

The Portland Tribune

Street fee split, could hamper referral drive

*By Jim Redden
November 15, 2014*

Mayor Charlie Hales and Commissioner Steve Novick have split up their street fee, making it harder for opponents to refer the entire proposal to the ballot.

The fee was filed for City Council consideration as two separate ordinances Friday. One contains the residential portion, which is a progressive personal income tax. The other is the business portion, which is a sliding scale. Together they are intended to raise \$46 million for maintenance and safety projects.

"They're two pretty distinct things, one of which there doesn't seem to be any meaningful opposition to, and another which some people are complaining about because it's a somewhat progressive income tax. Breaking them up helps clarify what people are really objecting to," Novick told the Portland Tribune Friday evening.

But Novick also concedes that filing separate ordinances could complicate efforts to refer the entire plan to the ballot because opponents would have to collect twice the number of signatures.

"If one gets referred and the other doesn't, at least we know we'd have \$23 million to work with, which is better than nothing. So the policy reason is to ensure that we get at least some work done as soon as we can," Novick said.

The Portland Business Alliance has indicated it will support efforts to refer the measure to the ballot if the council does not change the income tax portion.

The City Council will hold the first public hearing on it at 2 p.m. on Thursday, Nov. 20, in the Council Chambers at City Hall. The vote could happen as soon as Dec. 3.

Blue Ribbon Commission proposes new citizen panel to advise City Council on water and sewer

*By Steve Law
November 13, 2014*

There's a new PUB coming to Portland, and it's not a bar.

It's the Public Utility Board, a new entity proposed Thursday by the Blue Ribbon Commission on Utility Oversight in a work session with the Portland City Council.

Last spring, while Portland voters were weighing a May ballot measure that might have stripped City Council control of the water and sewer bureaus and handed authority to an independent elected board, Mayor Charlie Hales and Commissioner Nick Fish promised if voters rejected the ballot measure they'd impanel a blue ribbon commission to recommend utility management reforms. The initiative failed badly at the polls, but allegations of misspending still plague the utilities, such as a recent city audit decrying cost overruns at a new Bureau of Environmental Services building project.

In introducing the Blue Ribbon Commission Thursday, Fish declared that "this council is serious about reform and the time to act is now."

Here's what the Blue Ribbon Commission proposed, in its all-but-final recommendations:

- Dump the current Portland Utility Review Board and water and sewer Budget Advisory Committees, replacing them with the Public Utility Board.
- Convene the new panel year-round, so members can track capital improvement projects and other items that largely shape water and sewer budgets and utility rates that residents and businesses pay to fund them.
- Hire two budget experts to work with the citizen panel, housed at the City Budget Office that handles the rest of the city's budget work.

- Appoint one city commissioner to oversee both the Water Bureau and Bureau of Environmental Services.
- Transfer authority for rate-setting of garbage collection rates to the Planning and Sustainability Commission.

After the Blue Ribbon Commission was appointed, Hales and Fish told members at their first meeting that they shouldn't recommend anything that requires amending the City Charter, which functions as the city's Constitution.

So commissioners tried to "thread the needle" to deliver "substantive change" that doesn't require any City Charter changes, said Dwight Holton, the former U.S. attorney for Oregon who chaired the Blue Ribbon Commission.

The panel wants the City Council to "treat the PUB as a partner in the budget process," Holton said.

Hales, Fish, and Commission Amanda Fritz seemed pleased with the report, though Fritz opposes giving oversight of both bureaus to one commissioner. She said that will be an unpopular assignment for a politician.

But Commissioner Dan Saltzman, who sat silent during the two-hour work session until the final moments, was unconvinced the proposal amounts to serious reform.

"I keep asking myself what's the game-changer in your recommendations," said Saltzman, who in past years has advocated handing more utility oversight authority to an independent panel.

Saltzman said he hadn't known the Blue Ribbon Commission was directed not to recommend City Charter changes, as Saltzman's earlier proposal would have required. "That pretty much put some bounds on the scope of where you can go with your recommendations," he said.

One of the biggest concerns raised by the Blue Ribbon Commission and critics has been the mayor and city commissioners in charge of the two bureaus can ignore recommendations of their appointed advisory committees and add pet projects to bureau spending plans. In recent years, there have been several projects funded by city water and sewer ratepayers that are unrelated to those utilities core missions, such as more than \$50 million for Superfund work, a new headquarters for the Portland Rose Festival and public bathrooms known as Portland Loos. Until a few years ago, the city also levied a higher utility tax on its own utilities than it levies on telephone, electric and gas utilities.

The water and sewer budgets become a "black box" after citizens groups make their recommendations, said Chris Liddle, a member of the Blue Ribbon Commission. He served on a recent City Club of Portland committee advocating a stronger citizen watchdog role over the two bureaus' spending.

Liddle is still seeking some modifications to the Blue Ribbon Commission's recommendations, which were billed as a draft final plan even though the panel hasn't voted on them yet. Liddle would like budget recommendations made by the Public Utility Board to get compared to the mayor's proposed budgets for the two bureaus, which would give the group's proposals more consideration by the full City Council.

"If their view on the budget isn't taken into account, why would anyone want to participate?" Liddle said.

Bolton promised the Blue Ribbon Commission would take more time to evaluate Liddle's and the other members' suggestions, and hold another public hearing before submitting a final report to the City Council.

To read the latest draft final Blue Ribbon Commission report:
www.portlandonline.com/fish/index.cfm?c=47690&a=509412

More bumps ahead on road to street fee

*By Jim Redden
 November 13, 2014*

The city's revised street fee is stirring up a hornet's nest of opposition.

Some Portland business leaders and neighborhood activists already are calling for changes to the proposal unveiled Monday morning by Mayor Charlie Hales and Commissioner Steve Novick. The leader of at least one grassroots organization is asking its members to support the revised fee, however.

Opponents are labeling it a "street tax" and urging its defeat. And a lobbyist is predicting it will be referred to the ballot.

And all this is happening before the first City Council hearing, which is scheduled for Nov. 20.

Within hours of the City Hall news conference by Hales and Novick, Sandra McDonough, president of the Portland Business Alliance, posted a message on her blog calling for the proposal to be amended. Among other things, McDonough said the PBA opposes the residential portion of the revised fee, the city's first progressive income tax.

"Under this new plan, almost half of Portland taxpayers will be exempt from paying even a modest amount, contrary to the longstanding tradition of a user-pay system for street maintenance. This is a result of the structure of the proposed new income tax and the city's inability to tax public retirement incomes (although private retirement income would be taxable)," wrote McDonough, who urged the city to reconsider the fee structure.

But Southeast Uplift questioned provisions of the revised proposal even before it was formally unveiled. On Nov. 6, the board of the Southeast Portland neighborhood coalition office sent a letter to the council saying the cost falls too heavily on residents and not heavily enough on large road users, such as the Union Pacific Railroad Yard in that part of town and large medical institutions, like Oregon Health & Science University, Providence Hospital and Legacy Good Samaritan Hospital.

"In many cases major users of roads may pay less than a single Portland resident," said the letter, signed by Southeast Uplift board President Robert McCullough, who attended Monday's news conference and repeated the criticisms in the hallway afterward.

But even earlier, on Nov. 3, Jonathan Ostar, director of the OPAL Environmental Justice Oregon, sent an email to members of the nonprofit organization calling on them to express their support for the fee to the council. Ostar served on one of the work groups that revised the fee and said it would fund safety projects favored by his organization. They include more sidewalks, crosswalks and better access to transit along 122nd Avenue in East Portland.

"I have worked very hard to push for a progressive revenue proposal that exempts low-income households and shifts responsibility to our most affluent residents. I have also advanced a project list that ensures that the revenue generated will be spent in communities that need the most investment, like East Portland," according to Ostar's email.

Meanwhile, critics on the nostreetfee.com website are urging the rest of the council to defeat the new tax. "Even if they call it the 'Portland Street Fund,' a tax by any other name is still a tax, reads one post.

And lobbyist Paul Romain says if the council does not refer the measure to the ballot, it will be placed there through a petition drive, although he did not say who would lead it.

The revised proposal includes a progressive personal income tax that begins at \$25,000 for a single person and \$35,000 for a couple. It would be capped at \$75 a month and includes a \$5,000 per child deduction. The taxes paid would be deductible on state and local income tax forms. The nonresidential portion would assess businesses based on the number of employees, the square footage of office and other building space, and their gross revenue. Payments would range from \$3 to \$144 a month, with a 50 percent discount available for nonprofit organizations.

The revised fee is intended to raise \$46 million a year, with 56 percent of the revenue going to street maintenance projects and 44 percent dedicated to safety projects. The council is tentatively scheduled to vote on the proposal Dec. 3.

Airbnb may put new squeeze on renters

*By Steve Law
November 13, 2014*

Most Airbnb hosts are ignoring new city permit requirements for offering short-term rentals in their homes, but Portland City Council is poised to plow ahead and legalize such rentals in apartments and condos as well.

At the urging of Mayor Charlie Hales, city commissioners will take testimony next week on a proposal to permit short-term rentals in multifamily properties, if the tenant has the signed approval of the landlord, or a condo owner or tenant has the OK from their homeowners association. No more than 10 percent of the units of a multifamily complex could get permits under Hales' proposal.

"When it became clear that there were lots and lots of multifamily listings in Portland, the mayor and others on the City Council said our policy no longer reflects reality," says Hales spokesman Dana Haynes. "We probably ought to have a policy that reflects it."

Airbnb estimates it has 1,600 Portland hosts opening up their homes, apartments and condos to short-term renters staying less than 30 days at a time. Those were all illegal until the City Council passed an ordinance in July that allowed residents of single-family homes, houseboats and duplexes to seek permits. Now several hundred more hosts might become legal if the City Council adopts Hales' proposal for multifamily properties.

City permits for single-family homes cost \$178 and require a cursory inspection to make sure the homes are equipped with good smoke alarms and the bedrooms are legal accommodations. Though Airbnb lobbied the city to pass the ordinance and institute the permit system, most of its local hosts are ignoring the new ordinance. Roughly two months after the ordinance took effect Aug. 1, less than 10 percent of the single-family hosts had bothered to apply for permits to become legal.

Permit applications under Hales' proposal for condos and apartments would be only \$100, and no city inspections would be required. Tenants or condo dwellers would merely have to certify that their units have proper smoke alarms and carbon monoxide detectors.

Still, it's unclear how many multifamily Airbnb hosts will bother to seek permits, especially when leasing out apartment rooms violates most tenants' leases.

The standard lease used by Multifamily NW, which represents owners of about 175,000 apartment units in Oregon, bars subletting, says Deborah Imse, the trade group's executive director.

Imse participated in a task force put together by Hales' staff to vet the new proposal. While the landlords group may seek some changes, such as requiring the landlord signature get notarized, its main concern is that landlord approval is granted, Imse says.

New wrinkle

City Commissioner Nick Fish wants to go further, and require that the landlord apply for the permit instead of the tenant.

"It is the landlord and not the tenant who we should hold accountable," Fish says. "The landlord has the ultimate responsibility for a safe building."

That could further limit the number of permit applications.

Under Portland's ordinance, people opening up their single-family homes to short-term renters only have to live on the premises nine months of the year. That means they could hire an off-site manager and rent their home to short-term visitors all summer while traveling abroad or enjoying the sun in Hawaii.

Steve Unger, proprietor of the Lion and the Rose Victorian Bed & Breakfast in Irvington, will ask the City Council to be more strict for multifamily properties. He wants hosts to live on site for all but about 12 days a year, to allow for modest vacations.

"If the host is residing there during the stay, you're not likely to have problems," says Unger, who competes with Airbnb but also uses the service when he travels.

"The close proximity of multifamily makes it more of a nuisance to the neighbors," he says. "If you're a single-family home, you can be 50 feet away," he says, but with apartments, you're only a wall away.

Losing affordable housing

Expanding the city ordinance also raises more concerns that Airbnb-style operations will reduce the stock of affordable housing in Portland, driving up rents.

Mayor Hales recognizes that problem, Haynes says, but is confident that operators of subsidized housing will not allow short-term rentals in their properties.

But even the loss of market-rate apartments can drive up rents if that causes the supply of units to dwindle.

Hales doesn't dispute that, Haynes says, but figures it's better to have a regulatory system in place given that short-term rentals have become so common here and are unlikely to go away.

One Portlander already filed an anonymous complaint that four apartments at 514 N.W Ninth Ave. are being listed illegally under Airbnb. The local property manager and Seattle owner of the Northwest Portland apartment building both declined to discuss the complaint, which resulted in a zoning violation notice sent by the Bureau of Development Services.

Several people have testified to the City Council that they can charge much higher rents to tourists on short stays than they can to long-term tenants. "If you rent a unit short-term, you can usually make in three months as much as you can all year long renting it long-term," Unger says.

That means there will be a temptation for more apartment owners to convert their units to Airbnb-style properties, despite the on-site residency requirement.

Fish is concerned about that prospect. "I don't have any illusions about how hard it is to regulate this," he says.

The city is hesitant to mount a major enforcement effort against those who fail to seek permits or otherwise violate the short-term rental ordinance, preferring to intervene only when someone files a complaint. So far, no city commissioner has asked for more money to spend on enforcing the ordinance, Haynes says.

Greater use of Airbnb in multifamily settings also is likely to reduce the supply of affordable units even when the tenant remains on site. That's because tenants or condo owners might be tempted to stop renting out rooms to longer-term tenants in favor of higher-paying nightly renters.

There is little available data on such arrangements, since they often occur under the table. But it stands to reason that renting out a room is usually cheaper than renting a studio apartment.

"Roommate rentals are real important affordable housing," Unger says.

Willamette Week

Hales and Novick Try to Thwart Public Vote on Street Fee

Portland officials want to make referral more difficult by breaking fee into two votes.

*By Aaron Mesh
November 14, 2014*

Documents filed at Portland City Hall today show Mayor Charlie Hales and City Commissioner Steve Novick are trying to prevent a public vote on their \$46 million street fee proposal by forcing opponents to gather signatures twice.

Hales and Novick have filed two ordinances with the council clerk's office: one for the business fee, and another for the residential income tax.

That means City Council will vote separately on each side of the plan. It also means anyone trying to send the street fee to a public vote would have to separately refer each side.

By creating two City Council votes, Hales and Novick are raising the degree of difficulty for foes of the street fee—now including the Portland Business Alliance, which hates the income tax proposal.

Novick says the main advantage of splitting the two votes is exposing that most opponents only dislike an income tax that puts a heavier burden on the rich.

"There seems to be no real opposition to the business fee," Novick tells WW. "But some people are threatening to refer anything progressive on the personal side. By dividing it into two, it will make it very clear exactly what the dispute is—it's a dispute about whether there should be a progressive personal income tax, not about the whole package."

The PBA would now have to decide whether to collect signatures only on the income tax side of the proposal—or to spend more money and collect signatures for public votes on both sides of the street fee.

Hales and Novick's gambit may seem familiar.

This is the same tactic that then-City Commissioner Sam Adams used in 2008, when petroleum lobbyist Paul Romain threatened to send Adams' street fee to voters. Adams broke his plan into three parts. But he eventually abandoned the entire plan.

Romain is once again saying he's planning to send the street fee to voters. This time, he may have the PBA on his side.

WW reported earlier this afternoon that PBA president Sandra McDonough has warned that the business lobby would likely help refer an income tax to voters. Novick responded to her by saying Portland voters have supported income taxes before.

UPDATE, 5:22 pm: Oregon Fuels Association lobbyist Paul Romain says he's undeterred by the prospect of two voter referrals.

"Is this 2008?" Romain asks. "I guess it is 2014. It's similar games. Their tactic is a little ridiculous but typical."

Romain, who told WW earlier this week his petroleum clients plan to send the street fee to voters, now says opposition to the fee is growing beyond his clients.

"What Charlie and Steve have done is unite the city of Portland," Romain says. "They've done a remarkable job of uniting interests that have very little in common but are now marching together in unison. People are writing to say they love me. Nobody's ever loved me."

A public hearing on both street fee ordinances is at 2 pm Thursday, Nov. 20.

Portland Business Alliance Says if Street Fee Includes Income Tax, They'll Likely Refer It to Voters

UPDATE: Advocates say business groups trying to "hold the process hostage."

*By Aaron Mesh
November 14, 2014*

Portland Business Alliance president Sandra McDonough tells WW that unless Portland City Hall removes a personal income tax from the street fee, the business lobby will probably help refer the \$46 million proposal to voters.

"It's down to this one detail—and we don't understand why they won't move on that," says McDonough. "We are talking to the folks who are looking at a referral. If we don't see a substantive change, we are likely to be part of it."

PBA officials have met with Mayor Charlie Hales since he and City Commissioner Steve Novick revealed their latest street funding proposal on Nov. 11. The new plan, expected to raise \$46 million a year, includes a steeply graded income tax that starts at \$60 a year and goes up to \$900 a year.

McDonough tells WW the income tax is a deal-breaker.

"We have really set out to work with City Hall on this, and we're ready to agree to a fee on business, which is not something we do every day," McDonough says. "We're not comfortable with the city establishing an income tax—period. That's a whole new taxing mechanism for the city of Portland."

McDonough first expressed opposition to the income tax component of the street fee on Monday, warning on her OregonLive.com blog that the city would lose PBA support if the income tax wasn't removed. That position has now intensified to the level of discussing voter referral, she says.

"We had a board meeting this week that solidified our position," McDonough tells WW.

Hales and Novick do not appear to have budged. The street fee is scheduled for a Dec. 3 vote, the Portland council clerk's office confirmed this morning it had received ordinance filings on the proposal.

UPDATE, 1:35 pm: City Commissioner Steve Novick says that there's reason to believe voters would support an income tax.

"I'll say this," Novick tells WW. "The people speaking out against our proposal seem to be the same people who opposed Measure 66. Measure 66 got 70 percent of the vote in Multnomah County as a whole, and I'm sure it didn't do any worse than that in the City of Portland."

Novick, who first proposed an income tax in July, says that he doesn't understand the opposition from wealthy Portlanders.

"I will also say," Novick adds, "that I'm puzzled by the idea that some people making \$500,000 a year or so are mad about the idea of having to spend a fraction of one percent of their income to have a functioning local transportation system. My wife and I would pay \$32 a month under our proposal, and that seems fair to me. Heck, we spend \$80 a month on DirecTV."

"I would also ask Sandy: under our proposal, couples making \$55,000 a year pay \$5 a month. How much does she think they should pay?"

UPDATE, 4:45 pm: Jonathan Ostar, the executive director of advocacy nonprofit OPAL Environmental Justice Oregon, says business groups including the PBA received numerous concessions as the street fee was developed over the summer—and are still trying to "hold the process hostage."

"Over my objections, the City has made numerous additional concessions to the business stakeholders," Ostar tells WW. "For the business community to now try to hold the process hostage for further concessions, after the City has already bent over backwards to meet virtually all of their demands, calls into question their good faith."

Ostar says he objected this past week when city officials agreed to cap the highest income tax at \$900 a year instead of \$2,400 a year—pushing more tax burden on middle-class households. He says that change was made at the request of business groups.

"Millionaires will now be assessed a lower tax rate than those making \$30,000 per year," Ostar says. "Is this progressive? Of course not. But given the relative progressivity overall—both in terms of revenue and distribution of investments—we're supporting this. We hope our City Council will show the courage to press forward in spite of the business community's incalcitrance."

The Mercury

Son of Return of the Street Fee

Novick, Hales Hope New Transportation Funding Plan Plays Better than the Original

*By Denis C. Theriault
November 12, 2014*

WHEN MAYOR Charlie Hales and Commissioner Steve Novick finally reissued their bedeviled plan for transportation funding on Monday, November 10, their rhetoric—on what could easily be seen as a legacy-defining achievement—somehow walked the line between tepid and bullish.

Words like "bearable" and "reasonable," repeated during a lengthy Portland City Hall press conference, drowned out occasional praise and hopeful exclamations about the possibility of a unanimous city council vote. Only later, after the unveiling, did Hales' spokesman declare his boss "excited" about the street plan.

That's probably as it should be.

Hales and Novick are proud of their rechristened \$46 million Portland Street Fund, which they've cast as a "much improved" blend of a progressive personal income tax and a sliding fee for businesses—with a slight majority of its proceeds now earmarked for paving and maintenance work. They've tentatively scheduled a vote for December 3, with a public hearing planned for November 20.

But the fine print in that hybrid plan amounts to an amalgamation of compromises meant to find an intensely tiny—and likely elusive—political sweet spot.

"No one is going to love what we put on the table," Hales said early in the press conference.

The mayor and the commissioner are still hoping to win over at least one more colleague on the five-person city council—all while doing their best to rally supporters without, in turn, giving their critics in the business community enough ammo to pick a fight at the ballot box next spring.

That's already looking difficult. Commissioners Dan Saltzman and Nick Fish have long insisted on having the council call for a public vote—something that's still not part of the proposal. And Commissioner Amanda Fritz, who loomed as the swing vote before Hales and Novick tabled their intensely controversial plan in June, has not yet said whether she'll sign on again.

Worse, petroleum industry lobbyist Paul Romain waited only hours after the proposal re-emerged to guarantee opponents would gather enough signatures to put it on the May 2015 ballot, should city council approve it.

And one of the groups Hales and Novick had hoped to assuage with some of their tweaks, the Portland Business Alliance (PBA), also sent out word that it "cannot support" the new plan.

The PBA singled out the income tax provision for opprobrium, suggesting a flat fee that would see more poor people pay up every month. It also demanded the city spend more on paving—and less on safety projects in places like East Portland. Hales and Novick already budgeted a bit on that point, agreeing to increase the share of money spent on maintenance to 56 percent. But that's still a far cry from the 75 percent the PBA demanded.

Giving in to the PBA, however, would cost support from nonprofits and transportation funding advocates—who see fixes in lower-income parts of Portland as essential and who'd hoped the tax would be even more progressive than what was laid out during Monday's press event.

The PBA told the Mercury on Monday, November 10, that it didn't yet have a position on whether its lack of support would translate to an active attempt to stop the effort by putting it on the ballot.

"We are not going to do exactly what either of those groups suggested in either of those areas," Novick said. "We're trying to strike a balance."

For all the back-and-forth, the proposal still hewed fairly close to a rough draft floated during a public session last month.

Back in May, businesses hollered at the prospect of paying hundreds or thousands in monthly fees under a complicated formula built around how many trips they generated. Now, they'd pay dramatically less, from \$3 to \$144 a month. And residents, initially facing flat fees capped just below \$12 a month, would now pay a graduated deductible income tax (with \$5,000 credits for children) meant to shift the burden away from low-income Portlanders.

The cap, however, would top out at \$75 a month for married couples earning a combined \$350,000 annually. That's down from \$200 a month—a figure supported by Novick, but too high for Hales, who floated a cap of just \$50 last month.

Also unchanged: Revenue would be split evenly between the two collection methods. About \$45 million would be spent on paving over the next three years, with millions more funding projects like new sidewalks and crosswalk improvements.

Novick and Hales, joined by Transportation Director Leah Treat, made a familiar case for the new revenue, citing the \$91 million the city would need to spend every year for 10 years to catch up on deferred maintenance—not including money for the other transportation enhancements also captured in their plan.

Treat said the new paving cash would save the city \$650 million in future work, most of that on busy streets. And Novick read from a list of some of the safety projects expected to be funded in the next three years, including fixes to SE 122nd that would presage frequent bus service upgrades by TriMet. Some 40 percent of the money on safety projects in the next three years would be spent in East Portland.

Hales also reminded everyone that he's proposed, as part of this fall's budget adjustment process, pouring an additional \$2 million from the city's general fund into the Portland Bureau of Transportation's capital budget for maintenance work.

But he stopped short of promising more ongoing money in next year's budget, pointing to hope the state and the feds might step up with gas tax increases.

"We're here because we have to be here," Hales said. "We own these streets and we own these unmet needs and it's time to get on with it."

—The Mercury's Dirk VanderHart contributed to this report.

Hall Monitor

Redefining Success. Downward?

By Denis C. Theriault
November 12, 2014

COMMISSIONER NICK FISH, like anyone who's estranged from something or someone they love, still keeps a fond eye on the Portland Housing Bureau, taken from him last year during Mayor Charlie Hales' first big shakeup of Portland City Hall.

He roots for the bureau during budget season. And he's taken other stands for the bureau, privately and publicly—like when he joined a twice-stymied call to fatten the city's housing investment fund by tapping new revenue from short-term rentals.

But mostly—lest anyone complain too loudly that he's consumed with looking after his legacy—Fish has kept diplomatically quiet about all the different ways in which the bureau's new boss, Commissioner Dan Saltzman, has been running things.

Again, "mostly."

Fish broke his silence last year to rip both Saltzman and Hales over camp sweeps and harsh rhetoric on homelessness. "Who is leading our efforts?" he told us ["The Empty Throne," News, Aug 14, 2013]. "Why is there so little compassion?"

And now he's doing it again. Fish is apoplectic over the housing bureau's plans, detailed in an October 28 memo, to scale back the number of housing units it hopes to set aside for needy Portlanders in the city's fancy South Waterfront district.

According to that memo, obtained by the Mercury before it was reported by the Oregonian this week, the bureau wants to call things good after providing just 72 housing units in the district for people making no more than 30 percent of the region's median family income. That's barely any more than the 42 it's already built—and far short of the 166 it pledged to build in 2003. (And even that was a compromise target, officials and observers say.)

It's an understandable urge. Units for the neediest Portlanders often are paired with social services—making them too expensive for builders without deep public subsidies.

The housing bureau is looking at how much it can spend in South Waterfront—about \$31 million under proposed changes to the city's urban renewal policies—and there's a reasonable argument that the money would go further if spent on units for people making 30 percent to 60 percent of median income.

But Fish says that kind of shift amounts to a retreat. And he's going to fight the recommendation when it heads before city council next month with the rest of the city's proposed urban renewal revisions.

Portland can still strive to build more housing for extremely low-income Portlanders, Fish says—so long as bureaucrats and elected officials, like Saltzman, are willing to aggressively woo nonprofits and agencies like Home Forward to stitch together complex subsidy deals. According to Fish, the bureau did similar work in financing Gray's Landing, a building for veterans in South Waterfront.

"We are in the middle of a housing crisis and we need to continue to think big," Fish told me. "This is not the time to lower the bar; this is the time to be bold. We should be focusing on strengthening partnerships and lowering costs, not rewriting our housing goals."

Fish's tack is interesting. He's attempting to force a conversation on housing in South Waterfront right when the city's working to grow nearby Portland State University and refashion one of the last major pieces of industrial land in the district, the old Zidell shipyards.

Also, by focusing on leadership, he's drawing a distinction between this issue and the housing bureau's failure, when he was its overseer, to keep up with affordable housing commitments in the Pearl.

Saltzman's chief of staff, meanwhile, didn't respond to a message seeking comment on Tuesday, November 11.

It's possible his office might point me to another part of the memo—in which the housing bureau contemplates using other lures, besides direct subsidies, to promote affordable housing. But there are no targets attached to that just yet—city officials are still looking to pay a consultant to help them figure out what those incentives might look like.

Fish isn't even the only person complaining. Israel Bayer, director of Street Roots, has questioned the city's leadership in light of the memo and other concerns. So has the League of Women Voters. It's possible some of Fish's colleagues, like Amanda Fritz and Steve Novick, might join him, too.