

The Oregonian

District Council of Trade Unions: Portland's human resources head optimistic strike of 1,600 city workers can be avoided

By Andrew Theen

Portland's top personnel official says she's optimistic bargaining teams can reach a tentative agreement Thursday with the union group representing more than 1,600 city workers, but she added the District Council of Trade Unions "rhetoric" appears to be escalating.

"They appear to be moving further away from the city," Anna Kanwit, director of Human Resources, said on Monday.

DCTU, the collector group representing seven separate public employee unions, is the largest bargained contract with the city. On Friday, DCTU officials said members of four of the seven union groups voted overwhelmingly in favor of a strike. Kanwit said it would mark the first worker's strike since 2001.

Portland has nearly 6,000 city workers.

Parks maintenance crews, parking code enforcement officers, painters and other city employees work under the DCTU contract.

The two parties have a mediation scheduled on Thursday, the first such meeting since March 11. It could serve as a last-ditch effort to reach a deal. Friday marks the end of a 30-day "cooling off" period. DCTU could give city leaders 10-day notice of a strike. Kanwit said bargaining teams are prepared to work up until midnight if necessary, but she doesn't believe talks will last that long.

Despite more than a year of negotiations, a new four-year contract is still in limbo, although there have been some close calls.

In mid-January, Mayor Charlie Hales' office issued a press release touting a tentative agreement. "This is good news for the workers in the affiliate unions, but also good news for every Portland resident," Hales said. But union members turned down the agreement. Counter offers in recent weeks from both sides also fell on flat ears.

Kanwit said she left the March 11 mediation thinking the two groups were close to a deal. The sticking point continues to surround exceptions that would allow the city to contract out for equipment or labor.

Portland wants to have specific language to allow outsourcing work if the city doesn't have the appropriate equipment or skills on staff.

As an example, she cited the city's transition away from using slurry seal for road maintenance. Portland sold that equipment, she said. "It's cheaper for the city to contract out that work rather than pay maintenance on equipment we might use only a couple times a year," Kanwit said.

Kanwit said the city "can't in good conscience" agree to contract language that she says, "doesn't make economic sense."

Beyond the contracting out language, DCTU also wants the city to agree to a full cost of living adjustment of 1.8 percent, applied retroactively.

Kanwit said that's a non-starter, noting that other public employee unions agreed to 0.9 percent COLAs.

City bureaus are prepared for a strike and have discussed plans since August, she said.

Individual bureaus will do their best to continue services if a strike actually occurs, she added. Strike preparation is akin to an earthquake or disaster training exercise, but more predictable, Kanwit said.

City Hall would expect all city employees, aside from the more than 1,600 DCTU members, to show up ready for work.

The Portland Tribune

City audit: Most Housing Bureau loans won't be repaid

By Peter Korn

An audit of the Portland Housing Bureau's loan program released Monday revealed that in many cases the agency has no idea if it is spending its money wisely or cost-effectively. In addition, the city auditor's report notes that the bureau frequently makes loans to support housing that it knows will never be repaid.

The cost of loaning money to support even well intended housing projects, if that money never will be repaid, could be future low-income housing, according to the audit. "This will limit funds available in future years to finance new projects," according to the report.

The audit reports that the Housing Bureau has \$357 million in outstanding loans. The bureau estimates that only about 15 percent will ever be repaid.

"Most loan funds — more than \$300 million — will be spent once rather than loaned, recovered and used again for additional future projects," according to the audit.

Most of the Housing Bureau loans are given to projects that build or rehabilitate apartment buildings to house those who need lower rent than the marketplace provides. A Tribune series two months ago revealed that when public money was used to finance apartment buildings, the overall cost of the projects skyrocketed. Most publicly funded buildings cost \$200,000 or more per apartment to build.

Meanwhile, some local private developers are pushing the city for code variances and waivers of some development fees, which would allow them to build much lower cost low-income housing. A few projects that did not accept public money have been able to offer apartments built as inexpensively as \$70,000 per unit.

The audit notes that fiscal responsibility from the Housing Bureau is especially important as funding from the federal government and Portland urban renewal funds are expected to decline during the next five years.

"In a time of declining revenues, it is important for the city to ensure that limited funds are spent in a cost effective manner, meeting the city's housing goals at the lowest cost," according to the audit.

In response to the audit, Portland Housing Commissioner Dan Saltzman noted the "often conflicting expectation" placed upon the Housing Bureau, which has a primary goal of ending homelessness while at the same time hoping to generate revenue from its housing loans.

Satzman said that going forward, the bureau would, "work with the community to quantify the benefits and outcomes the public is receiving for the investment of their dollars, and review with the community and policy makers whether they are the right outcomes."

Willamette Week

Most Portland Housing Bureau Loans Won't Be Repaid, Audit Warns

By Aaron Mesh

Less than 15 percent of the \$357 million in outstanding Portland Housing Bureau loans is expected to be repaid, a audit reveals.

City Auditor LaVonne Griffin-Valade criticizes the bureau for not being transparent in reporting the loans it makes for affordable housing to City Council in a complete or timely fashion. The bureau and its director have discretion to make loans of up to \$3 million without prior council approval.

"The safeguard to prevent abuse of this discretion should be the transparency provided by quarterly reports to Council," the audit says, "and clearly defined parameters around project costs, desired outcomes, and loan types offered. As discussed in the following sections, PHB has not yet defined these parameters."

Housing Bureau officials told the auditor's office they expect to recoup just \$54 million of the \$357 million of federal and city dollars the bureau currently has loaned out for affordable housing. The bureau's expectation is that most of the loans it makes won't get paid back.

"Loan repayment is only one of the benefits that the public receives for its investment in affordable housing," bureau spokeswoman Jayme Cuti tells WW. "The primary benefit is a 60 year commitment that these properties make to affordability. While the loan repayment is long, the benefit received by the public is equally long."

The audit says the bureau has made \$83 million in loans in the past three years—despite not having established goals for what the loans should do.

"HB has not defined outcome measures for the loan programs, or evaluated the most cost-effective way to achieve those outcomes," the audit says. "In addition, PHB is not consistent in how different loan products are used, and the majority of loans require little or no repayment."

In his response to the audit, City Commissioner Dan Saltzman—who oversees the Housing Bureau—says that the city has conflicting expectations to both end homelessness and recoup some loans.

"The audit found the Bureau has been successful in setting and meeting our policy goals in providing housing for the City's vulnerable citizens," Saltzman writes. "Yet there is also a hope that the investments the City makes in housing for people with lower incomes can also generate enough revenue to fuel substantially more lending, in the manner of a bank."

The Daily Journal of Commerce

City set to purchase land for park in Cully area

By Inka Bajandas

The city of Portland has finalized plans to purchase 85 acres of the Colwood National Golf Club property for a new park.

Portland City Council last week unanimously approved a deal to buy the property for \$5 million from the Trust for Public Land, Portland Parks and Recreation spokesman Mark Ross said. The nonprofit previously purchased the Northeast Portland property with the intent to sell it to the city for a park.

Portland Parks and Recreation and the Bureau of Environmental Services contributed money for the purchase; they will jointly manage the property. Along with a golf course, the parcel includes open space, forested areas and wetlands near the Columbia Slough.

Parks and Recreation officials will manage more than a third of the land as a nature area, with the aim of protecting wildlife and water quality.

Residents of the Cully neighborhood have long pushed for more public green space; plans to convert a portion of the Colwood golf course into a park have been in the works for about 20 years, Ross said. Officials are in the preliminary stages of determining what the eventual park will look like, he added. In the meantime, the city will operate a portion of the property as a nine-hole golf course.

City officials are advocating for another use for the property's other 48 acres. This past October, City Council approved rezoning that land for industrial/commercial use.