

The Oregonian

Portland street fund: Steve Novick's new plan is based, in part, on how much gasoline you use

By Andrew Theen
December 29, 2014

UPDATE: This story was updated with reaction from Mayor Charlie Hales' office and energy consultant Robert McCullough, and the chamber of commerce.

Gut check time is over.

Portland Commissioner Steve Novick unveiled the latest incarnation of his controversial street funding plan on Monday. The details apply solely to the residential half of a \$43.8 million proposal to pay for street paving and safety projects.

The latest proposal is a return in some ways to the original \$53 million user fee proposed in May and discarded shortly thereafter in the face of public outcry. Under the latest plan, every Portland resident would pay an annual fee, with bills ranging from \$24 annually to \$144 depending on income

But now Novick is suggesting a five-tiered payment system based in part on estimated gasoline consumption rates broken down according to various income levels. The Bureau of Labor Statistics figures were tweaked slightly, Novick said, to increase the rates for wealthy Portlanders and decrease the fee for people on the lowest end.

"This is the best user fee that I can come up with after a year," Novick said. "I'm willing to let it stand or fall on its own merits."

Dana Haynes, Mayor Charlie Hales spokesman, said his boss is "very supportive" of the plan. "This one is progressive," Haynes said of Novick's plan, "and it's attached to consumption."

Hales and Novick spent much of 2014 trying to create a new funding source for transportation projects.

Haynes acknowledged that the process has been controversial. "Nobody wants to pay to take care of the streets so this mechanism seems workable, it seems doable, it seems logical," Haynes said. "The mayor is quite pleased."

At the same time he released the plan on Monday, Novick also presented a formal fallback option. If the City Council doesn't approve the street fee, or if residents or interest groups succeed in referring and overturning the plan at the ballot box, Novick will present a more progressive income tax option and campaign for the measure in 2016.

Here's what he said of that plan in a press release:

"What I would propose is an income tax that, for married filers, exempts the first \$35,000 in income, and then applies graduated rates as follows: one-tenth of one percent of income between \$35,000 and \$60,000; two-tenths of one percent of income between \$60,000 and \$100,000; three-tenths of one percent of income between \$100,000 and \$250,000; and four-tenths of one percent of income above \$250,000." Such a tax is also projected to raise \$23 million a year. That proposal includes a \$5000 per dependent deduction and is tax deductible on the state and federal returns.

Novick hinted that the progressive income tax plan was ready to go.

The first-term city commissioner consistently said he preferred a more progressive income tax that would charge wealthier residents more money while exempting low-income Portlanders, but the Portland Business Alliance, petroleum lobbyist Paul Romain and others pledged to fight any proposal that included creating a new income tax.

Novick acknowledged that some progressive allies would be unhappy with any plan that doesn't exempt low-income people. The new plan includes no discounts for multifamily apartment units or low-income residents. "It's something that I can live with," Novick said.

He said the gasoline consumption-based option is "not proportional to income" but gasoline use does vary according to income.

Sandra McDonough, president and CEO of the Portland Business Alliance, said the plan could be bearable for the chamber of commerce, too. "This looks like the kind of plan we can support," she said in a statement sent via email. "However, as we've said before the details matter. We will need to look closely at the details as a next step."

The idea for the plan grew out of conversations with Robert McCullough, a prominent Eastmoreland resident who's been at loggerheads with the city over the street funding plan.

Novick said the plan was his creation, contrary to reports by the Portland Tribune, adding that he'd never specifically discussed the new plan with McCullough.

In an email, McCullough said the newest proposal had "even less merit than the last half dozen."

McCullough, president of the Southeast Uplift neighborhood coalition, said the group still believes a proposal should be sent to voters for approval. "The reality is that it continues to exempt large special interests and pursue the highest charges for the middle class and small business," he wrote.

The business portion of the fee, based on square footage of a business and its gross revenue, remains the same.

Haynes said he believes all City Council offices have been briefed on the new plan.

Novick said in some ways, the new residential fee is responsive to what he views as the three camps most active in the street funding discussion. The Portland Business Alliance advocated for a user fee, progressive groups pushed for a plan based on income, and many others advocated for an increase to the gas tax.

"One could argue that this is a mishmash of all three," Novick said.

Portland plans to push state legislators to raise the gas tax starting in February during the next session in Salem, Haynes noted.

On Jan. 8, the City Council will hold a public hearing on the street fund at 6 p.m. at City Hall. A final vote is scheduled for Jan. 14.

Portland Residential User Fee: How much would you owe?		
Annual Income Range	Average Annual Gas Spending	Yearly Fee
≤\$13K	\$1,231	\$24
>\$13K - \$27K	\$1,850	\$60
>\$27K - \$46K	\$2,622	\$89.4
>\$46K - \$82K	\$3,284	\$108
>\$82K	\$4,071	\$144

The Portland Tribune

Airbnb should share Portland hosts' info with city to ensure safety, permit enforcement: Editorial

*By The Oregonian Editorial Board
December 29, 2014*

Move over, Uber. Your reign as the face of arrogance for Portland's sharing economy may be over.

Airbnb, the San Francisco-based tech company that connects homeowners offering extra bedrooms with short-term renters, is making a credible case for the title. The company is resisting a proposed requirement that it hand over address and contact information for Portland hosts who offer rooms through the Airbnb website but who fail to get a city-mandated permit and inspection.

This is a new role for Airbnb, which has been portrayed as the model for the so-called sharing economy's development in Portland. While Uber came across as a rule-breaking rebel, rolling out its ride-sharing service in violation of city ordinances, Airbnb worked out regulations with the Portland City Council and agreed to collect room tax on hosts' behalf. It also helped that the company announced last March that it would base a hub in Portland and hire some 160 people.

But the love affair was bound to hit a snag or two. As more hosts signed up on Airbnb, the city noticed that few had gone through the required permitting and inspection process – only about 7 to 8 percent of Airbnb's more than 1,000 hosts have done so, by the city's estimate. And now the city wants Airbnb to help by turning over names and addresses as needed.

Airbnb's response? Hands off.

As Willamette Week reported at a Dec. 18 City Council meeting, Airbnb regional public policy head David Owen sought to dissuade commissioners from incorporating the measure into proposed changes, which would allow apartment dwellers to rent out rooms on Airbnb and other platforms like single-family homes may now.

But Owen relied on fear and hyperbole to defend the company's unwillingness to cooperate. At one point, he likened sharing such data with the National Security Agency's mining of Americans' cell-phone data. He also intimated that hosts' sharing of address information was a First Amendment issue.

Neither of those, of course, relates to the central issue -- ensuring safety. And while Airbnb may be a pioneer in the sharing economy, this championing of individuals' privacy and freedom of speech doesn't ring true for a company that tells users it "may review, scan, analyze, and store your communications, whether done manually or through automated means."

Airbnb's reluctance to disclose name and address information for people who are clearly acting as commercial enterprises, albeit on a small-scale, comes across as "surprisingly arrogant," City Commissioner Nick Fish said.

"We're not talking about confidential data," Fish told The Oregonian's editorial board. "We're talking about the address of a home-based business."

Certainly, the Bureau of Development Services can make it easier for people to find information about the permits they need. The permit in question – known in jargonese as Accessory Short-Term Rental permit – is difficult to find on the bureau's website and categorized under the less-than-intuitive "Signs & Other Permits" heading.

But once you get there, the information and path to legality is pretty clear. And the need for a city inspection is also entirely legit. The city wants and should ensure that people are renting out rooms that meet code requirements for a bedroom, such as having a smoke detector and a way to exit in case of fire.

"Our basic concerns are life-safety issues," Fish said. "That is the first obligation of government."

For its part, Airbnb states it wants more time to help hosts learn their responsibilities. But considering Airbnb's efforts have fallen short so far, the city – with a clearly written letter spelling out a host's requirements and the penalties for failing to comply – can efficiently assist with that.

Airbnb can still come to the table and work with city officials to, once again, fashion regulations that help both the company and the public get what they want. But its posturing to date only threatens to sour what has been a promising relationship to date.

City plans growth along new light-rail line

*By Jim Redden
December 30, 2014*

Construction of the replacement Lafayette Street pedestrian bridge is focusing attention on a new style of potential light rail-related growth — Employment Transit Oriented Development, or E-TOD, as planners call it.

Last Thursday morning, a large crane lifted a 70-ton steel walkway more than 50 feet into the air near Southeast Rhine Street and Southeast 17th Avenue in the Brooklyn neighborhood. The 184-foot collection of plates and girders hung in the air for 15 minutes as the crane rotated 180 degrees, then gently lowered it onto the top of two 42-foot-high steel towers on either side the Union Pacific railroad line.

Workers from Lorenz Bruun Construction rose on smaller lifts to nudge the span into place before fastening the large structures together. Company employees watched and took pictures from the rooftop balcony of their headquarters building, coincidentally located at the east end of the project. A light drizzle began falling as this phase of the job was finished.

When completed this coming summer, the new bridge will replace the original pedestrian crossing that was built in the early 1940s over Union Pacific rail lines. It will include features to improve pedestrian and bicycle access, such as elevators with glass cabs, 8-foot-wide stairs, and bike gutters to ease moving them up and down the structure. Public art will feature poetry written by students at Cleveland High School, which is nearby.

Thursday's lift showed how important the crossing is to anyone trying to cross the tracks. TriMet needed the railroad's permission to swivel and lower the span over the tracks. Numerous trains thundered up and down the tracks as workers waited for the railroad to say there was enough of a break, pushing the estimated start time from 9:30 a.m. to 11:10 a.m.

The \$3.9 million replacement bridge is part of the Portland-Milwaukie Light Rail Project, to be known as the Orange Line, that is scheduled to open Sept. 12, 2014. It will connect the future Southeast Rhine Street/17th Avenue MAX station to the largely commercial neighborhood to the east that includes Bruun Construction and the Fred Meyer headquarters, where hundreds of people work.

That is different from most MAX stations, which are designed for residents to take transit from their neighborhoods to employment centers. That has led to the concept of new residential buildings near transit centers in neighborhoods called Transit Oriented Developments. Ground was broken on a new 57-unit one in the Kenton neighborhood just a few weeks ago.

But the coming Portland-Milwaukie line will include four stations in Southeast Portland in commercial neighborhoods. That has prompted planners to consider encouraging a different style of development — high-density employment centers at or near the stations. Instead of planning for more residents to use the stations to take transit to work, the planners are studying how to get employers to build new offices and other buildings that can be reached from the stations.

In addition to the future station at Southeast Rhine and 17th, the other three are located at OMSI, Southeast Clinton Street and 12th Avenue, and Southeast Holgate Boulevard and 17th Avenue. After these locations emerged in the process of plotting the alignment of the Portland-Milwaukie line, the city Bureau of Planning and Sustainability applied for a \$485,000 grant from Metro to help plan how to encourage employment centers to be built or expanded at or near the stations. The grant money was generated by a construction employment tax assessed by Metro against new development. Metro originally created the CET to help fund planning in new areas added to the urban growth boundary, but increased the possible uses to include planning in existing urban areas when it was renewed.

Plans developed with the grant funds for the Southeast Rhine/17th Avenue and Holgate/17th Avenue stations are intended to be included in the comprehensive plan update the council is expected to approve next year. Plans developed for the OMSI and Clinton/12th Avenue stations are intended to be included in the Southeast Quadrant Plan that also is headed to the council.

Mayor Charlie Hales is asking the council to expand the boundaries of the Central Eastside Industrial Urban Renewal Area to include the Clinton station. That would qualify the area around it for urban renewal-funded improvements that could help attract new employers.

One parcel that could benefit is a 3.25-acre tract of land near Southeast Powell Boulevard and Milwaukie Avenue that was purchased by Stacy and Witbeck Inc., the construction company building the Portland-Milwaukie line. The alignment of the line was well-known long before the company bought the property.

PBOT says it has turned documents over to street fee critics

*By Jim Redden
December 30, 2014*

Wrangling over the nonresidential portion of the proposed street fee is continuing, even as Commissioner Steve Novick prepares to unveil a potential replacement for the residential portion.

Novick could present a different version or alternative to the progressive personal income tax early this week. He is considering changing it because some organizations, including the Portland Business Alliance, have promised to refer it to the ballot.

In the meantime, Southeast Uplift, the neighborhood coalition office representing dozens of neighborhood associations in Southeast Portland, is still trying to obtain internal Portland Bureau of Transportation documents used to calculate the amount different businesses will pay.

SEUL President Robert McCullough is convinced PBOT made errors that will let some heavy road users, including transportation companies, off the hook. McCullough, a Portland-based economic consultant, believes PBOT used faulty spreadsheets to calculate the values in the Portland Commercial Fee table that is part of the proposed fee.

SEUL even filed a public records lawsuit in Multnomah County Circuit Court to obtain the documents. Although PBOT turned three spreadsheets over to Southeast Uplift last week, McCullough says they are not the ones the coalition is seeking.

"After a careful review, the three small spreadsheets provided by PBOT in answer to our public documents request are not responsive," says McCullough, a Portland economic consultant.

The city says it gave Southeast Uplift the documents it chose from a range of options, however. According to PBOT spokesman Dylan Rivera, if Southeast Uplift thinks the city is withholding documents, it can file an appeal with the Multnomah County District Attorney's Office.

If that doesn't happen, the next step is for a judge to hear a motion to dismiss the suit filed by the city. The dismissal motion was assigned to Multnomah County Circuit Judge Ed Jones on Thursday morning.

McCullough believes the correct spreadsheets will show PBOT misclassified a number of businesses when determining how much they will pay under the nonresidential portion of the proposed fee. He is convinced this mistake is minimizing the amount to be paid by large transportation companies that do a disproportionate amount of damage to the streets.

Rivera says the calculations are supported by the Portland Business Alliance and Venture Portland, the nonprofit representing neighborhood business districts, however.

The fee proposed by Mayor Charlie Hales and Novick is intended to raise around \$40 million a year for maintenance and safety projects. It has undergone numerous changes since being unveiled in May and is expected to be changed again before the final vote.

A new version could be formally filed on Dec. 31, with an evening public hearing scheduled for Jan. 7. The final vote could then be held on Jan. 14.

McCullough and other Southeast Uplift representatives are expected to question the commercial fee calculations at the Jan. 7 hearing, whether or not they receive additional documents from PBOT before then.

Fish nominates Gordly to police oversight board

*By Jim Redden
December 29, 2014*

Commissioner Nick Fish has nominated former State Senator Avel Gordly to serve on a new committee that will help implement a federal agreement to end historic discrimination by the Portland Police Bureau.

Fish has nominated Gordly to serve on the the Community Oversight Advisory Board (COAB), a 20-member committee that will review and assist with implementing the settlement agreement between the City of Portland and the U.S. Department of Justice. The agreement calls for changes to the bureau to eliminate a pattern of excess force against the mentally ill. It includes many recommendations that need to be enacted, from changes in policies and training to the funding of an emergency center for those in crisis.

"For over 40 years, Senator Gordly has been a champion for social justice in our community. She had devoted much of her professional life to protecting the rights of people who have or are perceived to have a mental illness," says Fish. "Based on her extensive record of public service, and her deep ties in our community, I believe Avel Gordly will be an outstanding member of the COAB."

Five members of the COAB will be Portland Police Bureau employees and will be advisory only. Fifteen members will be civilian community members who are not city employees and will be voting members. The fifteen voting members will include members selected through three different processes:

- Five members will be appointed by each of the five members of Portland City Council.
- The Chairs of the Portland Human Rights Commission and the Portland Commission on Disabilities will each designate one person from each of those committees and will jointly select three community members to serve as representatives of the mental health community on the COAB, after soliciting and reviewing applications from the public.
- The community-at-large will select five members directly from the community through a yet-to-be-established voting process.
- For a previous Portland Tribune story on the settlement, visit portlandtribune.com/pt/9-news/244739-111547-city-follows-up-on-police-reform-demands.

Willamette Week

City Commissioner Steve Novick Wants To Levy a Street Fee Based On How Much Gas You Burn

Don't like his five-tiered fee? He might come back with an income tax.

*By Aaron Mesh
December 29, 2014*

City Commissioner Steve Novick says he'll try to pass a compromise version of the proposed street fee to fund city transportation projects that would charge households by levels of estimated gasoline consumption.

Novick warns that if City Council or voters reject that plan, he'll return with an income tax that places a heavy burden on the rich.

"We are proposing a revised residential user fee, with a hearing on January 8 at 6 pm and a vote scheduled for January 14," Novick said this morning in a press release. "If that fails, either in Council or through a subsequent referral to the ballot, we will prepare to campaign for a progressive income tax in 2016."

Either version of the street fee would raise \$23 million—combined with a \$23 million business fee, which Novick says remains unchanged.

Novick's announcement unveils a threat that's been discussed in City Hall for weeks: If opponents of the street fee refer it to the ballot and voters defeat it, Novick will return with an income tax, the option the Portland Business Alliance hates.

Novick's press release lays out both scenarios:

Under the proposed fee, tax filers in the lowest fifth of the income distribution would pay \$3 a month; filers in the second fifth would pay \$5 a month; filers in the middle fifth would pay \$7.45 a month; filers in the second-highest fifth would pay \$9 a month; and filers in the top fifth would pay \$12 a month. The fee is projected to raise \$23 million per year.

If the user fee fails, Novick said, he plans to propose a progressive income tax to be sent to the ballot in May or November of 2016. "What I would propose is an income tax that, for married filers, exempts the first \$35,000 in income, and then applies graduated rates as follows: one-tenth of one percent of income between \$35,000 and \$60,000; two-tenths of one percent of income between \$60,000 and \$100,000; three-tenths of one percent of income between \$100,000 and \$250,000; and four-tenths of one percent of income above \$250,000." Such a tax is also projected to raise \$23 million a year. That proposal includes a \$5,000 per dependent deduction and is tax deductible on the state and federal returns.

UPDATE, 11:22 am: Mayor Charlie Hales is on board with the five-tiered gasoline-based fee, says spokesman Dana Haynes.

"The mayor supports this," Haynes tells WW. "It's progressive and it's linked to consumption. The residential user fee seems like the right way to go."

Hales won't discuss the income tax as a fallback.

"He's not wanting to talk about the future, or the possibility of this failing," Haynes says. "It's nice that the commissioner has a backup plan, but the mayor thinks the first plan is going to work."

UPDATE, 1:15 pm: Southeast Uplift neighborhood coalition president Robert McCullough was credited by The Portland Tribune as the inventor of the five-tiered residential fee. But he says he doesn't like the result.

"It goes without saying that I am unimpressed," McCullough says, "even though it appears that I am being credited as the creator of the new tangle tax."

UPDATE, 2:40 pm: Portland Business Alliance president Sandra McDonough says the business lobby is likely to support the tiered fee.

"This looks like the kind of plan we can support," McDonough tells WW. "We will need to look closely at the details as a next step."

"Overall, we are glad to see this move to a fee-based system. We hope this formula will work so we can all move forward with the important goal of fixing streets. We look forward to working with the Mayor and other members of City Council on this."

The Portland Mercury

The Latest "Street Fee" Proposal Scraps an Income Tax. Sort Of. Unless There's Opposition

*By Dirk VanderHart
December 29, 2014*

Bowing to pressure from Portland's business community, City Commissioner Steve Novick just announced a residential income tax is out—for the time being—as Portland struggles to find millions in new money to fix the city's roads.

Instead, Novick and Mayor Charlie Hales will revert to a "user fee" on Portlanders—one that's still tied to income. But Novick is explicit, in his announcement, that that's because income can be shown to have real ties to gasoline consumption.

"Gasoline use is one proxy for 'road use,'" Novick says in the announcement, "and gasoline use varies somewhat by income level."

As such, the user fee model tosses out exemptions for Portlanders at the low end of the income scale. People making \$13,000 or less would have to pay \$36 a year, with the fee topping out at \$144 a year for people earning \$82,000 or more. Here's the whole thing:

Table 1: Residential Transportation User Fee proposal		
Annual Income Range	Average Annual Gas Spending	Monthly Equivalent Fee
≤\$13,000	\$1,231	\$3.00
>\$13,000 - \$27,000	\$1,850	\$5.00
>\$27,000 - \$46,000	\$2,622	\$7.45
>\$46,000 - \$82,000	\$3,284	\$9.00
>\$82,000	\$4,071	\$12.00

Notes: Income ranges apply to all income tax filers. Average Annual Gas Spending is based on 2013 national averages calculated by the U.S. Bureau of Labor Statistics.

Novick says the model is good for \$23 million a year. An existing fee structure for businesses is still on the table, and would rake in about the same.

The move away from an income tax has been rumored for weeks, and it's the latest sign Hales and Novick are striving to push through a proposal that won't be referred to voters. The Portland Business Alliance had railed against an earlier income tax proposal—one that was cheered by progressive groups throughout the city—and promised to put the tax to a vote.

The new "user fee" proposal will get a hearing before the city council on January 8. A vote is likely January 14.

But Novick's also making clear in today's announcement an income tax isn't completely off the table. In fact, if the new proposal is stymied—either by failing to pass a city council that's fairly divided on this matter or being referred to voters by some opposition or another—Novick says he'll put all his weight behind a progressive income tax. Under that proposal, couples making less than \$35,000 would be exempt from paying, and wealthy Portlanders would assume a bigger share of the burden.

Here's what it would look like:

Table 2: Residential Income Tax proposal				
Annual Income Range for Couples Filing Jointly	Annual Income Range for Single Filers	Annual Transportation Income Tax Rate	Examples of Annual Income for Couples Filing Jointly	Examples of Income Tax For Couples Filing Jointly (monthly equivalent)
\$0 - \$35,000	\$0 - \$25,000	Exempt	\$35,000	Exempt
\$35,000 - \$60,000	> \$25,000 - \$43,000	1/10 of 1%	\$50,000	\$1
\$60,000 - \$100,000	> \$43,000 - \$86,000	2/10 of 1%	\$80,000	\$5
\$100,000 - \$250,000	> \$86,000 - \$238,000	3/10 of 1%	\$100,000	\$9
> \$250,000	> \$238,000	4/10 of 1%	\$300,000	\$63

Notes: A \$5,000 deduction per dependent would reduce tax bill. Income ranges based on Adjusted Gross Income.

And here's Novick's take:

"My personal preference is for a progressive income tax, which is also the most popular option among Portlanders generally. But pursuing that option would involve a campaign that would not end until at least May, and possibly November of 2016 – which means postponing actual work to repair streets and make them safer."

It shouldn't be long now until we hear street fee opponents highlighting exactly what is terrible about this latest proposal.

For now, I've appended Novick's full announcement after the jump.

(Side note: I'm writing this from Michigan. You have no idea about bad roads until you've been to Michigan. I'm being completely serious.)

December 29, 2014— As a year of debate over city transportation funding draws to a close, City Commissioner Steve Novick today announced a two-part strategy to ensure funding for transportation maintenance and safety priorities.

“We are proposing a revised residential user fee, with a hearing on January 8 at 6p.m. and a vote scheduled for January 14. If that fails, either in Council or through a subsequent referral to the ballot, we will prepare to campaign for a progressive income tax in 2016,” Novick said. The proposed non-residential fee is unchanged.

The proposed user fee will vary by income, based on national statistics showing the extent to which gasoline consumption varies by income quintile. “Gasoline use is one proxy for ‘road use,’ and gasoline use varies somewhat by income level,” Novick said.

Under the proposed fee, tax filers in the lowest fifth of the income distribution would pay \$3 a month; filers in the second fifth would pay \$5 a month; filers in the middle fifth would pay \$7.45 a month; filers in the second-highest fifth would pay \$9 a month; and filers in the top fifth would pay \$12 a month. The fee is projected to raise \$23 million per year.

If the user fee fails, Novick said, he plans to propose a progressive income tax to be sent to the ballot in May or November of 2016. “What I would propose is an income tax that, for married filers, exempts the first \$35,000 in income, and then applies graduated rates as follows: one-tenth of one percent of income between \$35,000 and \$60,000; two-tenths of one percent of income between \$60,000 and \$100,000; three-tenths of one percent of income between \$100,000 and \$250,000; and four-tenths of one percent of income above \$250,000.” Such a tax is also projected to raise \$23 million a year. That proposal includes a \$5000 per dependent deduction and is tax deductible on the state and federal returns.

“My personal preference is for a progressive income tax, which is also the most popular option among Portlanders generally. But pursuing that option would involve a campaign that would not end until at least May, and possibly November of 2016 – which means postponing actual work to repair streets and make them safer. As the Mayor and I have repeatedly said, the longer we wait, the worse the problem gets. It seems possible that we could pass a user fee in Council that would not require a campaign, which would mean that we could get to work much sooner,” Novick said.

The Portland Business Journal

City Council will hear recommendations on \$20M affordable housing plan

*By Jon Bell
December 30, 2014*

Community members in North and Northeast Portland would like to see affordable housing investments that help foster a sense of community, provide young adults with places to live in their neighborhoods and lead to permanent housing solutions for people currently living in transitional housing.

Such were the themes that came out of a meeting the Portland Housing Bureau convened earlier this month with Mayor Charlie Hales and faith and community leaders from North and Northeast Portland. The gathering marked a continuation of PHB's efforts to solicit community input on how best it can invest an additional \$20 million that's being dedicated to affordable housing in the areas in the coming years.

In addition to the recent meeting, PHB also held a series of community forums in the fall to help inform its plans. Group input has also come convening representatives from across a wide spectrum, including Portland Public School, the Urban League, Meyer Memorial Trust and Albina Community Bank.

PHB is expected to take its final recommendations on the \$20 million investments before the city council on Feb. 5.

Novick's new \$23M street fee proposal: No change for businesses, progressive fees possible

*By Andy Giegerich
December 29, 2014*

The City Council will hold a hearing on the new proposal Jan. 6 at 6 p.m. A vote on the proposal is currently scheduled for Jan. 14.

Novick said in the release that the proposed user fee will call for taxpayers in the lowest fifth of the income distribution to pay \$3 a month, with the number jumping to \$5 for the second fifth and \$7.45 for those in the third fifth.

Filers in the second-highest fifth would pay \$9 a month while those in the top fifth would pay \$12 a month.

All told, the fee would raise an estimated \$23 million.

"Gasoline use is one proxy for 'road use,' and gasoline use varies somewhat by income level," Novick said in the release.

The progressive income tax would exempt the first \$35,000 of income, then apply graduated rates, of one-tenth of 1 percent for each bracket, for households earning between \$35,000 and \$60,000, \$60,000 and \$100,000, \$100,000 and \$250,000 and those earning more than \$250,000.

Novick said that proposal could also raise \$23 million a year.

However, he pushed for the first option simply because it could take until November 2016 (should the matter go to a vote) to impose the second option.

"The longer we wait, the worse the problem gets," Novick said.

GoLocalPDX

Spread of Poverty is Bigger Urban Challenge for Portland than Gentrification, Report Says

*By Annie Ellison
December 29, 2014*

Poverty is spreading in the Portland Metro Area, according to a report by urban thinktank City Observatory, which examined population change over forty years in Portland, Vancouver, and Hillsboro's poorest neighborhoods.

More than twice the number of neighborhoods in Portland, Vancouver and Hillsboro considered to have high poverty rates in 1970 have high poverty areas today.

A high poverty neighborhood is defined as one in which 30 percent of the population or more live below the poverty line.

In 1970, 7,615 residents were below the poverty line, while eight areas -- what the study identifies as tracts -- were considered high poverty. By 2010, the population in poverty went up to 22,961, and the number of high poverty areas had risen to 18. Nationwide, the number of neighborhoods with high poverty rates tripled in the same time period.

Still, the number of areas in considered to have chronic high poverty between 1970 and 2010 was only three. The number of people living in chronic high poverty neighborhoods in Portland, Hillsboro and Vancouver changed only slightly between 1970 and 2010, from 3,511 to 3,704.

On a national scale, study author Joe Cortright writes gentrification is not the biggest urban challenge of modern cities. Instead, he said poverty is the greatest challenge of cities.

"A few places have gentrified, experienced a reduction in poverty, and generated net population growth. But those areas that don't rebound don't remain stable: they deteriorate, lose population, and overwhelmingly remain high-poverty neighborhoods," the study's author, Joe Cortright, writes.

"Meanwhile, we are continually creating new high-poverty neighbourhoods."

NEW: Commissioner Novick Proposes 5-Tiered Tax Structure for Portland Street Fee

*By Cornelius Swart
December 29, 2014*

Portland Transportation Commissioner Steve Novick's Office announced Monday a new proposal for a five-tiered residential tax to help fund street repairs in Portland.

The controversial "street fee," as it has been called, has been hotly debated for almost a year now. The city hopes to raise roughly \$40 million a year for road repairs. Currently, the city plans to raise half the money through businesses fees and the other half from residents.

The new residential fee would be a tiered system based on income:

- Lowest tier would pay \$3 a month
- Second tier would pay \$5 a month
- Third tier would pay \$7.45 a month
- Fourth tier would pay \$9 a month
- Top tier would pay \$12 a month

Novick believed the system could raise \$23 million a year.

"We are proposing a revised residential user fee, with a hearing on January 8 at 6 p.m. and a vote scheduled for January 14. If that fails, either in Council or through a subsequent referral to the ballot, we will prepare to campaign for a progressive income tax in 2016," Novick stated in a media release.

Novick stated that the income tiers were tied to an analysis of how much gasoline residents at different income levels use.

"Gasoline use is one proxy for 'road use,' and gasoline use varies somewhat by income level," Novick said.

The street fee has been criticized for not being user-fee driven, such as a gas tax, vehicle registration fee, higher parking fees, etc.

If the new proposal fails, Novick stated he plans to propose a progressive income tax to be sent to the ballot in May or November of 2016.

Under that proposal, Novick said he would exempt the first \$35,000 of someone's income and then apply the following tax rates:

- one-tenth of one percent of income between \$35,000 and \$60,000
- two-tenths of one percent of income between \$60,000 and \$100,000
- three-tenths of one percent of income between \$100,000 and \$250,000
- four-tenths of one percent of income above \$250,000

"My personal preference is for a progressive income tax, which is also the most popular option among Portlanders generally. But pursuing that option would involve a campaign that would not end until at least May, and possibly November of 2016 – which means postponing actual work to repair streets and make them safer," Novick stated.

15 to Watch in 2015: Steve Novick

*By Cornelius Swart
December 29, 2014*

Steve Novick has been a lightning rod since he entered office in 2013.

Portland's Transportation Commissioner has been at the center of two of the biggest stories at City Hall this year: the Portland Street Fee and city's response to the ridesharing company Uber.

Both issues have drawn heaps of criticism to City Hall. In both cases, Novick has been a feisty advocate for what he thinks is right - even if many people don't agree with him.

Whether it's facing down irate upper-income homeowners who don't want a suicide-prevention fence built on the Vista Bridge, touching the third rail of politics (a new tax) or taking on scofflaw startups, Novick doesn't shy away from a fight.

We assume 2015 will hand him plenty of opportunities to get into the ring.

While most liberal Oregon politicians talk in milquetoast pabulum, Novick speaks with all the fiery hyperbole of a Fox News commentator.

He's always the man to watch, because you never know what he's going to say.

He once said that "96 percent of the fibers" in his "being" objected to his own street fee proposal- not exactly a ringing endorsement.

He's said the Portland Business Alliance "would rather burn the city to the ground" before it would support a progressive income tax.

Novick famously slammed the Oregonian's Editorial board for being "mediocre" and running a paper that "specializes in firing people."

In reaction to the board's criticisms, he issued a Richard Sherman inspired rhetorical tyraid. "We're the best City Council in the league. And we're not going to be bullied by some sorry Orange County right-wing publisher," Novick stated in a reference to Oregonian publisher Christian Anderson II.

Even his own website says he's added "trash talking" to his repertoire.

Some insiders say Novick is actually trying to tone it down and transition from an advocate to a politician. Many onlookers say they hope that doesn't happen anytime soon.

He's just too fun to watch.