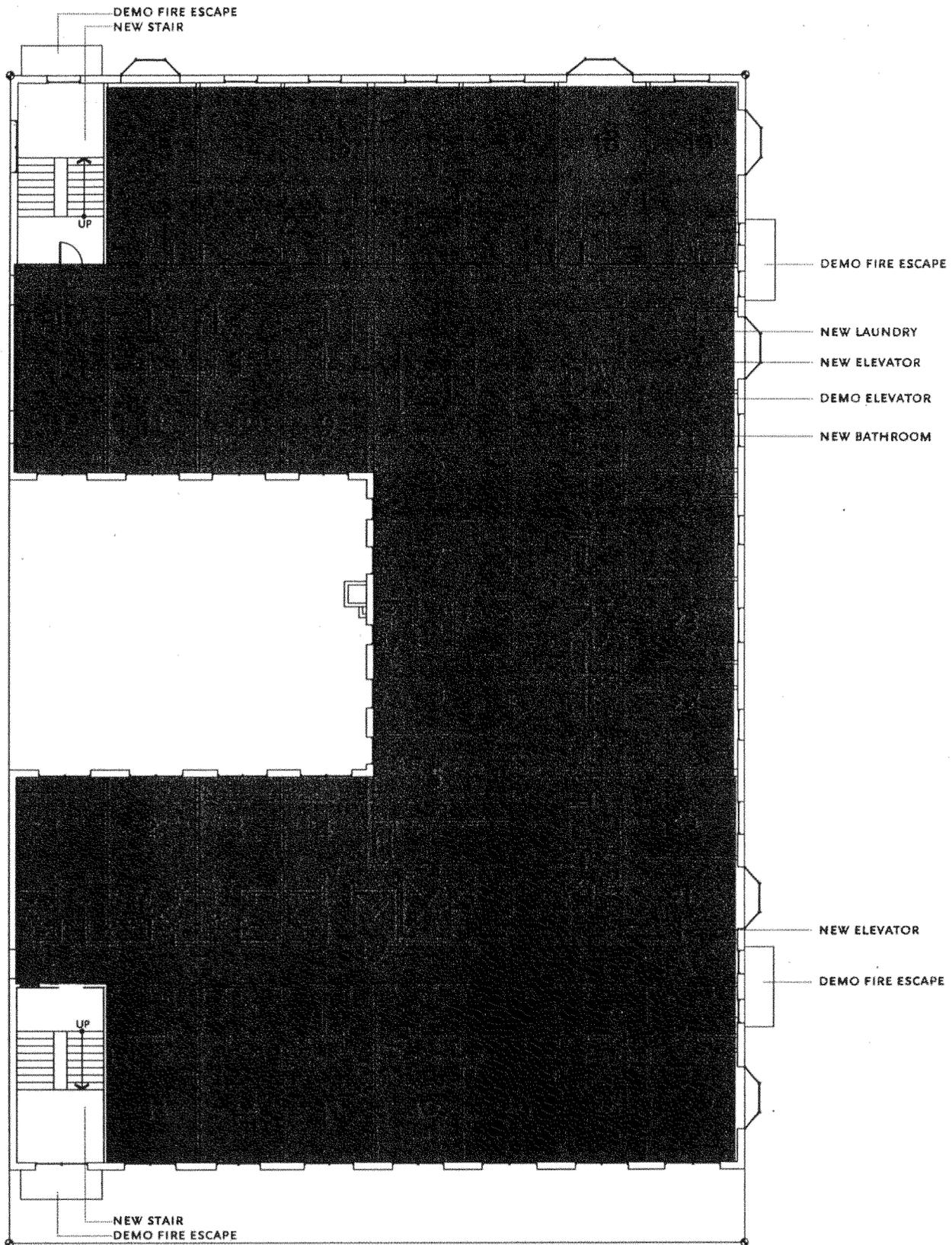
PROPOSED FIRST FLOOR



AREA: 12,408 SF
 UNITS: 35
 OCCUPANTS: 63



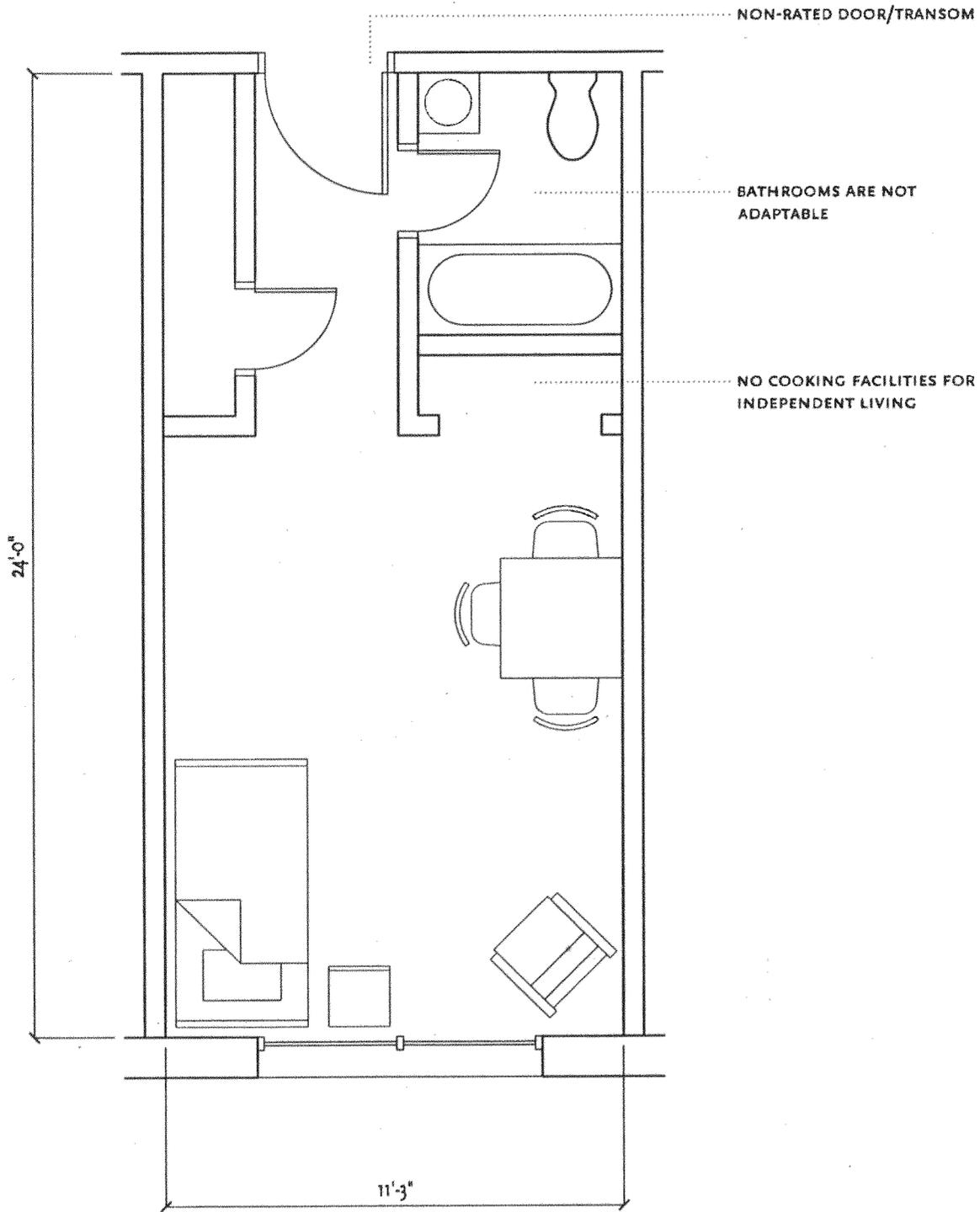
EXISTING SECOND - FOURTH FLOORS



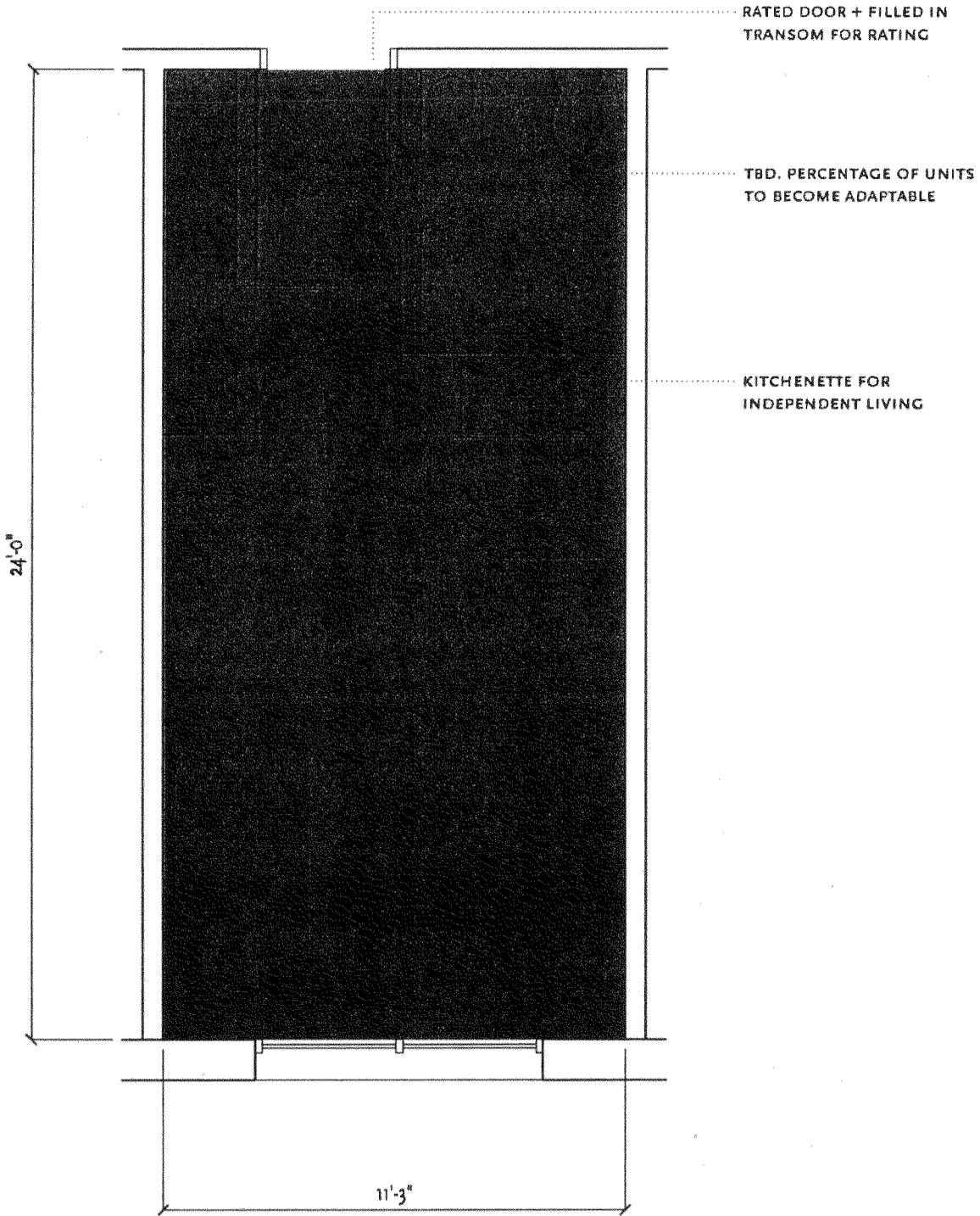
AREA: 12,408 SF
 UNITS: 33
 OCCUPANTS: 63



PROPOSED SECOND - FOURTH FLOORS



EXISTING UNIT



PROPOSED UNIT

Project: Martha Washington Building
1115 SW 11th Avenue

Meeting Date: January 24, 2006

Meeting Purpose: Review of Life Safety and Fire Issues

Attendees: Katherine Bang, BDS
Jerry Randall, Fire Marshall
Stuart Emmons, Emmons Architects
Gabe Headrick, Emmons Architects

Distribution: Ross Cornelius, Guardian Management
Larry Robertson, Walsh Construction

- 1.24.06-1 The occupancy of the building in a previous version of the code is SR2, what the translates to in the new code is not entirely clear. The SR occupancy indicates assisted living that is licensed by the state. The occupant load is the same as an apartment, so any change to an R2 occupancy will not increase the occupants. Changing the occupancy from SR2 to R2 is favored by both Katherine and Jerry because it means the occupants will be more able to evacuate the building in case of emergency.
- 1.24.06-2 The building has a chapter 13 agreement which allows for the fire escapes. Any changes in occupancy (SR2 to R2, SR2 to B) will probably void the agreement and both Katherine and Jerry really like the idea of adding new interior stairwells and eliminating the fire escapes.
- 1.24.06-3 The combination of changing the occupancy and adding new fire stairs could help to convince the appeals board on other issues in the building.
- 1.24.06-4 The building construction is a Type III-1 hour which means the exterior walls and floor assemblies must be 1-hour rated. Any penetrations of new mechanical ducts would need to have fire dampers.
- 1.24.06-5 Any new kitchenette would need to be ADA compliant.
- 1.24.06-6 25% of the construction budget must be spent on items that upgrade the ADA compliance. The two proposed elevators would likely take up the majority of this cost.
- 1.24.06-7 The courtyard may not have to be made ADA accessible due to the 25% being used in other areas. Both Katherine and Jerry felt that the existing exiting from the courtyard to the lobby was acceptable without the 1/3 distance between exits.
- 1.24.06-8 We may need to file an appeal regarding upgrading units to be adaptable. The appeals board may require that only a percentage of the units be modified, and the 25% rule plays into this as well.
- 1.24.06-9 So long as the sprinkler system is approved as being a fully sprinklered system the building can have non-separated uses. With the full sprinkler system the lowest height and area combination is the A2 or the A3 at 4-stories maximum and 1400 SF per floor. A non-separated building means that we will not have to build occupancy separations between uses.
- 1.24.06-10 We will need to verify that the sprinkler system is an approved fully sprinklered system. This means that the units must have multiple sprinkler heads with an approved coverage, among other requirements.

APPENDIX - FIRE/LIFE SAFETY MEETING NOTES



- 1.24.06-11 Exiting from the first floor along a 1-hr. fire rated corridor looked acceptable so long as there is not a lot of work on the first floor. Any conversion of storage space to assembly space raises the amount of occupants and could push the exiting into higher requirements.
- 1.24.06-12 The roll down doors in the hallways may have been bolted open when the sprinkler system was added.
- 1.24.06-13 The travel distances and point of choice between exits needs to be looked at a little further. However because we are making the building so much safer already some of these requirements could be appealable. The dead end corridor looks to be very appealable.
- 1.24.06-14 The stair enclosures would need to be 2-hr. rated. One stair needs to go to the roof, although it could be an alternative riser (ladder type). An area of refuge is not required because this is an existing building.
- 1.24.06-15 On the north stair opening onto main Katherine would like to see the door set into an alcove so the door does not encroach into the sidewalk.
- 1.24.06-16 We will need stand-pipes added into the new stair enclosures because the existing stand-pipes are attached to the fire escapes which would be eliminated.
- 1.24.06-17 In the lobby the second means of egress would be up the half-stair to the north wing hallway and over to the new stair enclosure. One of the double doors from the lobby into this hallway would need to swing in the direction of travel.
- 1.24.06-18 All doors in public spaces should be 3'-0" wide.
- 1.24.06-19 The doors into the units would need to be replaced as 1-hr. doors. The transoms above the doors would need to be filled in to get the ½ hour rating between the units and the corridor.
- 1.24.06-20 We will need to verify that the rise and run of any stairs we are keeping are compliant. In particular the stairs on the south side of the basement up.
- 1.24.06-21 We will not be required to seismically upgrade the building due to the proposed occupancies being on the same or lower levels of importance on table 24.85 of the city code. We need to stay below 150 occupants added.
- 1.24.06-22 Transportation quoted their SDCs at around \$30,000.
- 1.24.06-23 BES quoted their SDCs at around \$1,00,000 due to all of the kitchenettes being added (1 plumbing fixture per unit) plus the addition of 10 toilets and 10 sinks in the basement.
- 1.24.06-24 Parks was not available for a quote, we'll need to call them.
- 1.24.06-25 Water was not available for a quote, we'll need to call them.

*submitted for
public comment
3/3/06
Martha
Washington*

March 1, 2006

Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland OR 97214

RE: MARTHA WASHINGTON BUILDING
1115 SW 11th Avenue – Portland OR

To Whom it may concern,

We here at the Church of Scientology of Portland appreciate this chance you have given us to submit a proposal to the county to purchase the Martha Washington Building on SW 11th in downtown Portland.

The Church of Scientology of Portland was first established in the 1960's and was formally incorporated in 1971. Since the very beginning our staff and parishioners have dedicated their lives to the service of this community. From such groups as the Volunteer Ministers with their big yellow tents who travel to Baton Rouge or Indonesia, to the Youth for Human Rights teaching the Universal Declaration of Human Rights, to the Drug Free Marshals marching in the Junior Rose Festival parades, our goal is to uphold L. Ron Hubbard's words, "A being is as valuable as he can serve others."

Included in the proposal are some letters we have received over the years from a few of our projects. Each and every project was a gift to Portland.

Now we look to Multnomah County in our quest for a bigger building to house our church and call home. The building that we currently occupy we have leased since 1974. We grew and were able to renovate much of the Western Building and hold 71% but still this is not enough. Our church members grow as new members come into the church and current members (over 600 of them) marry, have children and then grandchildren. Doris Blair, a founding member of the church here in Portland, turned 103 years old this last October.

Our anti-drug stance and our Life Improvement Courses are well known. They encourage individuals to assume more responsibility for both themselves and their fellow man thus strengthening the community while creating an environment of safety. It is an interesting fact that Churches of Scientology have been known to move into areas of town with high crime rates and buildings in need of renovations only to see the crime rates lower considerably, the entire area upgrade and surrounding businesses thrive within less than a year. Our Church is open to all walks of life, all religions and very interested in interactive activities with the city.

We are also known for renovating historical buildings, examples of this being the Celebrity Center in Los Angeles, the original Transamerica Building in San Francisco, and the Main Street Library in Buffalo, N.Y.. The Martha Washington is a historical building and we would preserve the outer historical architecture as well as any significant interior architectural details. Included in our designs are proper lighting of the building and interior designs that complement the style of the building. We have completed surveys on Portland citizens to find out what building and interior designs are liked as this is important to us in designing the building.

As you may know the Church of Scientology and its related organizations are tax exempt. All money raised by the Church is used exclusively for religious and charitable purposes.

We are not asking for you to give us this building, we are offering you a fair price with the added bonus of adding our time and talents to that area of town. You win as you sell the building for needed funds, the city wins as we have larger facilities to implement more of our community programs and the neighborhood wins as they get a caring and active neighbor.

Sincerely Yours,

A handwritten signature in cursive script, appearing to read "Steve R. Crandell".

Steve Crandell

Executive Director

The Church of Scientology

Founded in 1952 by L. Ron Hubbard, Scientology is the only major religion to emerge in the 20th century, now with 10 million parishioners in 159 countries throughout the world.

Scientology's continued expansion rests on the spiritual benefits it provides to its parishioners and its widely recognized contribution to the community. Many spiritual groups and organizations have come and gone within a few years. This is not the case with Scientology. Although a relatively "new" religion, Scientology is fully developed in its theology, practice and organisation. Its worldwide ecclesiastical hierarchy is comprised of more than 6,000 churches, missions and related organisations and more than 10,000 full-time staff personnel, all unified by a common religious goal.

Churches of Scientology are located in cities on every continent, including every country in Europe, and are open to the public and accessible by people of all strata and walks of life. There can be no question of Scientology's status as a world religion in this day and age. Courts and governmental agencies in the United States, throughout Europe and in other areas of the world have repeatedly determined that Scientology is *bona fide* in all respects. In the United States, the U.S. Internal Revenue Service has recognized all churches of Scientology in that country as charitable tax exempt religious organizations. Similar religious tax exemptions have been granted by scores of state, county and local tax agencies throughout that country.

Scientology's bona fides also have been recognized in Australia, Italy and Austria, where the highest courts have ruled that Scientology is a religion. More than two dozen court decisions find Scientology to be a religion in both Germany and Italy. Other courts in France, Holland and Sweden also have recognized Scientology's religiosity.

There can be no question that individuals derive significant and fundamental benefits from participating in Scientology religious services -- even an introductory religious service such as a course in communication or a "Life Improvement Course," which helps individuals resolve common problems in everyday life. These benefits come about because Scientology has extremely effective principles and practices that anyone can use to better the conditions his or her family, friends or colleagues, even community or country, may be facing.

But there is a much greater benefit than this that flows from Scientology services, resulting from the very essence of Scientology, which is to encourage individuals to assume more and more responsibility both for themselves and for their fellow man. This more social sense of responsibility arises as one progresses through Scientology services. Through Scientology religious practice, a person realizes that his life and influence extend far beyond himself. He becomes aware of the necessity to take greater responsibility and to participate in a broader sphere of life. Scientology shares the

ethical and moral view of many religions that no person can be spiritually free, or even successful in every day life, if he is only interested in himself. In Scientology, such a person would be considered to have lost his native spiritual awareness of, and responsibility for, the other spheres of life.

The Church of Scientology has implemented a number of programs designed to activate individual Scientologists to benefit the community.

One way the Church activates individual Scientologists is by encouraging them to participate in specific committees and associations that undertake projects in the community. There are a number of these committees, each designed to appeal to Scientologists with certain interests or at certain levels in the religion. Of course, Scientologists always are participating in some activity that is beneficial to the public, even if entirely on their own, so the activities discussed here are representative only of those initiated by churches.

Perhaps the most important and well known of the associations is the "Volunteer Ministers' Programme." This programme began in the mid-1970s when Mr. Hubbard decided that something had to be done to restore spiritual values to society. He believed the best way to accomplish this goal was by teaching individuals practical techniques for helping others that do so by restoring purpose, truth and spiritual values in their lives.

The Church encourages all its parishioners to participate in the Volunteer Ministers Programme and volunteer their efforts to help those in need in their communities. The programme is particularly beneficial to the public in times of a local emergency or disaster since through this network the Church is able to mobilise a large number of highly competent volunteers with little advance notice.

Through the Volunteer Minister programme the Church is able to respond to the real needs of the community in a flexible and very effective way. Its parishioners throughout the world visit the elderly in nursing homes, visit the ill in hospitals, distribute food and clothing to the poor, clean up the community, and talk to those at risk about the dangers of illegal drugs. These programmes benefit more than the local community, they often directly impact the well-being of people clear across the globe, particularly in times of natural disasters.

For example, Scientologists have responded to the call of their churches to help refugees of the fighting in Chechnya and Kosovo; assist victims of earthquakes in India, Italy, Colombia, Taiwan, Los Angeles, Nicaragua, Venezuela, Russia, Japan and Northern China; clean up after the riots in Los Angeles in 1993; minister to the victims of hurricanes in Central America and the Caribbean, typhoons in Taiwan, a tornado near Orlando, Florida, and flooding in Venezuela and the Czech Republic. Hundreds of Scientologists worked with rescue workers and police in India, Sri Lanka and Indonesia

after the tsunami of December 2005, in London after the July 2005 terrorist bombings, and in Louisiana following Hurricanes Katrina and Rita. The Church has received dozens of commendations and appreciations from police, governors and rescue workers for the dedication, hard work and selflessness of its Volunteer Ministers.

Within hours of the 9/11 attacks Churches of Scientology throughout North America mobilised more than 1,000 Scientologists to aid in the relief effort. The New York Times reported on the Church's involvement as follows:

"At any time, well over 100 volunteer ministers from the Church of Scientology mill around the remains of the World Trade Centre.

* * *

Though many religious organisations are supplying assistance for the disaster, few are as well-organised as the Scientologists, or as evident at the scene. When many volunteers were asked to clear out over the weekend, the Scientologists were allowed to stay, working alongside groups like the American Red Cross and the Salvation Army.

Churches of Scientology and individual Scientologists also work tirelessly to improve mankind's spiritual and moral well being through the teachings of L. Ron Hubbard. Many work in programmes like Narconon (drug education and rehabilitation), Criminon (criminal rehabilitation) and Applied Scholastics (education and literacy). What may be the most well-known Scientology community outreach activity is the massive anti-drug education and awareness campaigns conducted by churches of Scientology at grass-roots and national levels.

The Church spends millions of dollars annually on its drug awareness efforts, distributing drug information and prevention booklets at no charge to government officials, MPs, and members of the public. All these funds come from the contributions of Scientologists who are deeply concerned at the drug problem and eager to support initiatives that will work.

Other Scientologists are involved in Human Rights activities or local community charity projects.

Scientology, like all true religions, is part of the mainstream of society:

- Churches of Scientology are located in city centers on every continent.
- Scientology churches are open to the public and accessible by people of all strata and walks of life. Anyone is welcome to walk into any Church of Scientology at any time. Regular Open Houses are held and promoted in newspapers to invite people to visit the Church.

- Scientologists are from all walks of life: they are doctors, teachers, housewives, blue-collar workers, artists and businessmen, many prominent and leaders in their field, all very much part of society, not apart from it.
- Scientology books are widely available to the public in bookstores. The Church conducts large-scale campaigns to make their religion known world over, while also making its publications widely available, including placement of more than 750,000 Scientology books in over 50,000 university, college and community libraries around the world.
- Scientology maintains extensive websites to provide information about Scientology through the Internet.
- Church facilities are made available to community and charity groups to conduct meetings and events.
- Officials and the public are regularly invited to attend functions at the Church.
- Church spokespeople are accessible and available to the media.

oOo



TROUTDALE POLICE DEPARTMENT

"Committed to policing excellence through proactive service and professionalism"

February 1, 2005

Phone Numbers

Emergency - 911

Non-Emergency to
Dispatch an Officer
(503) 823-3333

Business Office

Ph: (503) 665-6129
Fax: (503) 669-0875

Business Hours

8:00 am - 5:00 pm
Monday - Friday

VALUES

*We are customer
service oriented*

*Everyone gets treated
with respect*

*Employees are our
most valuable resource*

We work as a team

*We plan strategically
and we work from our plan*

Vicki Shear
Church of Scientology
Volunteer Ministry Youth Corp
2636 NE Sandy Blvd.
Portland, OR 97232

I want to take this opportunity to thank your organization for volunteering your time and energy to our Food and Toy Drive events this year. Through this generous gift of time, our Holiday outreach was the most successful yet.

The Troutdale Police department and our PAL (Police Activities League) Board coordinated a unique event this year with Snow-Cap in Gresham to help families in Troutdale, Fairview, Wood Village and Gresham. The outcome resulted in our ability to assist Snow-Cap in providing food baskets to 520 families, and toys and gifts to over 1200 children and teenagers.

Thank you again, for helping to make this Holiday Season of giving a memorable one in the hearts of many people.

Sincerely,

David Nelson
Chief of Police
Troutdale Police Department



Serving Oregon and
Clark County, WA

Mission:

To eliminate hunger and its root causes ... because no one should be hungry.

January 23, 2004

Vicki Scherer
Church of Scientology of Portland
2636 NE Sandy Blvd
Portland, OR 97232

Dear Vicki,

On behalf of Oregon Food Bank, I'd like to thank everyone at Church of Scientology of Portland for your contribution of **269 pounds of food** to help fight hunger in our community. Please express our gratitude to all participants.

Through Oregon Food Bank's local distribution center, your donation will be used by one of the more than 230 local agencies that are partners of Oregon Food Bank. These agencies are located in Multnomah, Clackamas and Clark counties and include soup kitchens, food pantries and shelters. Approximately 54,400 people each month requested emergency food assistance through these agencies last year with 40% of these people being children age 17 or younger.

You are invited to tour our new warehouse and office space at 7900 NE 33rd to see how your contributions support hunger-relief efforts. If you'd like to visit, please call Briana Winterborn, Food Drive Coordinator, at 503-282-0555 extension 226.

Your gift advances our mission to end hunger ... *because no one should be hungry.*

Sincerely,

Dwight Adkins
Corporate Relations Manager

P.O. Box 55370
Portland, OR 97238-5370
PH (503) 282-0555
FAX (503) 282-0922

P.O. Box 1682
Hillsboro, OR 97123-1682
PH (503) 439-6510
FAX (503) 439-6621

www.oregonfoodbank.org

GORDON H. SMITH
OREGON

United States Senate

WASHINGTON, DC 20510-3704

July 9, 2004

COMMITTEES:
FINANCE
COMMERCE, SCIENCE, AND TRANSPORTATION
ENERGY AND NATURAL RESOURCES
RULES AND ADMINISTRATION
INDIAN AFFAIRS
SPECIAL COMMITTEE ON AGING

Church of Scientology
Celebrity Centre Portland
c/o Angie DeRouchie
709 SW Salmon St.
Portland, OR 97205

Dear Friends:

It has come to my attention that the Church of Scientology is bringing its yellow training tent to Portland later this month. This is a major landmark for the church's local followers as they are able to celebrate the coming of one of the church's most important symbols and objects.

I hope that the training tent's arrival is a great success. The church has done a wonderful job over the years training individuals to do very tough, trying and strenuous work by sending volunteer ministers to some of the world's worst natural and man-made disaster sites. I hope the arrival of the training tent helps support and continue the process of giving back to communities around the world helping those that are less fortunate.

I have confidence that the event will be a great success for the Church of Scientology. Although I unfortunately could not attend, I wish everyone the best on the training tent's opening day.

Warm Regards,



Gordon H. Smith
United States Senator

GHS:kzn



Girl Scouts – T: (800)338-5248
Columbia River Council, Inc. (503)620-4567
15171 SW Bangy Rd. F: (503)598-6556
PO Box 2427 E: girlscouts@juliette.org
Lake Oswego, OR 97035 www.girlscoutsCRC.org

Barbara Roland
Church of Scientology of Portland
2636 NE Sandy Blvd
Portland, OR 97232

October 24, 2003

Dear Church of Scientology of Portland:

On behalf of over 10,000 girls and their families who attended GirlFest, we would like to thank you for your support of this event. Because of you, October 11th was a great day to celebrate "everything cool about being a girl!"

Your participation as one of our 114 exhibitors allowed girls in Northwest Oregon, Southwest Washington, Redding, CA, Seattle, WA, to experience and access opportunities that will benefit them throughout their lifetimes. It was evident from the smiles on girls' faces that you were creative and planned fun and exciting booth activities.

Here are a few comments from GirlFest participants:

- "GirlFest was fabulous!"
- "Clearly you have put a lot of time and energy into planning this event, and it seemed to go smoothly for a first year event."
- "There was so much to do, I didn't know where to start!"
- "What's not cool about being a girl????"
- "I hope I have an opportunity to come back next year...because I know it's just going to get better and better!"

Girl Scouts plays a key role in empowering young women to make positive social, personal, community, and educational choices. GirlFest is just one of many ways to become involved in Girl Scouts. We invite you to explore further partnership or sponsorship opportunities with the Columbia River Council by contacting our office at 503.620.4567.

Thank you to those of you who completed your evaluation. We are using this information for future planning of Girl Scout events. If you have not completed yours, please complete and mail or fax it using the information on the top of this page.

Once again, we thank you for your hard work and support of GirlFest. We hope your experience was enjoyable!

Sincerely,

Maureen Zoff, Linda H. Purdy, Melissa Maska

The GirlFest Exhibitor Committee



Where Girls Grow Strong

Low Income Families Emergency
2746 N.E. MLK Jr. Blvd.
Portland, OR 97212
(503) 284-6878

January 6, 2003

Church of Scientology
Attn: Women's League
709 SW Salmon
Portland, Oregon 97205

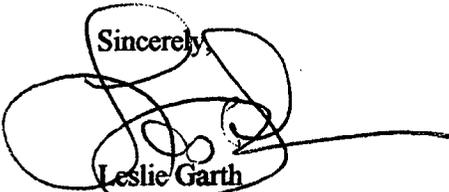
Dear Friends:

This is just a short note to say thank you so much for your donation of \$425 to support the Low Income Families Emergency Center's program. It means a lot to us at the LIFE Center to have your support.

The goal at the Center is very simple; it is to ensure that everyone's basic needs are being met and with your commitment to our community and the LIFE Center, we will be able to serve more families and individuals with food and clothing.

We at the LIFE Center would like to thank you again for caring about those less fortunate. The Christmas program was GREAT; I had a wonderful time.

Sincerely,



Leslie Garth

Executive Director

503.284.6878

503.281.4321

Email: lifepdx@yahoo.com

L.I.F.E.
Center

Low Income Families Emergency
2746 N.E. MLK Jr. Blvd.
Portland, OR 97212

December 9, 2004

Church of Scientology
C/O Vicki Shears/Jenny Mitchell
2636 NE Sandy
Portland, Oregon 97232

Re: LIFE Center

Dear Friends:

I first would like to thank everyone for all your hard work on Saturday the 27th of November. The youth volunteer minister group was fantastic and your slogan "Something Can Be Done About It" expresses your true mission because you did something to assist those less fortunate during the holidays.

The Clothing and Food Drive was one of the best drives the Center has had all year. I can honestly say I had a great time with the students. I feel truly bless to have had the opportunity to work with such a wonderful group of youths. I want you to know that people have dropped off donations weeks after the drive-thank you.

The Center also received a call from a report with the Skanner. Helen interviewed myself and a volunteer for their newspaper-thank you, again. You certainly have added value to the work we do at the LIFE Center and I cannot thank you enough.

It is amazing how a few wonderful students like yourselves can make a different in the community. I am very proud of each and every one of you because you did something to assist the LIFE Center so we can continue our work in the community.

On the behalf of the LIFE Center's staff, board of directors, but most of all the clients, thank you so much for giving back to the community. You are truly special to me and I feel very lucky to have had the opportunity to work with the volunteer ministers youth group.

Have a wonderful and safe holiday. May God bless you and your families.

Sincerely,



Leslie Garth
Executive Director
503.284.6878
503.281.4321
lifepdx@yahoo.com



**American
Red Cross**

Pacific Northwest Regional Blood Services

Pacific Northwest Regional Blood Services,
3131 North Vancouver Avenue
PO BOX 3200
Portland, OR 97208
Tel: 503-284-1234
1-800 GIVE LIFE

November 21, 2003

Angie DeRouchie
Church of Scientology
709 SW Salmon
Portland OR 97205

Dear Angie,

On behalf of all the patients in this region who were given another chance at life through blood and blood products, thank you for recruiting Type O blood donors. Your recruitment efforts resulted in the collection of 58.3% Type O blood at your recent blood drive.

Nearly half of the population has Type O blood, so it is always in demand. O-negative blood is the "universal" blood type, and can be transfused to a patient with any blood type in emergencies. It is almost always given to babies. However, people with O-negative blood can only receive O-negative blood.

You played a special part in ensuring a safe, adequate blood supply in this region. Your efforts are deeply appreciated. With your ongoing involvement and support, we are confident we will be successful in our collection of this extra-special, life-saving component.

Warmest Wishes,

Joan Manning
Chief Executive Officer
Pacific Northwest
Regional Blood Services



The Scientology Ladies Society
709 SW Salmon
Portland, Oregon 97205

March 29, 2001

Dear Ladies:

On behalf of Oregon Uniting, I am writing to thank you for your \$200 contribution. This donation will help us expand our presence across the state. It will allow us to bring our dialogue program into middle school, high school, and university settings. With your help we can continue our work to heal old wounds, transcend racial divisions, and address the root cause of disparities in our community. Thank you for committing yourself to constructive change in Oregon. Your faithful generosity is sincerely appreciated.

In gratitude,

Nicole Toussaint
Executive Director

Advisory Board

Linda Banks
Judge Cindy Carlson
Gillian Davis
Senator Avel Gordly
Peggy Nagae
Macceo Pettis
Anitra Rasmussen
Kay Toran

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Treasurer
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Richard Armentrout

Samuel Bryant

Steve Freedman

Solomon Mensah

Barbara Peterson O'Hare

Ramona Soto-Rank

Norine Smokey-Smith

Executive Director
Nicole Toussaint

TAX IDENTIFICATION # 93-1277819

503/972-5604

P. O. Box 13614
info@oregonuniting.org

Portland, Oregon 97213
<http://www.oregonuniting.org>

URBAN PORTLAND INTERFAITH VOLUNTEER CAREGIVERS

June 24, 1999

Program Director

Maureen H. Breckenridge, J.D.

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Providence Health System

VICE PRESIDENT: Rev. Mark Reed
Sunnyside Centenary United Methodist

SECRETARY: Lisa Miller
Providence Health System

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First Christian Church
Trinity Episcopal Cathedral
Nam Quang Buddhist Temple
Downtown Chapel
St. Pius X Catholic Church
Baha'i Assembly of Portland
Baha'i Assembly of Beaverton
Church of Scientology
Outreach Ministry in Burnside
Jewish Family & Child Services
Northwest Pilot Projects
Friendly House
Elders in Action Commission
Providence Long Term Care
Lutheran Family Services
Multnomah County Aging
& Disability Services
Northwest Parish Nurse Ministries
Legacy Good Sam Pastoral Care
Retired and Senior Volunteer Program

Ms. Gwen Barnard
Church of Scientology
709 SW Salmon
Portland, OR 97205

Dear Gwen:

Thank you so much for all of your work as a Founder of UPIVC. I want to thank you on behalf of our present board and especially on behalf of the care receivers who are the beneficiaries of your personal commitment to this program.

To update you on our thriving community, we now have sixty-five volunteers and by the end of this month we will have served one hundred people. This is a remarkable achievement for all of the founders on the board.

The Robert Wood Johnson Foundation is offering another \$10,000 if we can find matching funds. I am appealing to the Collins Foundation and the Northwest Health Foundation for these monies. Additionally, RWJ is committed to opening another 2,000 IVC's and we will apply for \$25,000 to support our westside activities in Beaverton, Tigard and Lake Oswego. We appreciate the financial support your church provided for the 501(c)(3) corporation application. Foundations are anxious to see commitment from congregations and members of the community.

I thank you again for your tireless participation, your exuberant contributions and your wonderful spirit. I sincerely hope that you feel blessed by your involvement as you have blessed us.

Sincerely,


Maureen H. Breckenridge, J.D.
Executive Director



U.S. Department of Justice

*Kristine Olson
United States Attorney
District of Oregon*

1000 SW Third Avenue, Suite 600
Portland, OR 97204-2902

Office: (503) 727-1000
Fax: (503) 727-1091

October 16, 1998

Ms. Gwen Bernard
The Church of Scientology
709 SW Salmon
Portland, OR 97204

Dear Ms. Bernard:

Thank you for providing the assorted pastries at the program titled "Not in Our State: The Role of Law Enforcement in Combating Hate Crimes." The program was well received by everyone. The evaluation forms indicated that the substantive content was excellent regarding the information about the federal and state laws addressing Hate Crimes, investigation and coordination of law enforcement, victim-witness support services, curriculum and training for police officers, and examination of actual cases that occurred in our state. After so much information, all participants appreciate having a break with good refreshments. We thank you for your generosity.

As you know, this jointly sponsored program between the United States Attorney's Office and the Coalition Against Hate Crimes was our first effort. There will be other projects, programs, and opportunities to continue developing a positive working relationship between our office, other law enforcement agencies and the community. A clear message of this program is that we can be more effective in rendering our state as an inhospitable place for hate if, and only if, we work together.

Once again, I want to personally thank you and the other women of your church for your generous contribution to the success of this program.

Kindest regards,


KRISTINE OLSON
United States Attorney


METROPOLITAN HUMAN RIGHTS CENTER City of Portland • Multnomah County

1120 SW Fifth Avenue, Room 516, Portland, Oregon 97204-1989
(503) 823-5136/Voice/TTY Fax (503) 823-0119 Email: mhrc@ci.portland.or.us

December 8, 1998

Angie Mann
Gwen Barnard
Church of Scientology
709 S.W. Salmon
Portland, OR 97204

Dear Angie and Gwen,

Thank you for your work and the support of the Church of Scientology on the 50th Anniversary of the United Nations Universal Declaration of Human Rights Celebration.

The Church's support of human rights, as evidenced by your work on this project and by participation on the Coalition Against Hate Crimes, chaired by Rabbi Larry Halpern, is an asset to our community.

I look forward to working with you on other projects of benefit to our community.

Celebrating Diversity,


Steve Freedman

Interim Program Manager

MHRC is a program of the City of Portland Office of Neighborhood Involvement.

City Information
and Referral
823-4000
823-6868 TTY

Crime
Prevention
823-4519

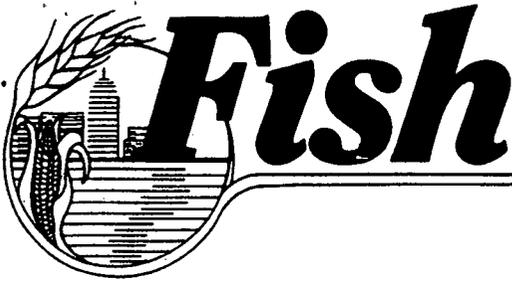
Mediation
Center
823-3152

Metropolitan Human
Rights Center
823-5136 Voice/TTY

Neighborhood
Associations
823-4519

Outreach
Coordination
823-3044

Refugee/Immigrant
Coordination
823-3049



EMERGENCY SERVICE, INC.

December 8, 1998

Gwen Barnard and Crew
Church of Scientology
Celebrity Centre of Portland
709 SW Salmon St.
Portland, OR 97205

Dear Gwen:

You all did a magnificent job again! Your gift of 3,337 pounds of food will feed many hungry families. The students from Columbia Academy did an outstanding job and we are deeply grateful for their caring.

Fish was absolutely frenetic with so many things going on on Monday, November 23rd. Your enthusiasm and cheerfulness is always a welcome sight. I have received many positive comments regarding KATU-2's coverage!

Please share our THANKS with everyone!

Sincerely yours,

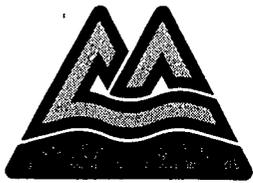
A handwritten signature in cursive script that reads "Gloria".

Gloria Colvin
Executive Director

GBC:sb

FOOD, CLOTHING AND INFORMATION FOR PEOPLE IN CRISIS IN THE PORTLAND-METRO AREA

1335 SE HAWTHORNE BLVD.
PORTLAND, OREGON 97214
503-233-5533



MULTNOMAH COUNTY OREGON

AGING SERVICES DIVISION
AREA AGENCY ON AGING
421 S.W. 5TH, 3RD FLOOR
PORTLAND, OREGON 97204
SENIOR HELPLINE: (503) 248-3646 ADMINISTRATION: 248-3620
TDD: 248-3683 FAX: 248-3656

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN • CHAIR OF THE BOARD
DAN SALTZMAN • DISTRICT 1 COMMISSIONER
GARY HANSEN • DISTRICT 2 COMMISSIONER
TANYA COLLIER • DISTRICT 3 COMMISSIONER
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

January 21, 1997

Angie Mann
Church of Scientology
709 SW Salmon
Portland, OR 97205

Dear Ms. Mann,

As you know, the winter storm in late December caused severe hardships for many senior citizens who were unable to clean up storm debris in their yards. Ever since the storm, the Senior Helpline has received calls for assistance. While our staff has been able to locate volunteers for some callers, many in real need were not receiving help.

We were pleased to learn from Mayor Katz's office that your organization had contacted them to offer assistance. The seniors on our list, many of them age 80 and older, were relieved and very grateful to hear about your volunteers. Many had gone out in their own yards every day to do what they could, despite cold weather and their own physical infirmity or ailing health, but the task was simply too large.

In speaking with you today, I learned that you and your volunteers had already taken care of four yards with massive piles of debris and dangling trees, and that you plan to tackle two more formidable situations in the near future.

Thank you very much for responding to this community need. You have helped seven seniors in our community maintain their independence and regain their peace of mind, and that is a gift to everyone.

Sincerely,

Janet Bowman
Community Information Specialist
Multnomah County Senior Helpline

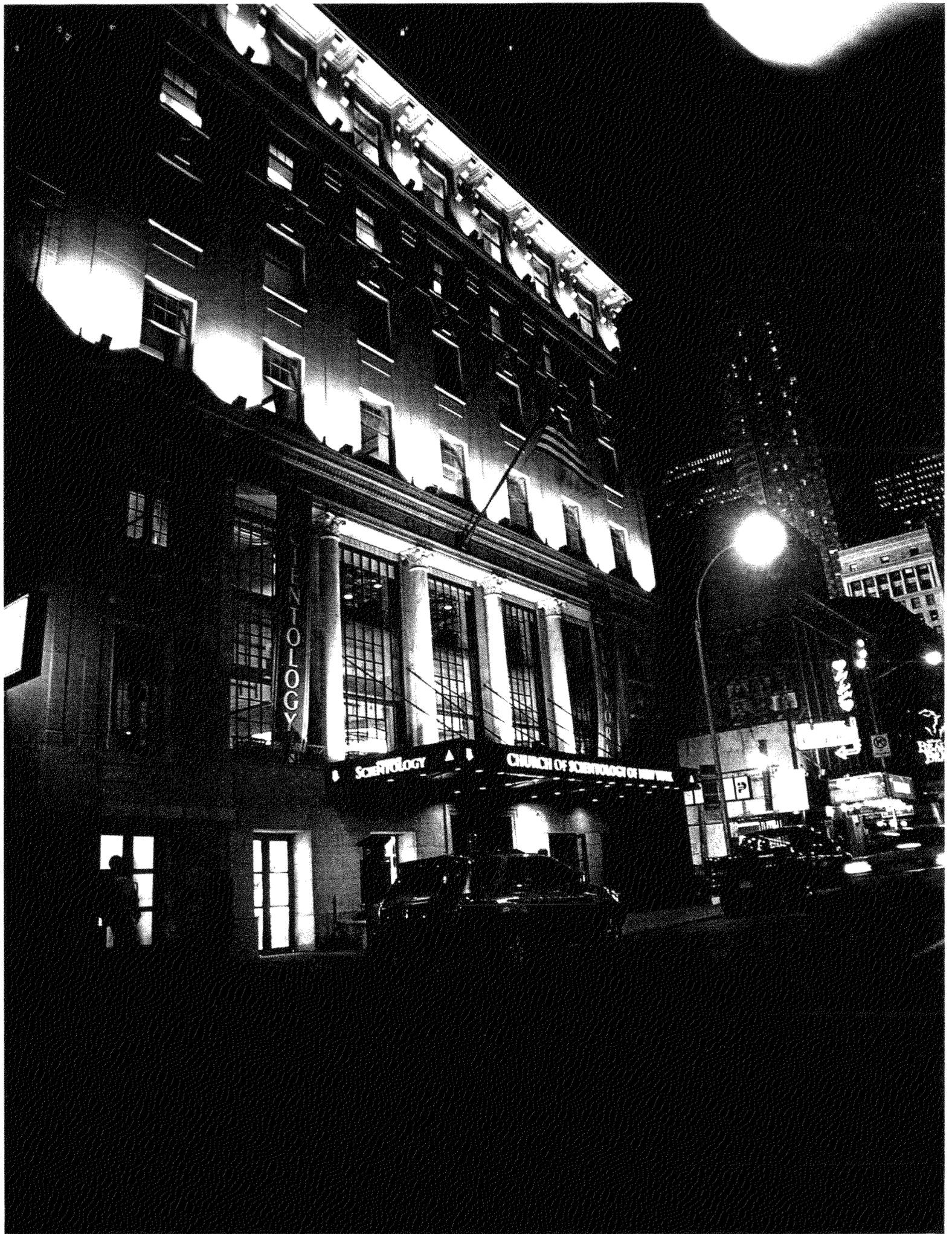


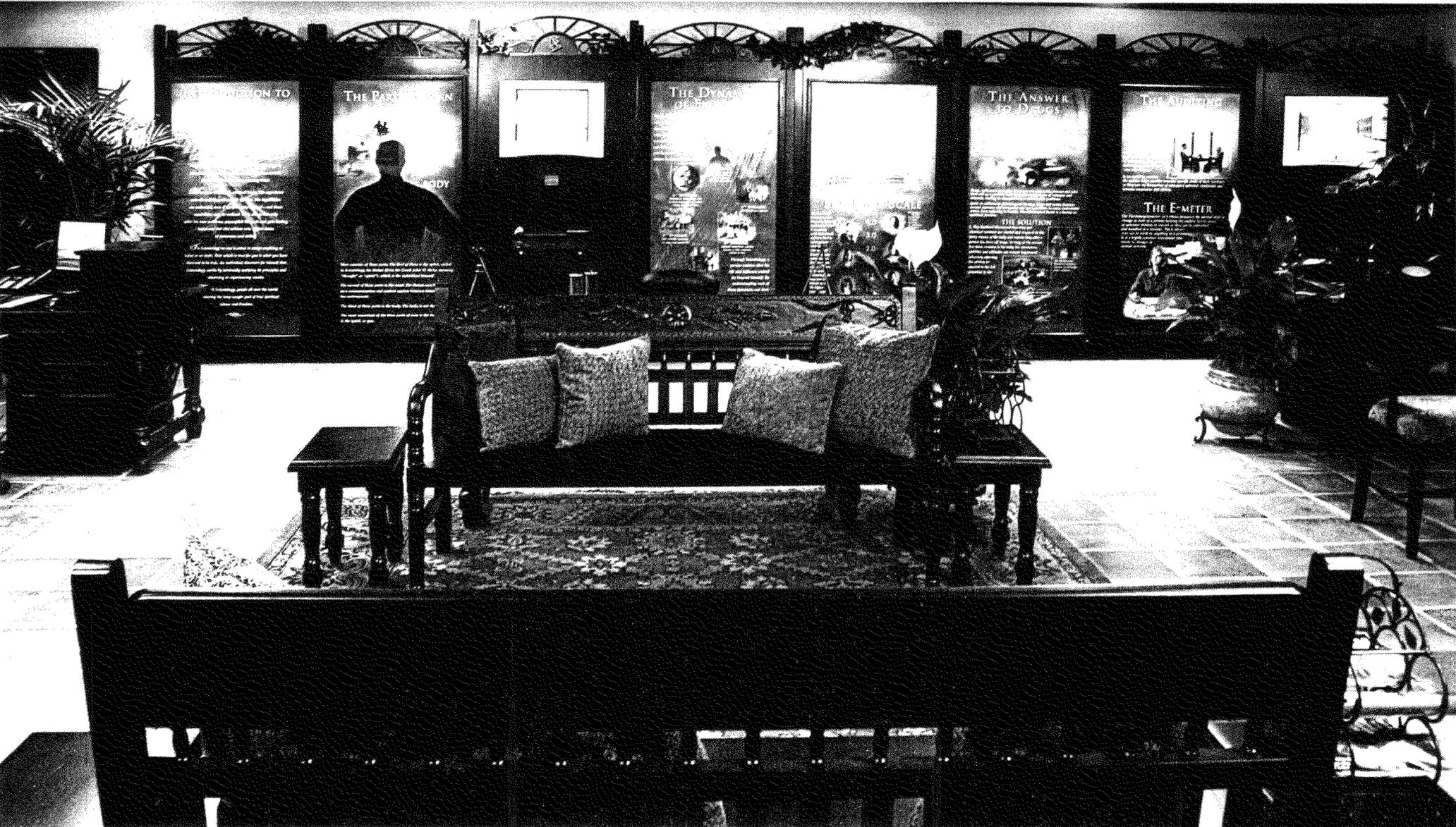












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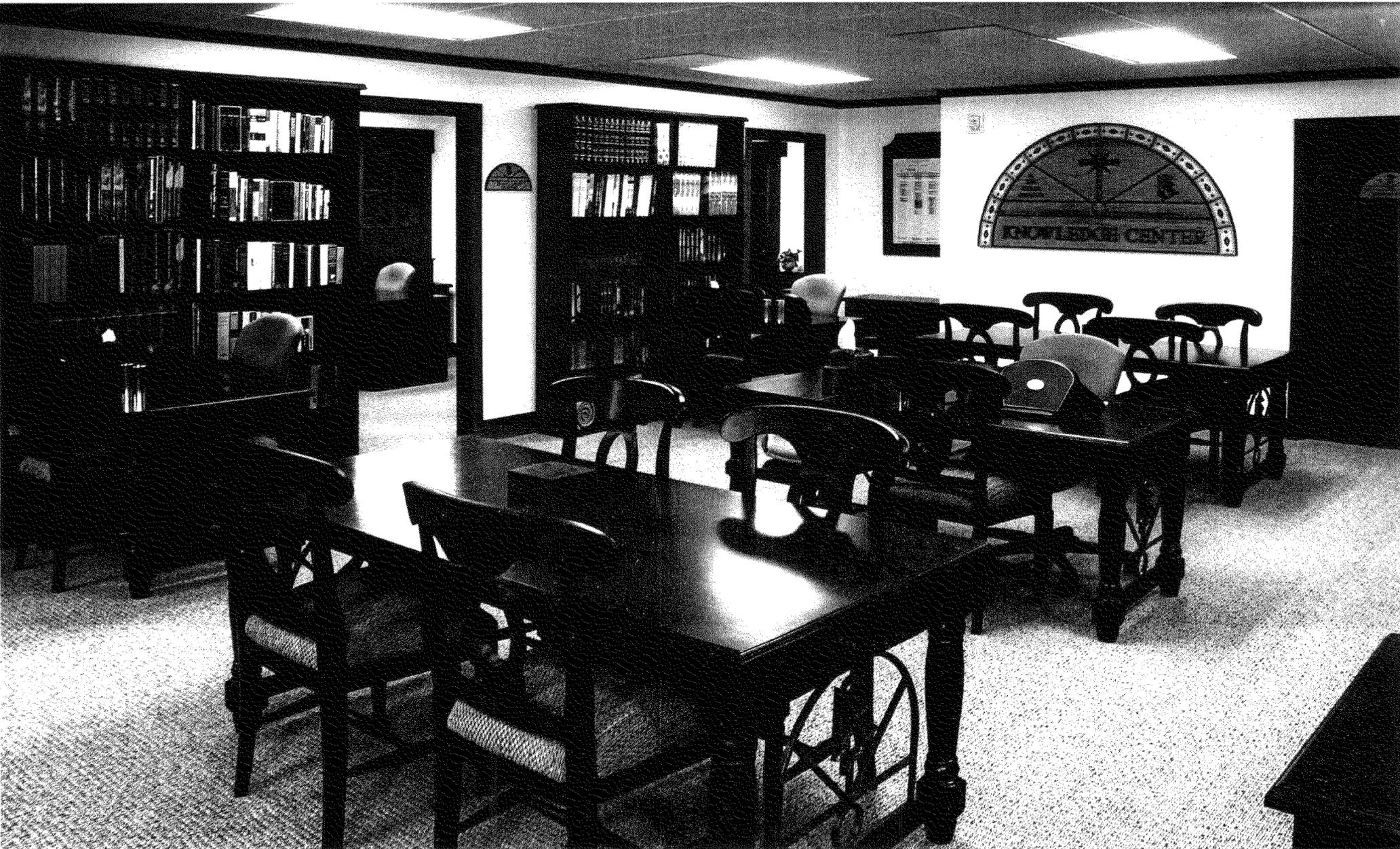
THE DYNAM
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THE ANSWER TO DRUGS
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THE E-METER
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[Text]





March 3, 2006

Michael Sublett
Senior Property Management Specialist
Facilities and Property Management
Multnomah County Oregon
401 N. Dixon Street
Portland, Oregon 97227-1865

Re: Martha Washington Building

Dear Michel:

Dinner & A Movie (hereinafter, "D&M") is the only faith-based, 501 (c) 3 public benefit non-profit in the Portland, Oregon metropolitan area, providing services to homeless youth, including the **hard-core** of homeless youth (on the streets for more than three years), **without preference** toward those with or without religious convictions.

D&M exists because:

* With an estimated 2,000-2,500 homeless youth¹, Portland has the **highest per capita homeless youth population in the United States**. This is a continually growing population. Two-thirds or more are from the immediate Portland-Vancouver area. An estimated 85% have been victims of long-term abuse, most of them of sexual abuse.² The life expectancy for homeless youth, due to the very nature of their environment is 26 years.

Why? No one seems to have a definitive answer but there have been a plethora of suggestions, all seemingly rooted a culture steeped in free speech, tolerance, and an absence of moral absolutes. Oregon ignominiously ranks high in divorce, incest and child abuse, the sex industry, drug use and abuse (no. 1 in methamphetamine), cheap heroin, an extremely broad interpretation of free speech, and a largely un-churched population. Oregon's foster care system is overloaded and seemingly incapable of monitoring youth under its care who end up unreported on the streets. A broad range of social services and normally mild weather contribute to a growing homeless population, including youth, adults, and families.

¹ Multnomah County, Department of Human Services, 2004

² "Up to 90% of the kids on the street were sexually or physically abused before their 18th birthday." A Street is Not a Home: Solving America's Homeless Dilemma, Robert C. Coates, Prometheus Books, Buffalo, NY, 1990.

* According to interviews with Portland vice officers, Portland provides more white slave prostitutes to Las Vegas and Vancouver, BC than any other city in the United States, the majority of whom come from the ranks of homeless youth.

* We are the only organization which addresses the main issue with these youth, and that is what they think about themselves, or their **core belief system**³.

D&M's Distinctive Approach

Whereas, therapists engaged by Portland's social service agencies address the "feelings" of homeless youth, but not their core beliefs about themselves; and

Whereas, state, county, and city homeless youth programs address the "actions" (drug use, violence, crime, attempted suicide, etc.) without effecting core beliefs; and

Whereas, the majority of the hard core homeless youth have been expelled from or graduated from most or all of the local homeless programs (Outside/In, New Avenues for Youth, Janus Youth, P:ear ,etc.)

Yet, the problem of homelessness for youth in Portland still exists, and in fact, continues to grow. The Multnomah county Department of Human Services reported 1,500 homeless youth in 1998, 2000 in 2002, and 2,500 in 2004.

Therefore, D&M believes that its focus on **changing the core beliefs of our constituency** offers the only real hope for change for these young people. Why?

Because, after five years of hearing testimony after testimony after testimony, we know the following about the majority of these kids: They have grown up being told:

We wish you were never born!

You're a burden!

You're a little idiot!

You're a sex object! (implied)

This treatment logically leads these youth to think: *I am bad...I am unworthy of love...If anyone really knew me, they would hate me.*

We operate on the assumption that **core beliefs** are both the responsibility and result of parental teaching and behavior, the most significant influence in a child's early life. If unlovability and helplessness are negative core beliefs of the child's heart, then only the **re-parenting** (mentoring) of those hearts will lead to new behaviors.

³ *At the core of any behavior you will find a belief (or series of beliefs) that causes individuals or groups to behave in a specific manner. Stigma: Beliefs Determine Behavior* David R. Patient and Neil M. Republic of South Africa Communication Initiative, January 7, 2005

So what they hear and what they continually think becomes self-reinforcing (I am bad) with ultimate feelings of anger, hatred, sorrow, hopelessness, and depression, all of which lead to self-destructive behaviors or actions.⁴ These actions include promiscuous sex, drug and alcohol use, crime, and the hard work of surviving on the streets.

We believe that every human being is unique and special, and deserves to be treated so! Many of the children who have not been treated in this way develop beliefs about themselves that will frequently cause them to leave the safety of whatever is “home” to them.

These children need many months and years of positive reinforcement; they need to see and hear, “You are unique, special, and loveable,” Only then will they have a chance of pursuing a “normal” life. There is certainly nothing attractive or healthy about living on the streets.

D&M’s Re-Parenting

Step 1: Every Tuesday night in the basement of Portland’s First Baptist Church, dinner and a movie provide the entry point to the work of D&M. It is during these acts of sharing and caring that initial contacts are made with the kids. Additionally, as staff and volunteers walk the night streets handing out socks, granola bars, and upon occasion, sleeping bags, relational conversations become more meaningful, and the kids grow in their sense of our caring.

Step 2: Once we’ve established contact, we demonstrate our care for the kids through what D&M calls “field trips,” during which we do with these kids, what good parents do with their own children.

This means taking them to breakfast, or lunch, or to a movie or arcade. We show them they are valuable. We show them that they aren’t worthless and unlovable. We show them that someone can care and not expect anything in return (like prostitution, drug peddling, gang involvement, etc.). This approach has often been called mentoring, but we prefer “re-parenting.”

The process of re-parenting a child’s heart is slow and time consuming. Issues of trust over previous abuse and **zero experience with unconditional love** can make the process particularly slow. But, the results have been especially heartening.

⁴ Negative core beliefs can be divided into two categories: those of **helplessness**, and those of **unlovability**. For example, a person may have the automatic thought, “I can’t get along with anyone,” which stems from the unlovable core beliefs. The automatic thought “I can’t control my feelings anymore” is rooted in a helpless core belief structure. By changing core beliefs and the resulting automatic thoughts, we can change overall perceptions, feelings, and actions.

For example, over the past two years D&M has:

In 2004	In 2005
Served more than 13,000 meals	Served more than 14,000 meals
Distributed nearly 200 sleeping bags	Facilitated 10 job placements
Facilitated 5 college admissions	9 housing placements in temporary and/or permanent housing
Enrolled 6 kids in drug rehab	4 baby showers
Served <i>real</i> Thanksgiving & Christmas dinners to 300+ kids each night	
"Led" over 100 field trips (re-parenting kids hearts) They are special and unconditionally loved	
Provided services to over 1,000 homeless youth	

Step 3: Once a kid begins to think, "if this person likes me, perhaps I'm not as worthless as I've thought." When that happens we're ready to begin discussions about "leaving the streets," which has the most greatest expense implications: proof of identity, health issues, drug and alcohol rehab, housing, education, and jobs. This stage we refer to as "**mainstreaming.**"

The Need

"Kindness for the sake of kindness is not a waste of time."
Author unknown

Of the reported 2,500 homeless street youth, about 1/3 are in existing programs (see page 2); about 1/3 "squat⁵" in or near downtown, about 300 in the Hawthorne district, 60+ in Northwest Portland, and the remainder around the city. Homeless youth range in age from 14-27, with the majority we serve 17-21 years of age. **(It should be noted, that D&M is the only group that also provides services to those 21 and above, the "cut-off" age for social service agencies.)**

In addition, there are 20-30 ex-homeless single young mothers, usually on welfare, who wish to break free of government dependency.

If we were to attempt to serve the entire population of approximately 800 hard-core homeless youth, we would need nearly 50 full-time mentors along with their associated outreach expenses (i.e., field trips, etc). We believe a more realistic and achievable goal is to have 25 full-time mentors within 5 years.

⁵ The kids themselves define their "residences" as squats, i.e., "my squat is under 5 where the Hawthorne Bridge crosses.

Application: The Martha Washington Building

A brief summary of our objectives to help Portland's Homeless Street Youth:

Meet them: regularly at the weekly dinner and a movie on Tuesday nights, as well as on street walks where they live;

Mentor them: as relationships are established, to re-parent their hearts and change the negative core beliefs they have of themselves; and, as they come to recognize their unique value, so as to

Mainstream them: assist them by providing or sourcing transition services such as "proof of identity," health care, addiction recovery, housing, education and/or employment.

The Martha Washington Building would provide an ideal, holistic solution to multiple needs for kids on and coming off the street

1. **Safety and Shelter:** nearly every girl will be sexually abused within two weeks of arriving on the streets; it's a little longer for boys, but it happens for all.
2. **Temporary Housing:** a portion of the building could be set aside to add to the city's 36 temporary shelter "spaces."
3. **Transitional Housing:** with no money for deposit and first month's rent, a short-term free or subsidized room would expedite transition from the street.
4. **Affordable Housing:** a predetermined portion of the available units could be set aside in conjunction with other city affordable housing providers.
5. **Education Classroom Space:** would be set aside for GED and college entrance exam preparation; peer mentoring through Lincoln High School, NW Academy, and PSU in computer sciences, graphics, and other practical disciplines.
6. **Kitchen and Culinary Training:** meals could be prepared and served in the basement for D&M's Tuesday night feed; a training program in conjunction with some of the more progressive Portland chefs, much like Jaime Oliver's Fifteen Foundation, would prepare some of our kids to enter the restaurant industry.
7. **Small Business Incubator:** often the biggest impediment to starting for a young entrepreneur is work/office space. This building could provide such space for both individual and collaborative business start-ups.
8. **Harm Reduction Center:** we anticipate donated services from medical professionals experienced in drug and alcohol rehabilitation, reducing the burden on city and county agencies.
9. **Medical and Dental:** 50+ kids involved in some way with Dinner and A Movie have died on the streets of Portland since our inception on 9-11-01. Often the cause is a simple "staph infection" untreated due to cost and/or exacerbated by living on the streets. Life on the streets is rife with negative health consequences, not the least of which the calcium leaching qualities of heroin. Portland reportedly has the least expensive black tar heroin in the nation. It and alcohol are the "emotional pain killers" of choice among homeless youth. Nearly every kid coming off the streets faces not only health issues you might expect, they often

have dental issues grossly complicated by teeth from which much of the calcium strength has been leached.

10. **Offices for Dinner and A Movie:** our offices our currently located in north Portland. Interaction with the kids, storage of supplies, and increased services would be greatly enhanced in this location.

The Portland Tribune in an editorial dated today said the city should be concerned about a variety of issues, not the least of which is the "state of city center," noted in this way:

"(to) urgently **revitalize Portland's city center** to retain it as the focal point for area residents to work, play and shop. The city's inner core should gain at least equal attention to that granted the Pearl District and the South Waterfront."

The Oregonian's S. Renee Mitchell in the past has described our Homeless Street Youth as a blight on the city.

You don't eliminate a blight by ignoring it! You must address the issues that cause the blight. Telling a homeless kid to "get up and go get a job" demonstrates an appalling misunderstanding about why "*that kid is there panhandling.*"

Financing: Martha Washington Building

- A. Building Purchase – structured finance
- B. Building Renovation – structured finance
- C. Operations – a public/private partnership with Dinner and A Movie, Multnomah County, the Portland Business Alliance, good corporate citizens, the Portland Public Schools, NW Academy, and Portland State University.

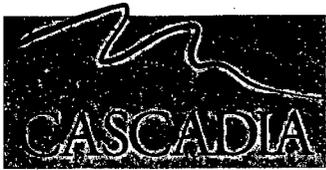
Of the 2,500+ kids on the street, we believe that one-third or more are from foster care homes, where the foster parents are still receiving monthly support from the state. We believe those situations and monies should be identified by those with the wherewithal within the county, and re-direct them to the work of the **Martha Washington Building Homeless Street Youth Partnership**, a to-be-formed non-profit organization.

Thank you for your consideration of this proposal.

Sincerely,



Robert M. West
Chair



CASCADIA ♦ 2130 SW 5th Avenue, Suite 210 ♦ PO Box 8459
Portland, Oregon 97201 ♦ phone: 503.238.0769 ♦ fax: 503.963.7711

January 30, 2006

Multnomah County Public Affairs Office
501 SE Hawthorne Blvd., Suite 600
Portland, OR 97214

RE: Martha Washington Building
Surplus Property Public Comment

To Whom It May Concern:

Enclosed with this letter is a short staff paper on a possible future for the Martha Washington as permanent supportive housing for offenders and formerly homeless people with special needs.

The Martha Washington is a unique resource in our community. The property's size, configuration, amenities, location, and historical use as offender housing provide a strong justification for continuing to use the property to help our community solve the issues of offender reentry and chronic homelessness. Although the property suffers from deferred maintenance and repair, we believe that the property can be acquired and upgraded at far less cost than comparable new construction while minimizing the neighborhood issues that "new" siting of housing for these populations tends to engender.

County ownership of the Martha Washington is a unique advantage in and of itself. Often, the most difficult hurdle to overcome in the development process is the impatience of sellers while the developer assembles financing. Should the County decide to preserve the property as permanent supportive housing, it can exhibit patience while master leasing the property to service/housing providers, thus relieving itself of the day-to-day responsibility of property management, furthering the goal of housing difficult to house people, and allowing the project to proceed through the development pipeline in an orderly manner.

We encourage you to preserve the Martha Washington, and both VOA and Cascadia would be pleased to take on the roles of service and housing providers with respect to this property.

We look forward to your response. Should you have questions regarding our proposal, please contact Neal Beroz (503 963-7775) or Denise Gour (503 595-3477).

Sincerely,

Leslie Ford
President and CEO
Cascadia Behavioral Healthcare

Kay Toran
President and CEO
Volunteers of America Oregon

Heidi Soderberg
Executive Director
SE Works

Volunteers of America®

Oregon CPR

3910 S.E. Stark Street

Portland, OR 97214

Multnomah County Public Affairs Office

501 SE Hawthorne Blvd., Suite 600

Portland, Oregon 97214

RE Martha Washington Building
Surplus Property Public Comment



PUBLIC COMMENT

MARTHA WASHINGTON

**PERMANENT SUPPORTIVE HOUSING
FOR
OFFENDERS AND FORMERLY HOMELESS PERSONS
WITH SPECIAL NEEDS**

Acquisition, Renovation, and Enhanced Property Management Program

January 30, 2006

Submitted by
Cascadia Behavioral Healthcare, Inc.
PO Box 8459
Portland, OR 97207

Volunteers of America Oregon
3910 SE Stark St
Portland, OR 97214

Contact

Neal Beroz
Cascadia BHC
503 963-7775
neal@cascadiabhc.org

Denise Gour
VOA Oregon
503 595-3477 x1
dgour@voaor.org

Acquisition, Renovation, and Enhanced Property Management Program

The Opportunity

The Martha Washington is a large former hotel well located on public transportation in the Portland city core. The property is owned by Multnomah County and has been declared surplus. The County Department of Community Justice previously operated the property as transitional housing for two corrections programs: the 60-bed River Rock Alcohol and Drug Treatment program and the Sheriff's 60-bed work release program. The property was well suited to this use with the vast majority of its units being adequately sized Single Room Occupancy units with private bathrooms. In addition, there are ample common areas, a commercial kitchen and congregate dining area, and office space. The property is valued at \$4.6 million.

Although the property can be operated without a sizable investment in rehabilitation in the near term, there is deferred maintenance and repair that may be necessary over the long term. Major items include seismic upgrade, roof replacement, plumbing, electrical, heat system, and elevator replacement. The County puts these costs at \$5.3 million, including almost \$1.6 million in soft costs. It is unclear which of these items will be necessary; for example, seismic upgrades, valued by the County at \$2 million, would not be triggered by the continued use of the building "as is".

Perhaps the greatest value asset of the Martha Washington is its value as an affordable housing resource for offenders who are often at high risk for becoming homeless. This property has a history of use as offender housing. It is zoned accordingly and is an approved conditional use. Its residents have been part of the neighborhood fabric – if not accepted, at least tolerated. At a time when offenders are being released to our neighborhoods in increasing numbers and local communities struggle to reduce recidivism through offender-targeted services, affordable housing has been identified as the highest need by almost everyone concerned with offender re-entry. Multnomah County needs offender housing – this was the topic of the January 3, 2006 executive committee meeting of the Public Safety Coordinating Council – but where and how? "Where" is at the Martha Washington, a building well suited to permanent supportive housing where housing this population is allowed by conditional use. "How" involves combining the Martha Washington with current service program efforts to maximize success for released offenders.

Target Population

There are three identified offender target populations that could benefit from permanent supportive housing at the Martha Washington: Community Partners Reinvestment Project (CPR), Community Prisoner Reentry Initiative (CPRI), and Alternative to Incarceration Program (AIP); two mental health populations: Assertive Community Treatment clients (ACT) and Psychiatric Security Review Board (PSRB); and one addictions population: post-residential treatment addicts. These are all populations that have consumed high cost

services in the recent past and for whom continued services are necessary in order to prevent recidivism and/or relapse. The attached chart describes the population characteristics and illustrates the services and provider partnerships already, or soon to be, in place for these populations.

Homelessness is a significant issue for substance abuse offenders and for offenders with mental health issues or co-occurring disorders. Data collected from the Volunteers of America Men's and Women's Residential Centers (substance abuse treatment programs for offenders) during the past 5 ½ years indicates that 65% of male clients report having been homeless. Data from a survey taken at the Women's Residential Center reflected that 46% of women were homeless at admission, 54% had been homeless more than once, 23% reported chronic homelessness, and 11% were homeless with children. Fifty-seven percent (57%) of clients identify that homelessness has been a primary contributor to relapse and recidivism. This translates to an estimated 800 men and women in Multnomah County who reported histories of homelessness due to substance abuse and their offender status.

Currently, the options for offenders leaving residential treatment or transitioning from jail or prison are limited. Oxford houses offer one option; however, many individuals need additional support that is not available in that setting. While VOA programs provide weekly continuing care groups for graduates of the residential programs, there are a number of clients that would greatly benefit from a longer-term housing option that was able to provide additional support and structure onsite. This would be also be true for clients that are transitioning from prison back to the community and are involved in the Community Partners Reinvestment Project serving 18-25 year old males, PSRB clients, and the Community Prisoner Reentry Initiative recently funded by the Department of Labor.

Property Description

The Martha Washington is a four story, "U" shaped structure located at 1115 SW 11th Ave, Portland, OR 97205. The 133 room building sits on a 16,000 square foot lot, and offers almost 62,000 square feet of living space. The property is zoned RXd. A conditional use approval is in place. The proposed use would be likely considered "household living". The benefit of the existing approved conditional use and historical use of the property is that the issues generally associated with siting housing for offenders in less urban neighborhoods can be avoided for the most part.

Most recently, the two programs operating from the property rented out a total of 120 rooms. The remaining rooms (approximately 13) were used as office space. This basic configuration will serve the proposed use until funds are available to "tailor" the property to its target populations.

Proposed Renovation

The County has identified potential deferred maintenance and repair work. The scope of work provided by the County needs to be reviewed, evaluated and prioritized. Certainly the roof and elevator need attention quickly. There will be costs associated with bringing the units up to rental standards. Other work can be deferred until additional funds are available.

Some work may be deleted entirely – the seismic work would not be required for the proposed use of the property.

Depending on the mix of populations targeted for the property, building alterations may be indicated. Access to specific wings and/or floors can be restricted and special amenities provided for select residents. For example, a “concierge” floor could be provided with extra amenities so as to reward residents who are working and motivate other residents to do likewise. Still another part of the building could be customized for AIP women with children - one might provide these households with exclusive, secure use of one wing on a lower floor. That wing could be remodeled to convert several pairs of units that share a bathroom into small one bedroom units with Pullman-style kitchens and private bathrooms. A playroom could be constructed on the wing and a secure play area could be created in the courtyard. The property is well designed for this type of “customization”.

From our experience, we know that in single room occupancy and group living settings, conflict is generated around bathroom, cooking, and housekeeping functions. The vast majority of the Martha Washington’s rooms have private full bathrooms. We will reconfigure the shared bath units into one bedroom apartments, switch them with offices that have bathrooms, or re-program them as common area or administrative space so that every resident will have a private bath. Should the budget allow, we would like to create an enclosed “family style” kitchen with secure storage on each wing so that residents can prepare their own meals and to discourage residents from keeping foodstuffs in their rooms.

Housing Development Budget

It is premature to propose a development budget for this project. While the County deferred maintenance and repair list is estimated at \$5.304 million, it is not clear as to whether all the identified work needs to be completed and whether the pricing represents an accurate picture of the costs that would be incurred. We do know that housing for this population is a very high priority for the County, the City of Portland, and the state of Oregon, and that several national foundations have current initiatives to support efforts to provide appropriate housing and services to offenders. We believe that the funding to support this project is available – the issue is timing. We have made the following assumptions:

- The sales price for the property will be \$4,600,000. This figure is the appraised value. (The value on the tax rolls is \$3,302,040.)
- The desired work can be completed for \$5,304,000. This is the estimate made by County Facilities Management for the deferred maintenance and repairs. The appraisal notes that the seismic upgrade and the soft costs account for \$3.583 million – all the other work can be accomplished for \$1.721 million plus soft costs.
- Given the above, acquisition and rehabilitation can be accomplished, at the outside, for \$9.904 million, or \$82,533 per each of 120 units. At the conclusion of the rehabilitation the appraiser indicates that the result would be a “fully renovated, good to very good condition building” with 60 years of life.
- A more reasonable sales price would be the appraised value less the cost of deferred maintenance and repairs. Assuming that the latter costs \$1.721 million plus soft costs of \$722,200 (prorated at 46% of the total soft costs), the deferred maintenance and

repairs would cost \$2,443,200. The sales price would be \$4.6 million less \$2,443,200 or \$2,156,800. Add a 20% contingency for the rehabilitation (\$486,640), and the entire project would cost approximately \$5,086,640 – just about \$42,388 per unit.

Based on this admittedly rough development cost scenario, we think the project is reasonable. A \$5 million project providing 120 units is appropriate for a LIHTC project and can probably service a small loan. The per unit cost is reasonable. The total cost is in line with LIHTC projects developed by Cascadia. The Portland Bureau of Housing and Community Development has expressed interest in preserving this property. Housing for the offender population is an OHCS priority and should receive favorable consideration in applications for CFC resources and tax credit allocations. The opportunities to secure financing are there. What is needed is a patient seller – like Multnomah County – to hold the property while financing is being secured. Luckily, the Martha Washington is in useable condition – it need not lay idle, but can be operated under lease to a service provider while financing is being assembled. Cascadia and VOA are willing to operate the Martha Washington as housing for offenders, reprogramming existing resources to the property to the extent possible.

Housing Operating Budget

While an operating budget specific to this property has not been developed, Cascadia is confident that the property can be operated for a rent of \$350 - \$400 per unit per month, based on operating costs of other Cascadia properties. We would expect this rent to cover both unit and common area utilities, general repair and maintenance, turnover expense, basic janitorial (common areas) and enhanced property management. Enhanced property management does not include the cost of, or funding for, services. We have made the following assumptions:

- There will be 116 revenue-producing units and 4 manager's units (one per floor). Rent will be inclusive of utilities at \$350 to \$400 per month.
- Rent assistance through the CPR and CPRI programs will assist qualified residents during the early months of residency. Employment or entitlement payments will enable residents to pay their own rent within 6 months of move-in. (Residents in the AIP component of CPRI are required to become employed within 30 days of their early release or are returned to incarceration).
- Rent assistance will be available for specialized populations such as PSRB and ACT until entitlement payments are available. A number of Shelter Plus Care slots will be sought through the Continuum of Care process to support formerly homeless residents – some currently allocated SPC slots may be applied to Martha Washington residents (through the CCC ICH/ACT/DOL grants, for example).
- On-site management will include four part time resident managers. Each will work 12 hours per week in exchange for free rent. On site managers will be required to coordinate their schedules such that there is over night coverage every night. They will provide support to residents during evening and overnight hours, or as needed. In addition, managers will provide greeter services and some janitorial on weekends. Think of this position as a college dormitory resident assistant. In addition, a greeter position will be staffed at a minimum during the evening and overnight hours. Some

consideration will be given to employing residents in resident manager and greeter positions.

- Janitorial includes a minimum of 0.5 FTE janitor assigned to the building approximately 4 hours per day, augmented by the on-site managers and residents on the weekends. May be Cascadia staff or contracted out. Would be good paid employment for enterprising resident.

Linked Support Services

Offender reentry is being addressed by several current or soon-to-start service programs as indicated on the attached "Martha Washington Populations" spreadsheet. In addition, there is great state Office of Mental Health and Addiction Services interest in supporting the PSRB population in community placements in order to reduce state hospital forensics overcrowding, and Multnomah County DHS interest in supporting the ACT population in low barrier permanent supportive housing in order to reduce demands on expensive emergency room, hospital, and jail bed utilization. Both PSRB and ACT have been known to wrap services around qualifying clients, including services that are provided at one's residence and which are directed toward housing retention. The proposed project will leverage the hundreds of thousands of dollars currently spent in Multnomah County to serve these populations. In addition, VOA has indicated that they might be interested in occupying space in the Martha Washington to provide post-treatment services to graduates of their residential programs. Their location on-site would increase the availability of services to residents, influence in a positive way the culture of the building, and potentially provide some income to the property. We hope other partners would follow suit in providing an on-site presence.

Next Steps

Presuming that the County agrees that the Martha Washington has potential as permanent supportive housing, Cascadia and VOA would be willing to assemble a partnership to operate the property while financing was being assembled. In addition, Cascadia would be willing to take the lead in developing the project as an acquisition / rehabilitation. Finally, VOA, Cascadia, and others would redouble their efforts to secure additional funds to provide services to the identified populations, using the Martha Washington as a primary focus of our efforts. In that the availability of low barrier housing for offenders is a recognized barrier to successful reintegration, the availability of the Martha Washington property would be a compelling advantage in securing foundation support for fundraising toward this goal.

Martha Washington Populations.xls

PROGRAM	CPR	CPRI			ACT	PSRB	POST - TREATMENT
		AIP - women w children	AIP	CPRI			
POPULATION CHARACTERISTICS							
age	18 - 25	adults	adults	adults	adults	adults	adults
gender	male	female	male or female	male or female	male or female	male or female	male or female
criminality	all	all	all	all	some	all -guilty but for insanity	most
addictions	all	all	all	all	most	some	all
mental health issues	most	some	some	some	most	all	some
special issues	transitioning youth high re-offense risk	family reunification must get job w/ 30 days	must get job w/ 30 days		chronic homelessness	PSRB jurisdiction	chronic homelessness high re-offense risk
# FUNDED SLOTS	30	(30 - inc in CPRI)	(95 - inc in CPRI)	200	?	?	?
EXCLUSIONS	severe & persistent mental illness; sex offenders	sex offenders; violent offenders	sex offenders; violent offenders	sex offenders; violent offenders	exclusions based on individual risk assessment	exclusions based on individual risk assessment	exclusions based on individual risk assessment
DIRECTLY FUNDED SERVICES							
rent assistance mentoring	VOA ~\$18,000/yr			VOA ~\$100,000 CCC, WICS, YWCA SE Works, CCC, WICS, YWCA	Shelter plus Care	SSI -can pay low rent	
employment assistance MH ind/group treatment outpatient addictions tx cognitive programs (MRT) family counseling/tx family coaching dedicated public safety supervision	SE Works, VOA Cascadia VOA Better People VOA MFS Multnomah Co			Cascadia, CCC, VOA CCC, Better People Multnomah Co (requested)	CCC CCC CCC	Cascadia Cascadia Cascadia Cascadia/PSRB	VOA VOA



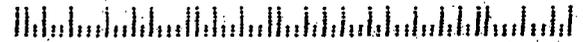
Community Development Network

2627 NE ML King Blvd., Rm. 202
Portland, OR 97212-3759



Multnomah County Public Affairs Office
501 SE Hawthorne Ste 600
Portland, OR 97214

97214+3544





RECEIVED
JAN 30 2005

January 26, 2006

Multnomah County Chair Diane Linn
Multnomah County Commissioner Serena Cruz
Multnomah County Commissioner Lisa Naito
Multnomah County Commissioner Lonnie Roberts
Multnomah County Commissioner Maria Rojo de Steffey
Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland, OR 97214

RE: The Future of the Martha Washington Building

Dear Multnomah County Commissioners:

The voice for housing
in our community

No one should have to choose between housing, and food or medicine. Yet many citizens of Multnomah County do everyday. Multnomah County Commission set aggressive goals to end homelessness through "Permanent Supportive Housing" (PSH) that would connect services and housing—a substantial initial investment of resources would pay off over the long term through reductions in emergency and other services.

Now, the disposition of the Martha Washington is an opportunity for the county to meet its challenge—an opportunity that should not be lost.

At a minimum, the county should package the property with a service commitment and grant the property to an appropriate nonprofit organization to leverage additional resources, renovate and manage the property.

Following are some factors to consider as you evaluate options on this property.

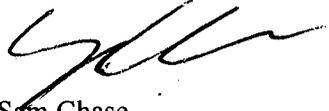
1. The property should maintain its historic levels of affordable SRO units and contribute to the city's goals for "No Net Loss" of affordable housing. While in fact more affordable housing is needed in the central city area, the county should at least ensure that "no harm" is done in the loss of affordable housing when selling its own properties.
2. The location is ideal for the county's most vulnerable, service dependent citizens who need easy access to central city services like health care, transportation, and case management.

3. Developing and maintaining PSH will require not part but all of the following: debt free housing; reliable services that are connected to the housing; operations funds; and adequate reserves for ongoing maintenance needs. Non-profits are effective owners of PSH housing, leveraging additional resources, and assuring that the resources dedicated to this housing will provide affordable housing for at least sixty years.

4. If indeed the property currently has an approved conditional use as a facility, it is an important designation that will allow for services to PSH populations. The approved conditional use is a resource that should not be lost.

Again, please take advantage of this unique opportunity to meet the County's commitment to its most vulnerable populations.

Sincerely,



Sam Chase
Executive Director
Community Development Network

Cc: Portland City Commissioner Erik Sten
Portland Mayor Tom Potter
Housing and Community Development Commission
Will White, BHCD
Andy Wilch, PDC

AIA Portland

A Chapter of The American Institute of Architects



February 3, 2006

Multnomah County
Facilities and Property Management
401 N Dixon Street
Portland, Oregon 97227
Attention: Michael Sublett

Re: The Martha Washington Building, formerly the Campbell Court Hotel

Dear Michael:

The AIA Historic Resources Committee (HRC) commends the effort by Multnomah County to solicit public comment on the feasibility to redevelop the subject property located on the west side of downtown Portland. The public open house held on January 12, 2006 was a welcome opportunity to allow interested parties to tour the property.

The Martha Washington Building, whose historic name is the Campbell Court Hotel, is one of the last buildings of its kind located in the west side downtown neighborhood. Many of these early 20th century apartment buildings have been razed for new mixed-use development, primarily housing. Because of its original use, the building appears to be a good candidate for adaptive re-use as either affordable or market rate housing; however, use should be dependent upon what the neighborhood can support. Infrastructure, such as the Safeway grocery store, is already in place to serve an area that is already contains a wide variety of market rate housing.

Restoring the exterior of the building and adaptively re-using the interior as some form of housing will result in an attractive development that retains a valuable historic resource.

The HRC encourages Multnomah County to continue to be a good steward of its historic properties.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip L. Stewart".

Philip L. Stewart, Chair
AIA Historic Resources Committee

CUNNINGHAM Shawn D

From: Bobby Weinstock [bobby@nwpilotproject.org]
Sent: Monday, January 30, 2006 2:57 PM
To: Public Affairs Office
Cc: Susan Emmons
Subject: Martha Washington Building Comments



Martha
ashington.doc (25 K)

Dear Multnomah County Public Affairs Office:

See attached letter on Martha Washington building. Attachments to letter are not in emailable format and have been sent to you through regular mail.

Sincerely,

Bobby Weinstock
Northwest Pilot Project
478-6872

January 30, 2006

Re: Martha Washington building

Dear Multnomah County Public Affairs:

I urge you to preserve the 130-unit Martha Washington as ~~affordable housing~~. It could be quickly utilized to ease the affordable housing shortage in downtown Portland.

Multnomah County recently co-sponsored Project Connect to ease the misery of the 900+ homeless individuals who attended. Though services to temporarily ease the daily struggles of the poor are beneficial, what most homeless people truly want is a home. The Martha Washington has the potential to permanently end the suffering of 130 homeless individuals by becoming their home.

Attached is a bar graph and list of lost affordable apartment buildings from the 2004 Downtown Portland Affordable Housing Inventory published by Northwest Pilot Project. The bar graph shows the decline in the number of housing units over time which is affordable (monthly rent less than \$425) to a full-time, minimum wage worker. The continual erosion of the affordable housing supply each year is the primary reason for increasing homelessness.

On behalf of the homeless and low income seniors we serve, please preserve the Martha Washington as housing affordable to the poorest of the poor.

Thank you for all your efforts to increase affordable housing and decrease homelessness.

Sincerely,

Susan Emmons
Executive Director
Northwest Pilot Project

Attachments



NORTHWEST PILOT PROJECT, INC.

1430 SW Broadway ■ Suite 200 ■ Portland, OR 97201 ■ (503) 227-5605 ■ FAX 274-8559

January 30, 2006

Re: Martha Washington building

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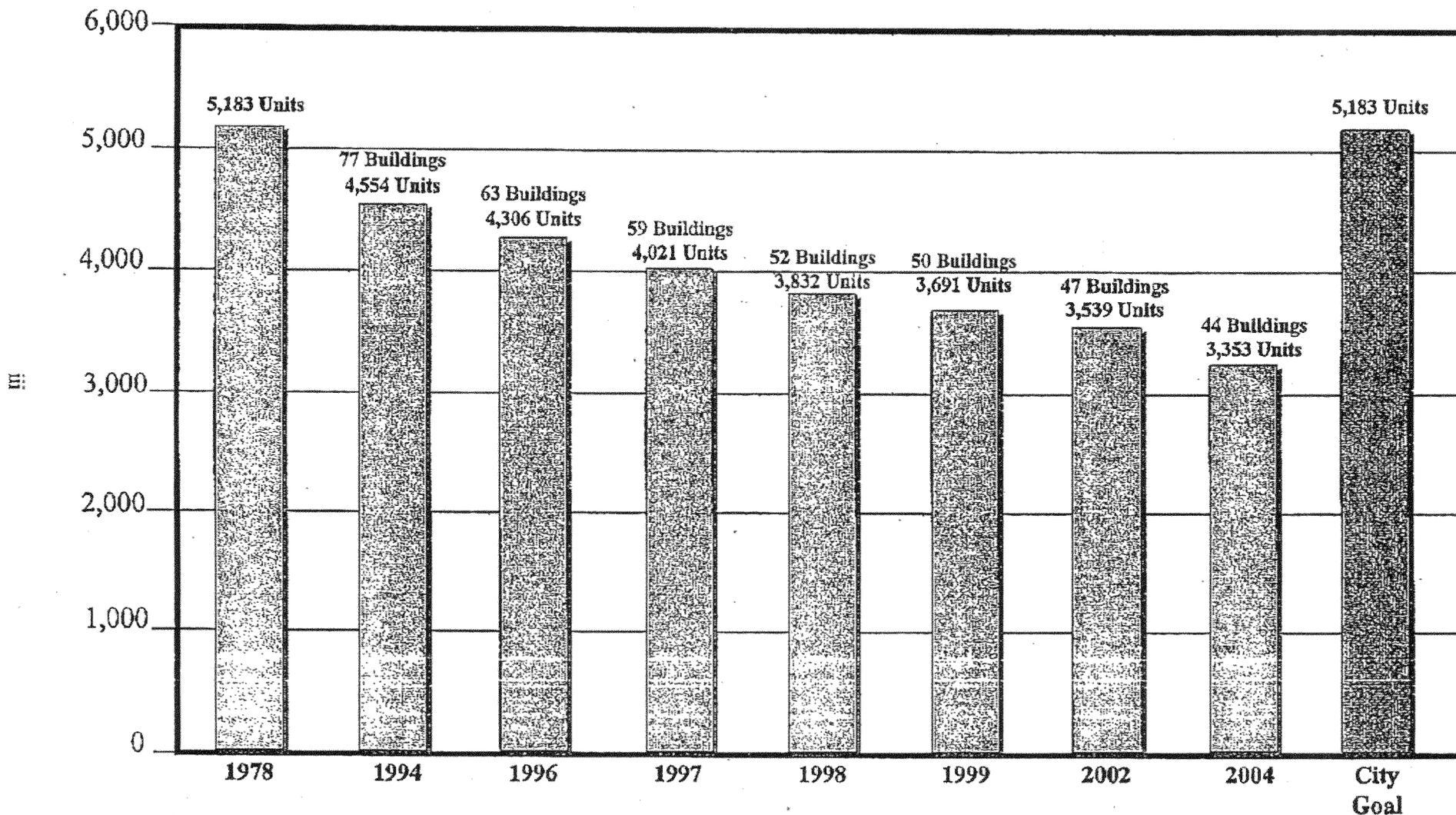
Thank you for all your efforts to increase affordable housing and decrease homelessness.

Sincerely,

Susan Emmons
Executive Director
Northwest Pilot Project

Attachments

THE TREND IN PORTLAND: LOSS OF UNITS

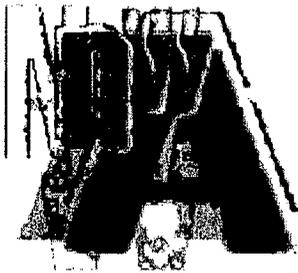


Total Units of Affordable Housing in Downtown Portland by Year

AFFORDABLE HOUSING LOST SINCE FIRST INVENTORY, 1994

Lost buildings	Last year affordable	Address	Notes
Alder Street	1996	1225 Alder	Rent increase
Altamont	1996	506 SW College	Rent increase
Beverly Alder	1994	1117 SW Alder	Rent increase
Brown	1998	807 SW 14 th	Rent increase
Cambrian	2002	1129 SW Columbia	Rent increase
Carmaleta	1994	1232 SW Jefferson	Rent increase
Chandler	2002	1104 SW Columbia	Rent increase
Clay Street	1994	1110 SW Clay	Rent increase
Columbia Manor	1994	1331 SW 12 th	Rent increase
Cumberland	1997	1405 SW Park	Rent increase
Downtown Value Inn	1994	415 SW Montgomery	Rent increase
Eaton	1994	622 SW 9 th	Rent increase
Empire	1996	1217 SW 11 th	Rent increase
Etheridge	1994	1402 SW 12 th	Rent increase
Fairmont	1999	1318 SW 11 th	Demolished
Fountain Place	1997	929 SW Salmon	Rent increase
Gentry	1997	909 SW 12 th	Rent increase
Harrison Court	1997	1834 SW 5 th	Rent increase
Hidwell	1994	1415 SW 14 th	Rent increase
Jack London	1996	415 SW Alder	Rent increase
Jeanne Manor	1994	1431 SW Park	Rent increase
Joyce	1996	322 SW 11 th	Rent increase
Kent	1996	308 SW 12 th	Rent increase
Loni Lynn	1994	2020 SW Broadway	Rent increase
Maurice Dear	1997	411 SW 12 th	Rent increase
Morrison Park	2002	623 SW Park	Rent increase
New Ritz	1994	1110 SW Washington	Fire 1/96
Nineteen Eighty-Four	1997	1984 SW Broadway	Demolished
Ongford	1994	1417 SW 10 th	Rent increase
*Pearl Court	2002	920 NW Kearney	Rent increase
Pine Cone	1999	1025 SW 11 th	Rent increase
Regency	1997	1410 SW Broadway	Rent increase
Roosevelt Plaza	1996	1005 SW Park	Gentrification
Rose Friend	1994	1307 SW Broadway	Rent increase
Tiffany	2002	1515 SW 11 th	Rent increase
University Place	1996	1510 SW 13 th	Rent increase
Victorian	1994	1124 SW Columbia	Rent increase
Washington Plaza	1997	1129 SW Washington	Rent increase
Western	1999	17 SW 2 nd	Rent increase
*Westshore	1998	222 SW Pine	Rent increase

*Opened 1997 as low-income housing



THE NORTHWEST ACADEMY

Where creativity and academic rigor meet.

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JAN 30 2005

January 27, 2006

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Michael Curry Designs, Inc.

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Author

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Civic Leader

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Green Gables Construction

David Poulshock
Red Door Films/Parent Alumni

Kate Richmond
Waggener Edstrom Worldwide

Beth Siegel
Morgan Stanley

John Thomas
Stoel Rives LLP

Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland, OR. 97214

And

Multnomah County Board of Commissioners,
Ms. Diane Linn, Chair
Ms. Maria Rojo de Steffey
Ms. Serena Cruz Walsh
Ms Lisa Naito
Mr. Lonnie Roberts

RE: Surplus Property Notice
Martha Washington Building
1115 SW 11th Ave
Portland, OR.97205

To Whom It May Concern, and Ms. Diane Linn, Ms. Maria Rojo de Steffey, Ms. Serena Cruz Walsh, Ms. Lisa Naito and Mr. Lonnie Roberts,

The Northwest Academy (NWA) and the Northwest Film Center (NWFC), members of The West Park Cultural Collaborative, are seeking permanent larger facilities in the South Park Blocks Urban Renewal Area and are interested in the Martha Washington Building.

The Northwest Academy (NWA) is an independent school, grades 6-12, committed to education through the integration of the arts, academics, and contemporary technology. It presently operates in multiple downtown locations consisting of a total of 20,000 square feet with its primarily facility at SW 11th and Main. The school has been operating for 10 years and presently serves approximately 100+ students both in full and part time programs. Its goal is to secure between 30,000 and 40,000 square feet at one location to serve a student population and educational programs for between 210 students.

The Northwest Film Center (founded in 1971) is a regional media arts resource and service organization founded to encourage the study, appreciation and utilization of the moving image arts, foster their artistic and professional excellence and help create a climate in which they flourish. The Center is part of the larger, institutional Portland Art Museum, which is where the

1130 SW Main
Portland, OR 97205
503.223.3367
fax 503.402.1043
email: nwa@nwacademy.org
http://www.nwacademy.org

Center's administrative headquarters are located. The Film Center needs approximately 12,000 feet to accommodate its School of Film and Young Filmmaker's Program (temporarily housed at 1139 SW 11th), and for a multi-purpose theater/auditorium to host the Center's public exhibition programs, including such events as the Portland International Film Festival and Northwest Film & Video Festival.

NWA and NWFC have been collaborating to find a shared building to replace and expand their existing facilities and allow for program growth. Both are committed to being downtown in the Cultural District, close to other educational institutions, museums, libraries, and theaters and well connected to public transit. The potential to combine financial resources and fundraising, share space components and develop mutual educational program synergies is appealing to both organizations.

Among potential facilities of interest in the Martha Washington, which is immediately adjacent to both organizations current facilities. In addition to its location, its size has the potential to affordably house additional arts and education groups, creating a vital community cultural hub in the neighborhood and extending the Cultural District westward from the Park Blocks.

Having viewed the property during the recent open house, both NWA and NWFC feel strongly that the building presents a unique opportunity and merits a serious investigation. We recognize that the public notice was to seek comment on the property's use for affordable housing. We would like, however, to make you aware of our interest and the potential of an alternative use that would also make the property an asset to the neighborhood as the home of two thriving cultural organizations.

In the process of the County's review of the best use of the property, we would appreciate an opportunity to explore the possibility of ownership by the NWA, NWFC and potentially other arts organizations. We appreciate your consideration and look forward to hearing how the discussion might proceed.

Sincerely,

West Park Cultural Collaborative

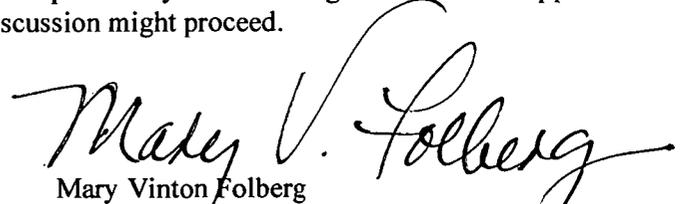

Bill Failing, Ad Hoc Director

Northwest Film Center


Bill Foster
Executive Director

The Northwest Academy


Margaret G. Hinshaw
Board Chair
The Northwest Academy Board of Trustees


Mary Vinton Folberg
The Northwest Academy Head of School and Trustee


David Poulshock
Trustee and Building task Force Co-Chair
The Northwest Academy Board of Trustees

Donald Drake
Trustee and Building Task Force Co-Chair
The Northwest Academy Board of trustees

Lindley Morton
Trustee and Building Task Force Member
The Northwest Academy Board of Trustees

Mike Cowan

Mike Cowan
Trustee and Building Task Force Member
The Northwest Academy Board of Trustees

Trustees, The Northwest Academy:

Louise Clark
LOUISE CLARK

Jamie Axtell
Jamie Axtell

John R. Thomas
JOHN R. THOMAS

Kathryn J. Fitch
Kathryn J. Fitch

Karen Freedman
Karen Freedman

Richard H. Meeker
RICHARD H. MEEKER

Martin D. Moll
MARTIN D. MOLL

The Gray Company

REALTY, INC.

Est. 1976

January 30, 2006

Multnomah County Public Affairs Office
501 SE Hawthorne, Suite 600
Portland, OR 97214

Re: Martha Washington Building, Public Comment is due Monday, January 30, 2006, 4:00 p.m.

To Whom It May Concern:

Be advised that I represent a client with significant means who has an interest in the Martha Washington Building located at 1115 SW 11th Ave., Portland. If the property is priced fairly, my client, after a ten (10) day due diligence period, can close the transaction without a financing contingency for cash. Please keep me involved in the process.

Thank you very much.

THE GRAY COMPANY REALTY, INC.

Mike Gray

Mike Gray

SUBLETT Michael A

From: James H. Winkler [jhw@winklercompanies.com]
Sent: Thursday, January 19, 2006 4:11 PM
To: Public Affairs Office
Subject: Martha Washington

We are interested in the Martha Washington disposition. Please keep us advised as the process moves forward.
Jim Winkler

--

James H Winkler
210 SW Morrison, Suite 600
Portland, OR 97204
jhw@winklercompanies.com
tel: 503.225.0701
fax: 503.273.8591

SUBLETT Michael A

From: James Winkler [jhw@winklercompanies.com]
Sent: Tuesday, January 24, 2006 8:15 AM
To: Public Affairs Office
Subject: Martha Washington

Our firm, Winkler Development Corporation, is interested in considering seriously the acquisition and rehabilitation of the Martha Washington building which we toured late last week. As I reflect on the building and potential reuse scenarios, I incline toward a conversion of the property into an affordable housing project aimed at enhancing the independence of senior citizens. The use would address a core county mission and is located in close proximity to services for seniors. Please keep us apprised of developments affecting the property.

Jim Winkler

—
James H Winkler
210 SW Morrison, Suite 600
Portland, OR 97204
jhw@winklercompanies.com
tel: 503.225.0701
fax: 503.273.8591



February 15, 2006

Mr. Michael A. Sublett
Senior Property Management Specialist
Multnomah County Facilities and Property Management
401 North Dixon Street
Portland, OR 97227-1865

Dear Mr. Sublett,

I am with Focus Healthcare a privately held limited liability company and a nationally recognized provider for state of the art, quality mental health and chemical dependency care. Our offices are located in Chattanooga, Tennessee.

We are very interested in possibly purchasing the Martha Washington Building, which we understand is owned by the Multnomah County Government. This property is located at 1115 SW 11th Avenue, Portland, Oregon, 97205.

Our interest in the property is that we would like to explore the feasibility of providing either or both mental health services or chemical dependency services in the Portland market. We think, with some building improvements, the Martha Washington Building may have the potential to be the service delivery site. We also wish to explore a possible relationship with the Multnomah County's Department of Community Justice to determine if we could provide either or both mental health and chemical dependency care for their clients. The Martha Washington Building may be feasible to provide drug free housing for recovering clients.

Please let me know what the next step is regarding our interest in the building. I can be reached at 7429 Shallowford Road, Chattanooga, Tennessee, 37421. My direct dial line is (423) 308-1898 and my email address is charlesd@focushc.com. Thank you for your time and attention on our behalf.

Respectfully submitted,

Charles Dickens
Marketing Consultant

CD/mtw

GORHAM Elisa D

From: SUBLETT Michael A
Sent: Friday, February 10, 2006 1:50 PM
To: GORHAM Elisa D
Subject: FW: Martha Washington Building

-----Original Message-----

From: Ben McInnis [mailto:ben@pacific-re.com]
Sent: Monday, January 09, 2006 11:44 AM
To: SUBLETT Michael A
Subject: Martha Washington Building

Michael-

As I mentioned on the phone I have a client that is interested in the Martha Washington Building probably for some sort of residential redevelopment. I look forward to hearing from you on the Counties decision with the property.

Thanks,

Ben McInnis
Pacific Real Estate Partners, Inc.
One SW Columbia, Suite 450
Portland, OR 97258
Cell: 503-819-3374
Direct: 503-972-8093
Fax: 503-972-8001
ben@pacific-re.com

E & F PROPERTIES LLC

January 29, 2006

Mr. Doug Butler
Mr. Mike Sublett
Multnomah County
Facilities and Property Management
Blanchard Building
Portland, OR

Gentlemen:

Per your request, I am writing to offer comment on the County's disposition of the Martha Washington building on SW 11th and Main. It is my understanding that you are seeking input from stakeholders as to the issues, other than sales price, that the County should consider in evaluating disposition strategies.

Economics aside, as an interested citizen and committed investor in the WestPark section of the West End, I strongly suggest that, in evaluating proposals to purchase the Martha Washington, the County Commissioners consider the following:

1. **Does the purchaser intend to use the existing building?** While it is unlikely that the sale price will justify demolition, the costs associated with refurbishment may argue towards tearing the building down and starting over. Although the building is eighty years old this year, the existing structure adds grace and scale to a quickly changing neighborhood.
2. **Does the purchaser intend to use the facility to provide housing?** Although its use for the last 20 years would not be described as traditional housing (first a non-traditional hotel and then group living for convicted felons) the Portland zoning code, the Downtown Plan as well as the West End Plan all call for a residential use of the property. The introduction of other, non-residential uses to this property does nothing positive for the neighborhood and will probably be resisted by neighborhood stakeholders.
3. **Does the purchaser propose to provide housing that can be considered affordable to the Downtown work force?** One of the keys to Downtown's long-term success is housing types that appeal and are within the reach of a wide spectrum of the population, not just the independently wealthy or the already-arrived. Housing that can be made available to those at or below the MFI is a key part of this strategy.
4. **Does the purchaser propose to provide some parking for the residents of the property?** Neighborhood organizations have cited lack of parking as one of the WestPark's most pressing problems, a problem worsening with the development of existing parking facilities into parking demand generators. (Examples include Museum Place, Eliot Tower, Benson Tower, the Mosaic, the Cornerstone, the Jeffrey and Madison Place Office Condominiums). Although the Martha

Washington's most recent residents availed themselves almost exclusively of public transportation, 100+ new residents will most likely have a need for resident and visitor parking. In addition, the social services provided in the West End by the institutions along Church Row, have all struggled because of the scarcity of parking.

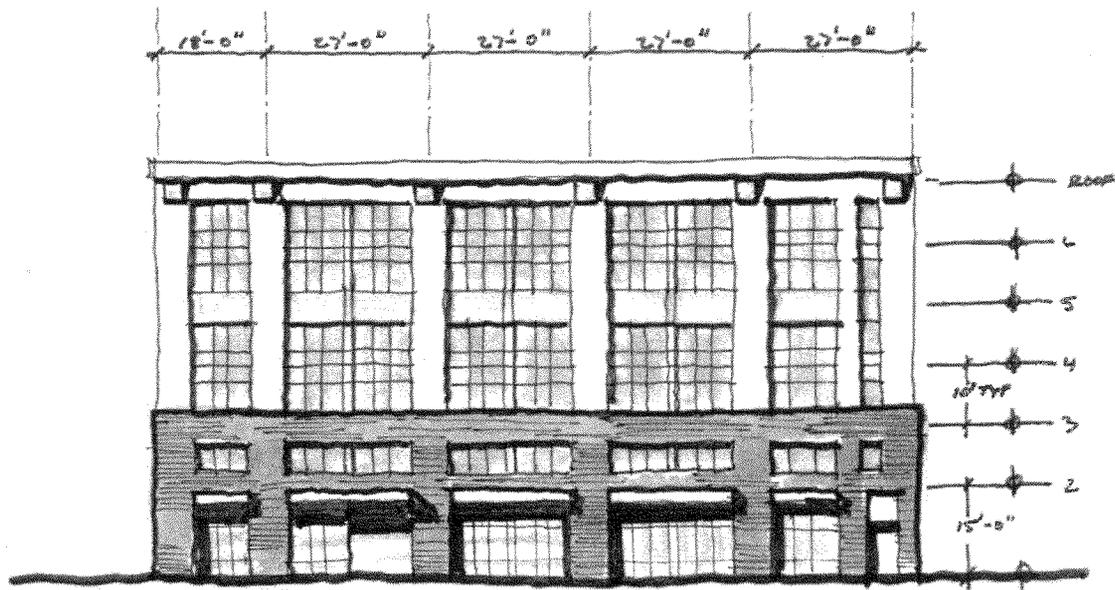
5. **Does the purchaser have the reputation and track record for keeping its promises and living up to its obligations?** You have told me that while the County would like to extract commitments from the eventual purchaser, the County does not want to have to spend a great deal of energy and money enforcing the purchaser's promises. When the County puts this important asset in the hands of a new owner and relies on that party to deliver, not just cash at closing, but follow-through on its other commitments, does the County have reason to believe that this party will keep its word? I urge you to ask for and consider evidence of past performance, complaints if any to governing jurisdictions including the CCB, and reputation.
6. **Finally, is the purchaser paying a fair price?** While I have made no secret of my interest in purchasing the property, I was a taxpayer in Multnomah County long before I was an investor in the WestPark area. Given the very real financial problems facing Multnomah County now and in the future, it would be irresponsible to sell for less than its true market value. We are all well aware of parties looking for a deep discount or outright gift of the property. I urge you to consider the County's current finances as well as the potential for property tax revenues stretching far into the future.

The Martha Washington has had a checkered past. It was built as an apartment for young women moving to the City, whose parents could be comfortable that their daughters were in a safe and respectable environment. Since that seemingly simpler time, much has changed, some for the better and some for the worse. I urge you as stewards of the public trust, to consider not just the financial aspects of this disposition, although important, but also whether your choice of the future of this asset will help restore this neighborhood to the safety and respectability it enjoyed eighty years ago.

Thank you for your consideration.

Very truly yours,

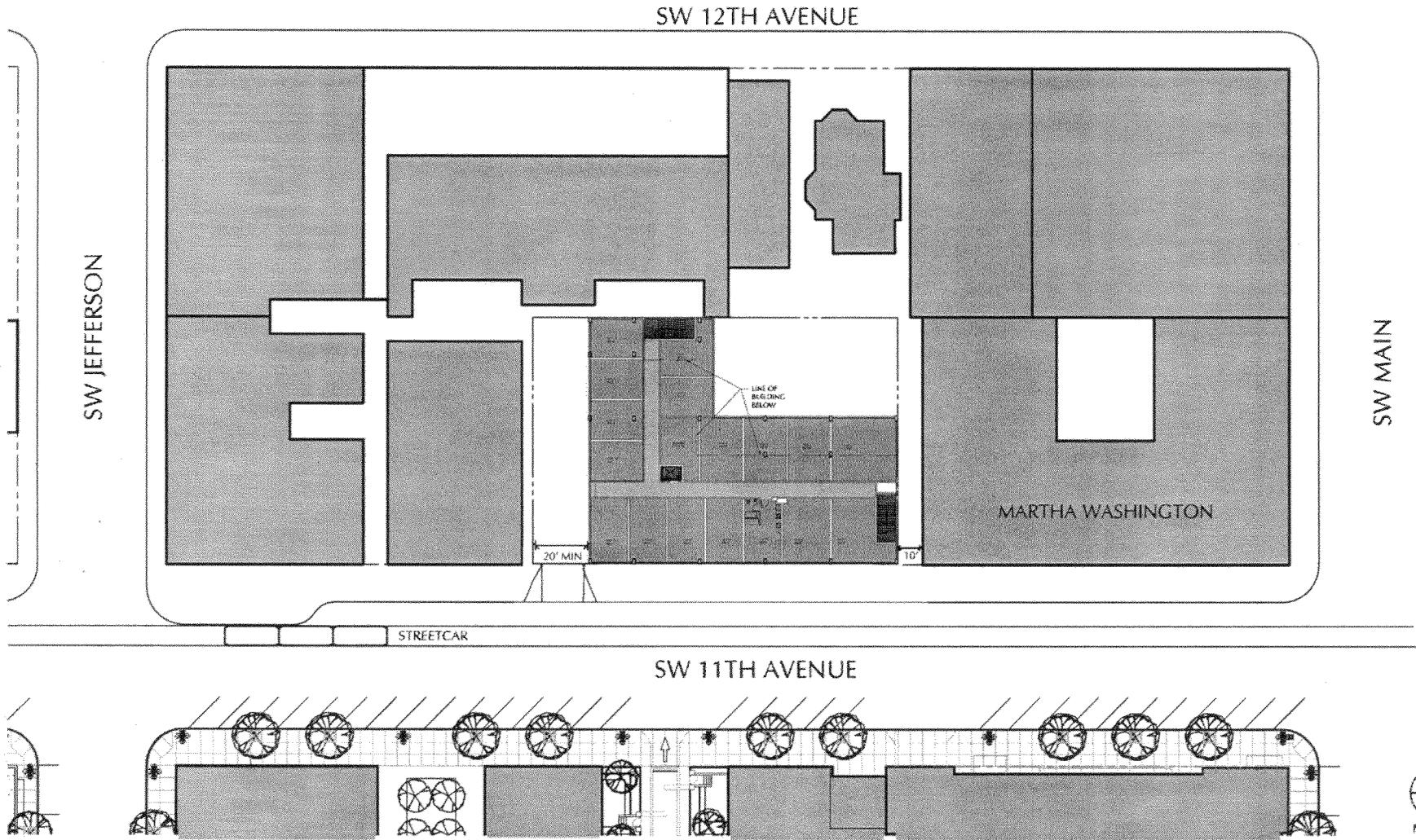
Mark D. Fraser



11TH AVE ELEVATION

the JEFFREY
 1139 SW 11TH AVE.
 for EHLEN & FRASER

ANKROM MOISAN
 ARCHITECTURE INTERIORS PLANNING
 6720 SW MACADAM, SUITE 100, PORTLAND, OREGON 97219
 PHONE 503-245-7100 | FAX 503-245-7710 | WWW.AMAA.COM



SITE PLAN

1" = 40'

the JEFFREY
 1139 SW 11TH AVE.
 for EHLEN & FRASER

BOGSTAD Deborah L

From: LUTHER Diane M
Sent: Wednesday, March 08, 2006 4:44 PM
To: BOGSTAD Deborah L
Cc: BRUNER Thomas; BELL Iris D
Subject: March 16 agenda

Deb – regarding the report from Doug Butler on the Martha Washington, please schedule about 15-20 minutes of public testimony on that subject. Thanks,

*Diane Luther
Housing Director
Multnomah County
503 988-4463*

3/9/2006

BOGSTAD Deborah L

From: LUTHER Diane M
Sent: Friday, March 10, 2006 1:39 PM
To: Richard Harris (E-mail); Leslie Ford; dbinder@tprojects.org; susan@nwpilotproject.org; mbax@ci.portland.or.us; Michael Anderson
Cc: BRUNER Thomas; LINN Diane M; BOGSTAD Deborah L; SMITH Andy J; CARROLL Mary P; NAITO Terri W; LASHUA Matthew
Subject: FW: Multnomah County Commissioners Agenda for the March 14, 15 & 16, 2006 Board meetings

Thanks you all for agreeing to come and deliver brief public testimony on Thursday the 16th at 10:00 am in favor of using the Martha Washington to advance the Ten Year Plan to End Homelessness. I have forwarded the Board agenda for that day. The Agenda contains a link to materials, including our Facilities Manager's report on the MW, if you are curious.

Diane Luther
Housing Director
Multnomah County
503 988-4463

-----Original Message-----

From: BOGSTAD Deborah L
Sent: Thursday, March 09, 2006 2:13 PM
Subject: Multnomah County Commissioners Agenda for the March 14, 15 & 16, 2006 Board meetings

Attached is the Multnomah County Commissioners agenda document for the March 14, 15 & 16, 2006 Board meetings. Informational agenda packet materials for these meetings are posted online at <http://www.co.multnomah.or.us/cc/WeeklyAgendaPacket/>.

If you have any questions, please do not hesitate to contact me. Thank you and have a great day.

Deb Bogstad, Board Clerk
Multnomah County Commissioners
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214-3587
(503) 988-3277 phone
(503) 988-3013 fax
deborah.l.bogstad@co.multnomah.or.us
<http://www.co.multnomah.or.us/cc/index.shtml>

Martha Washington Testimony
March 16, 2006

(Any order is fine)

Richard Harris
Leslie Ford
Michael Anderson
Margaret Bax
Bobby Weinstock
Doreen Binder

Central City Concern
Cascadia Behavioral Health
Community Development Network
City of Portland Housing Policy Manager
NW Pilot Project
Transition Projects Inc.

Martha Washington Invited Testimony
March 21, 2006

(Any order is fine)

Richard Harris
Leslie Ford
Margaret Bax
Bobby Weinstock
Doreen Binder

Central City Concern
Cascadia Behavioral Health
City of Portland Housing Policy Manager
NW Pilot Project
Transition Projects Inc.

BOGSTAD Deborah L

From: Bax, Margaret [mbax@ci.portland.or.us]
Sent: Monday, March 20, 2006 5:08 PM
To: BOGSTAD Deborah L
Cc: LUTHER Diane M; CARROLL Mary P; BRUNER Thomas
Subject: RE: Multnomah County Commissioners Agenda for March 21

Diane and Mary:

I may not be able to make it tomorrow. I have budget meetings starting at 11 am and am still getting info from bureaus for my review/questions. I will come over if I get done but it isn't looking good right now. Thanks so much for your work on Martha Washington. If I am not there, please feel free to say that we have spoken and that we (myself, BHCD and PDC staff) are working with you to identify funds to help with rehab if needed. We are very excited about partnership with county to move Ending Homelessness agenda forward and MW is a tremendous resource that will allow us to maintain momentum and to provide safe housing for some very vulnerable people...

Margaret Bax
Housing Policy Manager
City of Portland
503 823-3606
mbax@ci.portland.or.us
1221 SW Fourth Ave.
Portland, Oregon 97204

-----Original Message-----

From: BOGSTAD Deborah L [mailto:deborah.l.bogstad@co.multnomah.or.us]
Sent: Thursday, March 16, 2006 12:19 PM
To: LUTHER Diane M; Richard Harris (E-mail); Leslie Ford; dbinder@tprojects.org; susan@nwpilotproject.org; mbax@ci.portland.or.us; Michael Anderson
Cc: BRUNER Thomas; LINN Diane M; SMITH Andy J; CARROLL Mary P; NAITO Terri W; LASHUA Matthew
Subject: RE: Multnomah County Commissioners Agenda for March 21

Attached is the revised agenda for next week.

Deb Bogstad, Board Clerk
Multnomah County Commissioners
501 SE Hawthorne Boulevard, Suite 600
Portland, Oregon 97214-3587
(503) 988-3277 phone
(503) 988-3013 fax
deborah.l.bogstad@co.multnomah.or.us
<http://www.co.multnomah.or.us/cc/index.shtml>

-----Original Message-----

From: LUTHER Diane M
Sent: Thursday, March 16, 2006 11:49 AM
To: Richard Harris (E-mail); Leslie Ford; dbinder@tprojects.org; susan@nwpilotproject.org;

3/21/2006

mbax@ci.portland.or.us; Michael Anderson

Cc: BRUNER Thomas; LINN Diane M; BOGSTAD Deborah L; SMITH Andy J; CARROLL Mary P; NAITO Terri W; LASHUA Matthew

Subject: RE: Multnomah County Commissioners Agenda for March 21

Thank you all for coming today. Our apologies for having to reschedule the Martha Washington briefing until **10:30 am on Tuesday the 21st**. We hope you all can make it that morning. The briefing will begin with Doug Butler, our Facilities Director, making his report. You will then be invited to testify as part of Invited Testimony. Then we hope to have time for a full Board discussion.

Thanks for your patience.

Diane Luther

988-4463



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST**

Board Clerk Use Only

Meeting Date: 03/21/06
Agenda Item #: E-1
Est. Start Time: 11:15 AM
Date Submitted: 03/14/06

BUDGET MODIFICATION: -

Agenda Title: Executive Session Pursuant to ORS 192.660(2)(h)

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

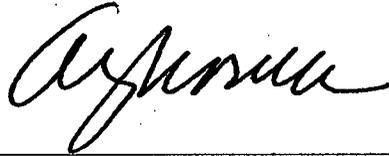
Date Requested:	<u>March 21, 2006</u>	Time Requested:	<u>15-30 mins</u>
Department:	<u>Non-Departmental</u>	Division:	<u>County Attorney</u>
Contact(s):	<u>Agnes Sowle</u>		
Phone:	<u>503 988-3138</u>	Ext.	<u>83138</u>
		I/O Address:	<u>503/500</u>
Presenter(s):	<u>Agnes Sowle and Invited Others</u>		

General Information

- 1. What action are you requesting from the Board?**
No Final Decision will be made in the Executive Session.
- 2. Please provide sufficient background information for the Board and the public to understand this issue.**
Only Representatives of the News Media and Designated Staff are allowed to Attend. Representatives of the News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Executive Session.
- 3. Explain the fiscal impact (current year and ongoing).**
- 4. Explain any legal and/or policy issues involved.**
ORS 192.660(2)(h).
- 5. Explain any citizen and/or other government participation that has or will take place.**

Required Signatures

**Department/
Agency Director:**



Date: 03/14/06

Budget Analyst:

Date:

Department HR:

Date:

Countywide HR:

Date: