

The Oregonian

Charlie Hales calls for \$15 minimum wage, 1,000 affordable housing units: Portland's State of the City speech

*By Andrew Theen
January 30, 2015*

Portland Mayor Charlie Hales gave his third annual State of the City address Friday, committing himself to finding ways to make Portland safer, more livable, more affordable and more just for all residents.

"We spent a lot of time in the last two years righting the ship," Hales said, citing the budget deficit he inherited upon taking office. "Now it's time to pilot the ship to where we as a community want to go."

The speech served as a de facto campaign opener for Hales, who has all but formally announced his plans to seek re-election in 2016.

In contrast to his previous two speeches, Hales' address before the City Club of Portland outlined specific policy proposals he plans to roll out in the coming weeks and months.

They include passing a \$15-an-hour minimum wage for all city workers and contractors, a potential \$5,000 tax credit for each ex-offender hired by local businesses, and a pledge to work with Multnomah County to house all homeless veterans in the city by Veterans Day, next November.

He also threw his support behind the effort by Rob Justus and Dave Carbonneau to build 1,000 affordable apartments in the next four years.

"We need these kinds of creative solutions," Hales said in the noontime speech, in a ballroom at the Sentinel hotel downtown.

On the \$15 minimum wage, Hales cited business owner John Russell for promising to match that wage for workers in his offices. "I call on other civic-minded business leaders to match it," Hales said. Russell contributed to Hales' 2012 election campaign.

Last month, Multnomah County said it would increase the minimum wage for its workers to \$15 an hour over three year.

If approved, the city policy could be costly for at least one bureau. Last year, Commissioner Amanda Fritz said it would cost the Parks Bureau, which she oversees, \$2.7 million a year to boost the wages of 2,000 seasonal workers to a \$15 minimum.

On the push to hire ex-convicts, Hales called it "a very good investment" in contrast to the billions of dollars spent on prisons each year.

He also committed to creating new rules on neighborhood infill to "make demolition a less attractive option," a nod to the wave of so-called drive-by demolitions that has hit many central and eastside neighborhoods.

A centerpiece of Hales' speech was the problem of the "urban equation" versus "the human equation."

He cited other U.S. urban centers that were in decline for decades as residents fled to the suburbs areas. He said Portland has solved that problem through its commitment to redeveloping parking lots, saying no to more highways, investing in public transit and revitalizing neighborhoods.

"We put our values into our actions and then created a lot of great partnerships," Hales said. "That's the Portland way."

But Portland continues to struggle with problems at the individual level. Hales said Portland can "continue to realize its promise" as a livable city, citing police reform and community activism to address economic and racial inequities as the foundation to solving that problem.

On the city's partnership in the Black Male Initiative, Hales noted that he has "never been more proud of men in our community." He called for a new city commission to monitor equity in contracting and purchasing, to boost the share that goes to minority and women-owned businesses. According to Willamette Week, the minority set-aside program has repeatedly been criticized for its efficacy and vulnerability.

On safety, he credited new Police Chief Larry O'Dea and his leadership for making headway on de-escalating volatile situations. "The best tool we have is compassion," Hales said.

He cited the shooting outside Rosemary Anderson High School in North Portland on Dec. 12 as one of the lowest moments of his tenure. Labraye Franklin, a student at the school and former intern in Hales' office, was wounded.

Hales pledged to once again push for mandatory background checks for all gun sales. "Together, this Legislature and this community will do the right thing for Labraye and everyone else at risk of gun violence. This is the session," he added.

He called mental illness the "most intractable issue" facing the city and the police force. "Next year, I want to come before you and say ... we've opened our first psychiatric service center," Hales said.

The mayor struck a thankful and positive tone at the speech's outset, thanking each member of the City Council, starting with Commissioner Nick Fish for his role in helping to fight the effort to remove city oversight over the water and sewer bureaus.

"We owe a debt to Nick," Hales said, for preventing the "hostile takeover" of the bureaus.

He also thanked Commissioner Amanda Fritz for her role in passing last November's \$68 million parks bond, and Dan Saltzman for his advocacy through the Portland Children's Levy.

Hales, pointedly, saved his thank-you for Commissioner Steve Novick for last.

The two spent much of the past year trying to pass some kind of funding plan to increase revenue for street repairs and safety projects. That plan, after a year of fits and starts, remains in limbo. Hales announced this month that he was shelving it to see what kind of transportation package Salem lawmakers come up with in the legislative session that starts Monday.

"We're not done talking about the street fund until we've done something," Hales said, adding: "No matter what" happens in Portland and Salem won't erase the problem.

In a meeting with Parkrose High School students after the speech, Hales shed some light on how his comment to house all homeless veterans by November may be feasible.

In response to a freshman's question, he said the federal government is offering vouchers for veterans to pay for all of their housing, calling that a huge asset. "We're going to make sure they have a place where they can use those."

He also told the students one of the reasons he ran for mayor in 2012 was to reform the Police Bureau in the wake of the high-profile deaths of James Chasse and Aaron Campbell.

The content of State of the City speeches is often the product of the political climate. In the mayor's first one, he brought a tool belt and hung it over the lectern as a reminder of his pledge to direct city government to a back-to-basics approach.

In last year's speech, Hales focused on job growth and spending on homelessness services, but also on equity. That speech came on the heels of the then-controversial plan to sell a city-owned lot in Northeast Portland to a developer to make way for a Trader Joe's. He pledged to make Martin Luther King Jr. Boulevard the best street of that name in the nation.

The Portland Tribune

Hales and Fish want to appeal utility case ruling

*By Jim Redden
February 2, 2015*

Mayor Charlie Hales and Commissioner Nick Fish are asking the City Council to authorize appealing a judge's ruling in the long-running utility ratepayer lawsuit against the city before it is over.

Multnomah County Circuit Judge Stephen Bushong issued on ruling in several test cases agreed to by the lawyers representing ratepayers and the City Attorney's Office. Bushong has yet to rule on several other challenged appropriations, however.

In the test cases, Bushong ruled the council violated the City Charter when it appropriated some ratepayer funds for purposes not directly related to the missions of the Water Bureau and the Bureau of Environmental Services. Beshong upheld some of the appropriations, however.

On Wednesday the council will consider a resolution introduced by Hales and Fish, who in charge of the water and sewer bureaus, to appeal Bushong's ruling on the unauthorized appropriations to the Oregon Court of Appeals before he rules on the unresolved ones.

In his ruling, Bushong found that ratepayer spending must be "reasonable related" to the mission of the bureaus. The City Attorney's Office had argued the charter gives the council the authority to determine what is appropriate. Attorneys representing the ratepayers who brought the suit argued the the primary purpose of ratepayer spending should be the delivery of water and sewer services.

Among the questions yet to be resolved is whether the council can spend sewer funds on the Superfund Cleanup of the Portland Harbor, a project whose final cost has yet to be determined. The council has already authorized over \$50 million of sewer funds to be spent on it.

The resolutions says that Bushong ruled the council violated the charges when it appropriated \$462,000 in water and sewer fund for the now-defunct city public campaign financing program, and \$530,000 in water funds for the Portland Loos.

The resolution notes Bushong ruled that \$10.6 million in challenged expenditures were legal, however, including \$4.43 million in water funds to relocate underground water pipes in connection with Phase I of the TriMet South Corridor light rail project and \$6 million in sewer funds to pay approximately 53 percent of the purchase price of the River View Cemetery in Southwest Portland for stormwater management purposes. He also approved \$88,624 in water funds to pay for the costs of connecting the loos to the water system.

Despite that, the resolution argues that Bushong's ruling "deprives the Council of reasonable discretion to make budgetary decisions and improperly allows courts to intrude on Council policy choices."

But ratepayer attorney John DiLorenzo says, "The council resolution says the court's decision improperly allows courts to intrude on council policy decisions. But for our lawsuit and the court's decisions to date, ratepayer funds would continue to be used to support pet projects like remodeling the Rose Festival Building, funding city council member's campaigns for public office, and building Randy Leonard's loos. The notion that courts have no power to hold the city council to the requirements of the City Charter shows how out of touch the City's leadership is with those who are expected to pay the freight for all these programs."

The resolution can be read at www.portlandonline.com/auditor/index.cfm?c=50265&a=517287

New city DOJ oversight panel plans meetings

*By Pamplin Media Group
January 30, 2015*

Portland's new 20-member Community Oversight Advisory Board, the group that will monitor the implementation of the city's settlement with the U.S. Department of Justice, hosts its first meeting next week.

City officials, local commissions, the Portland Police Bureau and a state representative selected the board. It meets from 5 to 8 p.m. Monday, Feb. 2, at the Midland Library, 805 S.E. 122nd Ave., for a training session. Its first official meeting is from 6 to 8 p.m., Monday, Feb. 9, at the Midland Library.

The meetings are open to the public.

The board will have 15 voting community members and five advisory members from the police bureau. The city's compliance officer community liaison, an independent monitor, will lead the group and preside over board meetings.

Under the city's DOJ settlement agreement, the police bureau must establish new policies and training on interaction with the community and the use of force, particularly related to people who have, or are perceived to have, mental illness.

Members of the board are Kristi Jamison of the Portland Commission on Disability; Emanuel Price of the Human Rights Commission; mental health professionals Myrlaviani Rivier, Catherine Gardner and Bud Feules; five people appointed by state Rep. Lew Frederick of Portland: Cory L. Murphy, Vanessa Gonzalez, Sharon Maxwell, Ime Kerlee and Roger "Jimi" Johnson;

Alisha Moreland-Capuia, M.D.; Avel Gordley; Rochelle Silver, Ph.D.; Sharon E. Meieran; Rabbi Michael Cahana; and five non-voting members appointed by the police bureau: Capt. Vince Elmore, Lt. Tashia Hager, Sgt. Michelle Hughes, Officer Jakhary Jackson and Officer Paul Meyer.

Alternates include Philip Wolfe, Joshua Robinson, Tom Steenson, Laquida Landford and Mireaya Medina.

"I am thrilled with the expertise and range of experiences represented by the members on this important oversight committee," said Commissioner Amanda Fritz, who worked with Mayor Charlie Hales on the selection process.

"The advisory board, along with the other steps, will further strengthen the relationship between this police department and the communities it serves," Hales said.

Willamette Week

Mayor Charlie Hales Calls for \$15-an-Hour Minimum Wage in State of the City Speech

Mayor also proposes tax credits for companies that hire ex-cons.

*By Aaron Mesh
January 30, 2015*

Portland Mayor Charlie Hales used his third annual "State of the City" address to stump for economic equality—proposing reforms including a \$15-an-hour minimum wage, stricter oversight of the city's minority contracting program, and tax credits for companies that hire people with criminal records.

"We're in a deeply stratified society," Hales said. "The rich get richer, the poor stay poor. I believe there's a better way: the Portland way."

Hales pledged to make sure every full-time employee and subcontractor for the city will be paid \$15 an hour in this year's budget. Hales urged private business to copy that standard, which emerged as a political movement in Seattle last year and became the central plank of City Council candidate Nicholas Caleb.

"John Russell, a prominent local businessman, has just told me he'll match the city's \$15-an-hour standard in his buildings," Hales said. "I call on all business owners to do the same."

Hales promised reforms for the city's minority set-aside program, which has been repeatedly criticized as vulnerable to fraud by white-owned businesses. The mayor said he would start a watchdog group, the Commission on Equity, Contracting and Purchasing, to monitor whether women and minorities actually own the businesses receiving city contracts.

The mayor also focused on creating jobs for people who have served time in jail. Hales announced the city will begin offering businesses a tax credit of up to \$5,000 for every ex-offender they hire.

"Will this be expensive?" Hales asked. "Let me turn that around: How will it compare with the billions of dollars we spend a year as a country on prisons? No contest. It's a good investment."

Hales, who is widely expected to run for reelection in 2016, pivoted away from the morass of the \$46 million annual "street fee" he and City Commissioner Steve Novick have tried for more than a year to pass.

He mentioned transportation funding, a central topic in his 2014 address, early in today's speech. But he did not offer a plan for moving forward with the fee, which is currently on hold pending legislative action on a proposed state-wide transportation package.

Instead, Hales centered his speech on economic justice and neighborhood livability.

In talking about neighborhoods, the mayor celebrated new progress in urban renewal for the East Portland neighborhood of Lents, and took a swing at the Oregon Home Builder's Association—where he once worked as a lobbyist—by calling for stricter rules against home demolition and infill development.

"I believe that Portland can continue to realize its promise as a livable city," Hales said. "I believe we can do that work and make Portland a city of opportunity."

The Portland Mercury

Heartburn in Portland City Hall over Hales' Call to Give (Some) City Workers \$15 an Hour

By Denis C. Theriault
February 2, 2015

Mayor Charlie Hales' office forecast a "great debate" over living wages in city hall this year, after the Mercury's Dirk VanderHart last month examined the likely sizable cost of jumping aboard the growing national movement for a \$15 an hour minimum wage.

The mayor's people had a good reason to say so: Hales, during his State of the City speech, surprised the room by announcing plans to bump wages for the city's full-time and contract workers up to \$15—a modest, \$1 million step on the way to eventually extending that raise to the city's hundreds of seasonal workers, too.

And already, tensions and questions over that promise is bubbling up among the Portland City Council. Emails obtained by the Mercury this morning make clear Hales' plan, if it makes into this year's coming budget, won't be welcomed with unanimous support.

Commissioner Amanda Fritz, as Dirk has reported, remains convinced the city should help part-time workers into full-time jobs first. In email to the mayor sent late Sunday, she asked for updates on several cost points, wondered about the timing of an upcoming public hearing on living wages February 18, and complained she hadn't been briefed about such a major proposal in advance.

"It was disappointing that this initiative had not been discussed with me prior to the announcement," Fritz wrote.

Dear colleagues,

I was interested to hear in the State of the City address that the proposal to be considered by Council on February 18 is to raise the wages of all full-time and contracted City workers to \$15 per hour. It was disappointing that this initiative had not been discussed with me prior to the announcement.

Andrew [Scott, city budget office (CBO) director,] and Anna [Kanwit, human resources director], please tell me:

How many workers would this proposal affect, and which bureaus/companies do they work for?

How much would it cost?

What would be the additional fiscal impact/effect on raising the wages of City staff who currently make \$15 per hour or more due to having higher levels of workload/responsibility, and the commensurate need to pay more to those workers if lower-paid employee/contractor wages are raised?

Parks and CBO staff, please tell me how much it would cost ongoing for Parks employees who have worked at least 1200 hours for at least two years, to pay at least \$15 per hour in their third and subsequent years even if we did not also pay for benefits such as retirement.

I support improving wages for the lowest-income workers in Portland. Currently, the Council employs many workers in Parks who do not make \$15 per hour, and do not have full-time jobs with benefits. Many of our Parks workers are employed for a maximum of 1200 hours per year. They claim Food Stamps to make ends meet. Many of these seasonal employees are people of color and/or immigrants. If we are truly committed to equity, we should seek to provide more support for the City workers who are most disadvantaged by our current pay structure. It seems likely to me that these most impacted workers are the "serial-seasonal/ongoing-part-time workers.

Thanks in advance to CBO, HR and PPR for providing data to inform the Council on this crucial issue.

Amanda

In his own tartly polite reply back to Fritz, Hales acknowledged those concerns and said he doesn't yet have a "specific timetable" for putting his plan into place, which he sees as an case of making like Franklin Delano Roosevelt: "Do what you can, with what you have, where you are."

Hales directly addressed the February 18 hearing, which has been planned by Commissioner Dan Saltzman and isn't meant as a chance to vote on a policy proposal. Saltzman embraced a higher minimum wage, while hedging on the overall amount, after one of his re-election rivals, Nick Caleb (whom we endorsed), made it a centerpiece campaign issue last year.

Commissioner:

As always, I appreciate you digging into the details. Your focus on doing right by our city employees is great.

I wanted to clarify that there was no specific timetable for my proposal in the speech. I haven't drafted an ordinance, either. I understand advocates are coming in to speak to us on Feb. 18, but not at my behest.

Together, we have had a lot of discussion over the past year about a living wage in the City of Portland. That will continue. When I spoke with Anna, Andrew and others, it was clear that we need to further investigate the issue of conversion of seasonal-to-fulltime employees, in terms of which ones, what it costs, and when.

I believe the best place to start is with our full-time workers and contractors. I also believe that we should not stop there. Maybe the best summary of our strategy should be FDR's dictum: "Do what you can, with what you have, where you are."

Thank you for taking up this important issue,

Charlie

His office, when I asked for a cost estimate after his speech, estimated it might cost \$1 million a year to increase pay for full-time and contract city workers. Dirk's story, citing estimates from advocates, said paying contract workers—about \$100 of them—could cost \$676,000 a year. Dirk also found that 99 percent of city employees earning less than \$15 an hour are part-time or seasonal—and that most of those workers 97 percent of the city's low-wage workers also are in parks, which Fritz oversees.

And Fritz, the park bureau's overseer, outright opposes a minimum wage hike for her workers—the workers who'd be most affected by an increase—saying she'd much rather put money toward getting part-time and seasonal workers full-time jobs.

"There's probably hundreds of jobs that should be full-time jobs that currently are not," Fritz says, "and that keeps me awake at night."

Advocates sent out a mixed statement cheering Hales' announcement, but also reserving some disappointment that part-time workers won't apparently be included. Hales' plan reflects some other political differences in city hall.

While Fritz is steadfast in favor of converting seasonal jobs into full-time posts with benefits, other city commissioners seem willing to consider following Hales—so long as the city takes measured steps and doesn't go shooting for the moon all at once. Commissioner Nick Fish has said he supports the contract workers' pay bump, for example—but has other reservations about cost.

And doing more really would amount to millions.

The central sticking point of raising city employees' wages, obviously, is the cost. A hike to \$15 isn't as simple as lifting all low-wage workers up to that threshold, because then people who'd been earning \$9.25 an hour would be paid the exact same as a more skilled worker who'd been making \$12.90 an hour.

Instead, it would be necessary to completely realign the wage scale, meaning far more than 1,841 city employees would be in for raises. No one knows for certain what this so-called "salary compression" would cost. But in May the parks bureau took a stab at finding that figure.

In an email to Fritz, the bureau's finance manager, Jeff Shaffer, estimated it would cost more than \$2.7 million to convert parks employees up to \$15 an hour. When the Mercury asked about that estimate, Shaffer made clear it was "very ballpark." He further estimated the actual figure would be closer to \$4 million once salary compression, taxes, and employee benefits were brought into the picture.

Shaffer's baseline figures are different from those provided by the Portland Bureau of Human Resources. He says more than 2,000 employees in the parks bureau make less than \$15, while

human resources says just 1,841 employees citywide fell into that category as of December 3. That's probably due to the big seasonal shifts in employees, city staffers say

LIVE BLOG! State of the City 2015! Will the Real Charlie Hales Please Stand Up?

*By Denis C. Theriault
January 30, 2015*

BEFORE YOU DIVE IN, HERE'S A RECAP:

- Hales wants \$15 an hour for all full-time city workers.
- Hales has promised housing for all homeless veterans by "this Veterans Day."
- Hales suggested a pair of developers will build 1,000 affordable apartments over the next four years.
- Hales supports inclusionary zoning
- Hales won't drop the street fee stick from his mouth no matter how hard Paul Romain and others might try tugging at it.

It's 2015. Mayor Charlie Hales has been the boss of the city for two years. Now he's at a crossroads.

Amid the luck of inheriting a pleasantly robust local economy—and some debacles of his own making, like the up and down street fee Ferris wheel currently shut down—he can't keep pointing his fingers back at the men and women who preceded him on Portland City Hall's third floor.

If Hales intends to seek re-election, and he seems healthily prideful enough to not want to be the city's third consecutive one-term mayor—then he's going to have to do more to tell us who he is and what he wants and where he's going. The "earnest handyman" meme worked okay in 2013. It worked not as well in 2014. It won't work at all this year.

But it's not clear whether that will be the case this afternoon. He'll be talking again about housing and homelessness—although, in fairness, maybe it's a subject we should always be talking about. He'll be talking again about infrastructure. He'll be talking again about police accountability—albeit with some boastfulness over his pick for police chief.

Time is running out. It was about this time in 2011 when Hales started thinking about challenging then-Mayor Sam Adams. Activists are casting their eyes about for champions. Rivals are quietly considering the mayor's future. The "real Charlie Hales" has been a theme dating to his first 100 days. If Hales comes out strong here, maybe he'll persuade some of those would-be challengers to wait a few more years.

Will this be his first re-election speech? Follow along for updates!

12:19 One initial observation while Portland City Club goes through their housekeeping announcements: Oregon AFL-CIO's president, Tom Chamberlain, an occasionally rumored city council/mayoral candidate, is seated at Hales' table next to US Representative Earl Blumenauer.

12:23 Hales takes the stage at 12:21. He's reminiscing about music and being a "geeky high school band kid" and his mother's piano music. He loves Copeland's "Appalachian Suite," and he sings it!!! He's not bad! "Tis the gift to be simple... tis the gift to be free..." People politely whoop and cheer. "I know now why I didn't major in music."

12:25 He's thanked Adams, who's leaving for DC, and engendered more applause for the man that during Hales' past two speeches combined. This time, he said kind things about the place Adams' is leaving behind, City Club.

12:29 Next is a recitation of all his budget cuts and debt payments—including a plan not yet finalized to take \$800 million from urban renewal districts and put it back on the regular property tax rolls. He's also talking up the stability and ease of our police and fire pension fund—funded through property taxes, mostly. It's worth noting. Other cities rely on stock markets to keep funded. But it's not really his doing.

Then it's on to challenges and other hurdles: "Now it's time to pilot the ship to where we as a community want to go." He's using this to thank his city council colleagues. He thanked Nick Fish for fending off the water bureau/sewer bureau putsch by industrialists. He's thanked Amanda Fritz for the parks bond that

passed last fall. He's thanked Dan Saltzman for renewing the children's levy. And before he gets to Steve Novick... the street fund.

"I'm tired of asking people to face this problem for the past 14 years." He says the paving improvements in 2013 came first, up to 100 miles a year, before the money ask. He reminds the city still needs \$91 million a year to catch up and stay even.

12:32 Blumenauer's there in part because Hales is making a point about the lack of federal investment in transportation. Hales has asked the local delegation to stand in recognition of talk that Salem will help. Tina Kotek, the speaker of the House, from North Portland, wasn't among them. Hales says the unfunded street liability here is \$1.5 billion "and it's getting bigger, growing by \$12.5 million a month... tick... tick... tick..." He says we can ignore that. "But it's still going up... tick... tick... tick..."

And now he's gotten to Novick, thanking him for "your courage." Someone whooped. Hales promised he won't let up.

12:35 Yes. Police reform now. He mentioned earlier that he took office federal reforms looming as something "aspirational." Now it's time for him to enact them and oversee them. He stresses how important it is for everyone to feel safe among police officers. He says the bureau has changed promotions, hiring, training, force, and discipline.

He's touting the same kind of stats Adam did: 40 percent of hires are women or people of color. But he's also chalking it up to his direction as police commissioner. He's also dropping his favorite bit of rhetoric: the overnight reports that show day after day the times cops defused incidents or helped people. John Canzano wrote about the cop, Parik Singh, who gave a homeless man his boots. Another officer bought a cart of groceries for a man caught shoplifting to feed his crying, pregnant girlfriend who was waiting in the car.

"You won't necessarily read these stories in a headline," even if one of them was.

12:37 "Portland is healthy and getting stronger." His office has unveiled a dashboard showing metrics and civic improvement. Hales betrays his GOP roots and quotes Reagan: "Trust but verify. The website is here: portlandoregon.gov/dashboard.

12:39 Now it's a history lesson about the magical ways we've solved the urban equation that saw downtowns like ours deteriorate. Vacant lots downtown and vacant homes in neighborhoods have been developed. Transit has boomed. "We put our values into action... That's the Portland way." Hales wants to keep neighborhoods great and extend benefits of livability to neighborhoods.

Finally some mention of affordability. Let's better monitor demolitions. "The charming old house next door is a pile of rubble and a few weeks later there's a McMansion there." He vows to limit demolitions and require stricter design standards for infill housing that match their surroundings.

12:40 And now he's onto Lents. "He's taking us on a walk in Lents two years from now": a community center near the Jade District, a greenway and apartments named for Woody Guthrie, a town center will rise. "Finally we'll have action."

12:42 Next is an array of planned development in Old Town/Chinatown. "This is long awaited critical mass for a neighborhood that's waited a long time." He's seeing arts and education and the "new economy" changing the place. He looks forward at taking those walks with us. No mention of homelessness or social services.

And then he's walking to one more place, the new "soul district" on NE MLK, where he envisions community led efforts to push smaller homes, storefronts, and grocers.

12:45 Back to "the Portland way," but some acknowledgment about income inequality, and the shrinking middle class—which he says used to be due to people "climbing up" the ladder. Now? They're falling down into poverty. "If poverty was a city" in Oregon, "it would be bigger than Portland."

He's using that to translate to talk of racial justice. Hales wants to make this one of his issues for the second half of his term, rebounding from a fiscal but politically tonedeaf decision in 2013 to cut funding for educational and job skills programs targeted for African American students. He's talking again this year about the Black Male Initiative—and notes a press conference on Monday that I was told no white mainstream outlets attended.

12:47 Hales hits on disproportionate discipline in public schools. "The numbers simply call us to action." The other week, the council at Hales' behest heard a report on this issue from Portland Public Schools. He's reciting some of that knowledge today.

But "I'm not picking on PPS," he says, noting their plans to getting a 60 percent decrease in discipline for African American boys.

12:49 Big applause as soon as Hales mentions "living wages for city workers." And here's some news: Hales and Saltzman will propose paying all full-time city workers \$15 an hour. And all contract workers. He's challenged others, in the private sector to do the same. (Update 2:53 PM: Seasonal workers aren't included. Yet. The cost of raising pay for contract workers and full-time city workers is conservatively about \$1 million. The full cost of raising all workers up is more than \$4 million.)

12:53 Hales also pledges to do more to connect city contracts with businesses owned by women and minorities. And he wants to help "returning citizens," "banning the box" for city jobs that released convicts must fill out saying whether they've been convicted of felonies before interviews and job offers. He plans to get that done citywide and wants to reward businesses, somehow, who also hire convicts. It's a \$5,000 tax credit for two years, as part of a pilot project for 100 or so people with felonies. He's previewed this at his appearance in Don't Shoot Portland events. He says he was moved in part by a letter by Mitchell Jackson, author of "The Residue Years," who frets over his mother's future.

"Will this be expensive?" Hales says. "How will it compare to the billions of dollars this country spends on prisons. No contest. It's a very good investment."

12:54 He's onto Uber and the sharing economy. he makes it clear we'll embrace Uber. But only if drivers are paid a living wage and that customers are safe.

12:58 The \$20 million housing plan meant to mollify critics of a planned Trader Joe's gets a nod, along with the money the housing bureau has spent, using surplus cash in past years, to invest in services and housing work that have helped people of color.

~~And tiny houses!~~ He forecasts 1,000 units in the next four years by the developers we wrote about who'd also been working up a concept built around tiny houses. And he's nodding to the O's new series by Anna Griffin.

He mentions funding for homelessness, which has gone up every time he's had the chance to spend the money during his administration. But let's do more, he says, like efforts to partner with agencies that help veterans. He's promoting the cross governmental task force with county officials working on homelessness. When Deborah Kafoury stands, she gets more cheers than even Hales.

"We're gonna house every last one of our homeless vets here in Portland by this Veterans Day. It's the right thing to do."

12:58 Hales' office very much loves the walking beats that the police bureau started, on a pilot basis, on SE Hawthorne. Hales still has an amulet from a traveler named Trevor who said he has "good energy" and the city, too. Hales is using good quotes from advocates who often criticize the city, like Street Roots' Israel Bayer as proof they're doing something good.

1:03 Hales thanks Teressa Raiford of Don't Shoot Portland. There's tepid applause. "Yes, let's hear it for Teressa Raiford," Hales says, imploring more clapping. He's met with that group twice and has five more meetings planned.

Much easier time getting applause for Larry O'Dea, his police chief, and O'Dea's command staff, who have made community relations a priority. And much easier getting applause for the city's support of gun control checks, like background checks. As mayor, it's horrible to visit wounded high school students, including a former intern in his office. But as mayor, Hales can't do much to pass laws in Salem or Washington. He says he'll keep lobbying in Salem against the gun lovers.

1:08 Cops in Portland had to take 1,100 people to emergency rooms last year: "wrong vehicles, wrong destination," Hales says. He's talking up behavioral health unit expansion in the police bureau, mandated by the feds. That gets him to another favorite talking point: the case of DeNorris McClendon, the man police shot on Interstate 84 on Labor Day after missed opportunities in the days before despite him being flagged for mental health issues. McClendon was out waving a fake gun.

"This situation could have had a horrifying death toll out on the highway," Hales said. He was shot and wounded and arrested. He says it's "not to vilify" McClendon but to point out that "our community has

failed DeNorris McClendon." This story is how Hales talks about city funding, as we first reported, for a drop-off facility for people in crisis.

1:10 "Our challenge now is to rewrite the human equation," Hales says, doing "for the people of Portland what we've done for the place of Portland." He thinks we can make a difference. "We have a history of being different. We're Portland." Hales gets a standing ovation.

To recap: \$15 an hour, 1,000 tiny homes, housing for all homeless veterans in a little more than a year, and street funding somehow, somewhere.

1:11 Now questions: What else will you do to help ease gentrification in Northeast Portland? Hales says the community needs to be engaged, by city hall. "We've put some on the table. We've put some money on the table, though we know it's not enough.... We can have inclusionary zoning in this city."

And a question on education... which Hales doesn't have any direct control over.

1:14 The last question was on Measure 88. Just three! We started late, and that cut question time. In past years, that's where we heard super juicy things about homelessness and West Hayden Island and the Columbia River Crossing.

Daily Journal of Commerce

Affordable housing recommendations OK'd

By Inka Bajandas

January 30, 2015

The Portland City Council on Wednesday unanimously approved a proposal for implementing Mayor Charlie Hales' pledge to invest \$20 million to build affordable housing in North and Northeast Portland.

The Portland Housing Bureau's five-year affordable housing strategy proposes spending \$4.5 million to build 40 to 80 units on a city-owned lot known as the Grant Warehouse site, on Northeast Martin Luther King Jr. Boulevard between Northeast Cook and Ivy streets. An additional \$3.5 million will go toward creation of 30 to 60 affordable housing units via redevelopment of additional properties owned by the city, Multnomah County or other entities. The PHB also plans to spend \$3 million to buy more land for future affordable housing projects. The remaining \$9 million will be spent helping homeowners repair their properties and creating homeownership opportunities.

Along with the \$20 million investment, the proposal calls for increasing the PHB's goals for hiring minority-owned, women-owned and emerging small businesses to work on affordable housing construction projects. The bureau also plans to include contractor and subcontractor pre-apprenticeship programs on its projects.

The housing strategy aims to address concerns about a history of gentrification in the area. The proposal is based on feedback gathered during an extensive community outreach campaign.

The mayor's pledged investment in affordable housing stems from concerns raised by community members over the lack of transparency in a November 2013 Portland Development Commission deal to sell the 1.79-acre lot at the corner of Martin Luther King Jr. Boulevard and Northeast Alberta Street to California-based Majestic Realty.

The developer planned a commercial development that included Trader Joe's as an anchor tenant. Amid the controversy, Trader Joe's pulled out of the deal in February 2014. Natural Grocers has since signed a letter of intent to take its place. Colas Construction crews are scheduled to start work on the project next month.