

The Oregonian

Fighting Portland's gentrification problem: City releases \$20 million housing plan

*By Brad Schmidt
January 24, 2015*

Ten months after Mayor Charlie Hales announced \$20 million more for affordable housing efforts in gentrifying North and Northeast Portland, details emerged late Friday:

- \$8 million for 70 to 140 new rental units
- \$5 million for new housing development and down-payment assistance for up to 72 households
- \$4 million for home repairs for up to 240 households
- \$3 million to buy land for future housing

The money will mark a significant contribution in affordable housing development and preservation efforts in the Interstate corridor urban renewal area. The district has rapidly gentrified over the past 20 years, forcing out many African American residents.

Hales' pledge of \$20 million followed uproar over a proposal to subsidize development of a Trader Joe's grocery store at the corner of Northeast Martin Luther King Jr. Boulevard and Alberta Street.

The funds will come on top of a city policy to dedicate 30 percent of money from the Interstate urban renewal district to affordable housing. The \$20 million will roughly double the affordable housing budget over the next five years.

"In short, it's not what we do with the money that will look different — building affordable housing is something the Portland Housing Bureau and our partners do well," the Housing Bureau wrote in documents released Friday. "What makes this plan different is going to be in how we do it."

Details of the proposed spending plan for North and Northeast Portland came as Hales tries to pass a series of sweeping urban renewal amendments for other districts. But concerns over the city's commitment to affordable housing in the South Waterfront District forced Hales to delay action from December to January and, it was announced Friday, into late February.

The City Council will review the Interstate plan at 2 p.m. Wednesday.

David Sarasohn: Portland City Council's street-funding misadventure

*By David Sarasohn
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Now that the Portland street tax has been sent back to the garage, like a bus that breaks down even after all the passengers have gotten off, it's possible to try to trace its uncompleted route. Somehow, over the course of a year, things have gotten way off the tracks.

A discouraging situation for a city so heavily based on rail.

A worse situation for a city trying to pass a road test.

Last spring, Mayor Charlie Hales and transportation commissioner Steve Novick commenced an effort to bring in additional revenue to fix the city's streets, which might generously be described as "unimproved." It would be worth additional investment to have fewer potholes that could swallow a transmission – or a semitrailer – and some more sidewalks so fewer kids have to dodge SUVs on the way to third grade.

And arguing that we'd be better off if different decisions had been made in 1994 is actually less helpful than you might think.

So Hales and Novick proposed a street fee – not a tax, a fee. This may have been the first wrong turn. A fee is a payment for doing something; if you don't want to pay a camp site fee or an elk license fee, you can avoid it by not camping or hunting elk, which are not difficult choices to make. If you're paying a fee for living in Portland, it sounds more like a tax.

The first street fee proposal was complicated, as was the second one. A device for calculating payment on one of them is still up online, a historical memento, like an application form to run a livery stable.

Neither could find a third vote on the five-member council, especially since Hales and Novick were determined not to send the fee/tax to the voters – although its direct path to the ballot was clearly marked out in fluoride.

Toward the end of last year came another proposal, and Novick explained that if people didn't like that one, he had a Plan B: a progressive income tax to appear on the November 2016 ballot. Novick explained cheerfully, "If the voters are really mad at us, we're both up for reelection in 2016 and they can throw us out," although the mayor was less audibly enthusiastic about that prospect.

At least one of the proposals would kinda, sorta sunset after six years. This at least provided a certain classic resonance: A street fee named Expire.

The residential fee/tax would be accompanied by a fee/tax on businesses. On a local website, fee opponent Robert McCullough, getting some of the city's data by threatening a lawsuit, claimed that it showed the city's largest employer to be All's Well that Ends Well, performing colon hydrotherapy in Northeast Portland, with 32,000 employees instead of the three the shop reported.

The city said that wasn't its real data base, and everything would work out in the end – which is also the motto of the shop.

But before things got to that point, the city had another idea: Portland's first advisory ballot, to be voted on next May, offering voters a range of funding options. That idea resolved one problem: Advice is generally free, and widely available.

But it also seemed unlikely to produce an enthusiastic voter endorsement of any fee/tax. Reportedly, Gov. John Kitzhaber and House Speaker Tina Kotek didn't want it on the ballot at a time when they hoped the Legislature would produce an increase in the gas tax. After some telephone pressure, undermining the advisory vote's chances of getting three votes on the council, the city has now shelved everything until after the legislative session.

What the city will do after that is now anybody's guess, although it has now gathered extensive information on approaches that probably won't work.

"I can't think of another exercise in the last six years where all the current flaws in how the building operates are on display," says city Commissioner Nick Fish, who has supported the council putting any revenue measure on the ballot.

Saying the process has illustrated City Hall shortcomings in transparency, collegiality and collaboration, Fish concludes, "This has not been our finest hour."

Or, considering how long it has taken to go nowhere, the city's finest year.

When the city does next take up transportation funding, this summer or later, it might be useful to seek the support of the voters, and more than three members of the council.

A core transportation principle is that it's good to have lots of people on board.

David Sarasohn's column appears on Wednesdays and Sundays. He blogs at davidsarasohn.com.

The Portland Tribune

\$20 million targeted to fight gentrification in N/NE Portland

*By Jim Redden
January 26, 2015*

The City Council will review a \$20 million plan to mitigate the impacts of gentrification in North and Northeast Portland on Wednesday.

The North/Northeast Neighborhood Housing Strategy was drafted by the Portland Housing Bureau after Mayor Charlie Hales committed the money during the fight over redeveloping a vacant block at the corner of Northeast Martin Luther King Jr. Boulevard and Alberta Street. Some community activists opposed the project that included a Trader Joe's grocery store but no affordable housing because many longtime residents have been driven out of the area by rising housing costs.

The money will come from the Interstate Urban Renewal Area that was created in part to help finance the Interstate MAX line. The plan the council will consider proposes spending the money as follows:

- \$8 million to building between 70 and 140 permanently affordable rental homes.
- \$5 million build up to 32 affordable homes and help up to 40 households purchase homes.
- \$4 million for repairs to help up to 240 households stay in their homes.
- \$3 million to purchase land for future housing.

The executive summary explains the need for the spending by saying, "Less than two decades ago, the neighborhoods that comprise inner North and Northeast Portland were home to the highest concentration of African American residents anywhere in the city — or in the state. Although decades of segregation had once confined them there, community will had also given rise to a vibrant cultural center, replete with African American businesses, churches, and other cultural institutions. City efforts during the 1990s to address the growing problems of crime and blight that had begun to consume the area brought about profound neighborhood transformations, but left many long- time residents with fewer and fewer affordable housing options. Within a decade, the percentage of African Americans in the total population of the area had fallen by more than half."

The executive summary also says the plan was developed through a community process that included "a series of community forums and other outreach efforts, more than 450 residents, 15 area faith leaders, and numerous community leaders generously shared their personal stories and those of their friends, family, and neighbors. They sent written notes and emails about their lived experience and what kinds of housing assistance would have the most impact."

Although Trader Joe's pulled out of the controversial project, it is moving forward again with a Natural Grocers store as the anchor tenant. There is still not housing planned on the site because a sewer line runs diagonally under it, making redevelopment difficult.

Pabst lawsuit back before City Council

*By Jim Redden
January 25, 2015*

The City Council is once again scheduled to consider suing the Pabst Brewing Company for copyright infringement involving the landmark "Portland, Oregon" sign at its Wednesday meeting.

A resolution authorizing the lawsuit is on the council's Jan. 28 agenda. The council had previously been scheduled to consider the suit on Jan. 7, but the hearing was postponed.

The city owns the former White Stag sign in Old Town, including holding a registered state trademark on it. Last year the brewery used what the city is called a "confusingly similar version" of the sign to promote a concert in town called the Project Pabst Music Festival.

According to the resolution, Pabst sought permission to use the sign to help promote the city. The city declined the request because current policies does not allow it to be used on products and services that are not available to people of all ages.

The resolution says the city issued a cease-and-desist letter to Pabst, but the company ignored it. The company is already planing another Project Pabst Music Festival this year, according to the resolution.

If the resolution is approved, the city will seek unspecified damages. Most of the legal work will be handled by the City Attorney's Office, although some outside consultation is necessary, says the resolution, which does not include a cost estimate.

GoLocalPDX

Mayor Hales Could Make Power Play with Portland City Hall Reshuffle

*By Cornelius Swart
January 26, 2015*

Portland Mayor Charlie Hales is considering a reshuffle of city commissioners, in what could be the biggest power play at City Hall in recent history.

Political experts and City Hall insiders say a move by Hales to redistribute commissioners' bureau assignments would be an opportunity to reassert himself as the city's most powerful politician, while hitting the reset button on a number of contentious issues.

Of the major bureaus, like police, water, transportation, and housing, several hit major challenges in the last year.

The Bureau of Environmental Services is still reeling from the ousting of its director, Dean Marriott; the city fell short of its affordable housing goals; and the Portland Street Fee proposal is in tatters. But, the move could come at a terrible cost for Hales and the city.

The potential reshuffle, announced on Friday, would be the first time in recent memory that a Mayor had taken control of all the city's agencies, not once, but twice, in their first term.

"To take all the bureaus from the commissioners is a bit odd," said Pacific University Political Science Professor Jim Moore. "New mayors will do this, giving the reason as needing to learn about the bureaus and the expertise of the commissioners. Hales already knows all this."

Positioning for a shake up

The city's 27 bureaus are divided between the four city councilors and the mayor, under the commissioner form of government. The mayor however, has the power to assign or reassign the bureaus. No mayor in recent memory has reshuffled bureaus twice in their first term.

Hales' office confirmed Friday that he was "considering" taking the bureaus back into his wheelhouse during this year's budget session.

"He considers it every year," said the Mayor's spokesman Dana Haynes.

While that may be so, this year, Hales is talking to the media and his colleagues about it.

In 2013, when the Mayor first took office, he took control of all of the bureaus for six months. Now, just 18 months later, he might do it again -- a sign, experts say, that all is not well.

Departure from the recent past

"Any time there is a major shift in government it usually means something is going wrong," said Richard Claus, a political science professor at Portland State University.

Former Mayor Tom Potter also took control of the all of the city bureaus for six months when he was first elected Mayor. But, he doesn't recommend it.

"It's disruptive at all levels," Potter said. That said, Potter said reassigning bureaus is one of the most power administrative and political weapons at the Mayor's disposal. "Mayors can punish commissioners with bureaus they don't like, or leave them with a legacy they wouldn't want," Potter said.

In 2010, then Mayor Sam Adams yanked the Police Bureau from Commissioner Dan Saltzman. Experts say his intention was to rein in then-Police Chief Rosie Sizer, who was ultimately fired. However, Saltzman called the move "vindictive" at the same time, as it came right before the commissioner's re-election. The next year, Adams passed him the Bureau of Development Services, and the Office of Cable Communications and Franchises Management.

In 2003, Mayor Vera Katz pulled the Water Bureau from Commissioner Erik Sten after a failed computer billing system threatened to cost ratepayers between \$20 million and \$30 million. Sten's political career never recovered.

Dire straights

Some similarities could be drawn between historic cases of the Mayor reshuffling bureau assignments and the current city council. Last year, City Hall was buffeted by a number of high profiles issues.

After almost a year of public campaigning, readjusting and reboots, the Portland Street Fee has been tabled. Hales announced Jan 15 that he would put the issue down until the state legislature has time to pass a transportation bill.

"It is a highly public issue, and it appears there is no city-centric set of solutions that all players can agree upon," Moore said. "So, just as the water bureau shifted in the past, the police have shifted in the past, as well as others, Hales may feel it's time for a big shakeup because of the street fee ideas. I think it is probable that Novick and some other commissioner will be the only changes (a trade, in effect)."

Even if Hales only reassigned one bureau this year, most agree that it would surely be the Transportation Bureau. Current Transportation Commissioner Steve Novick has been widely criticized for his abrasive political rhetoric and unilateral approach to raising funds for street maintenance.

Political insiders say Novick's leadership on the Street Fee has upset a range of people, from the business community to the staff in the Bureau of Transportation.

That said, it's not the only hit City Hall has taken recently. On Jan. 3, Dean Marriott stepped down as BES director after costs for the construction of an \$11.5 million office facility in North Portland skyrocketed.

That bureau is headed by Commissioner Nick Fish.

Portland's housing strategy has also come under recent fire. Last year, African American leaders in North and Northeast Portland halted a proposed Trader Joe's development at the corner of Northeast Martin Luther King Jr. Boulevard and Alberta Street that they believed would exacerbate gentrification in the area.

The development only moved forward once Trader Joe's backed out, and the Mayor pledged \$20 million in new affordable housing investment. Even with that pledge activists in say that the housing commitment for the Eastside is not enough. While Hales technically oversees the Portland Development Commission, which builds affordable housing in urban renewal areas, the Housing Bureau itself is currently overseen by Saltzman.

The upside

Experts agree a reshuffle of bureaus would be a strong power play for the Mayor. GoLocalPDX previously reported communication inside City Hall broke down over the street fee issue.

In the past, the Mayor said that he wanted the commissioners to work more like a board of directors than like siloed executives, according to Haynes.

A reshuffle might help do that. Haynes pointed to a recent proposal by Amanda Fritz to bank the city's surplus cash each year into a dedicated fund for parks and street maintenance. The proposal hasn't been formally introduced before council but it already has enough support from other commissioners to pass, according to City Hall staff.

That's exactly the kind of collaborative work that Hales wants to see more of.

Moreover, a reshuffle puts the Mayor back in the driver's seat, and puts him in a better position to raise money for a second term as mayor. As he crosses into his third year, Hales will need to start getting big money donors to make their initial campaign commitments.

The downside

"The downsides outweigh the upsides," Potter, the former Mayor, said. He believes that reshuffles are more disruption than they are worth. They overwhelm the staff in the Mayor's office and the other bureaus. "The [bureau] directors bear a lot of the brunt of the shifting."

Chris Koski, Associate Professor of Political Science at Reed College, agreed that a reshuffle would be a potentially paralyzing shock to the city.

"It's hard to imagine that any bureau chief would want a mayor to take over his or her powers involuntarily -- much less all them," Koski said.

Moreover, the Mayor would have to carefully weigh the politics.

Hales came in as a reformer, who promised to change the dynamics of City Hall. One way in which he made good on that promise was by shuffling bureaus. Shuffling the bureaus back to the way they were when Hales took office might give voters the impression of flip-flopping.

While Hales might be able to mend fences, for example, by returning the Housing Bureau back to Nick Fish, who is passionate about the issue, a move to take the transportation bureau away from Novick might be a devastating hit to the commissioner's political career.

That said, taking the Transportation Bureau on himself would give Hales a strong hand and a good position in the next election, if he can indeed find a solution to the street maintenance question. As Hales weighs the potential risks and rewards, the city moves closer to this year's budget season.

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