

## The Oregonian

### Utility discount program excludes Portland's poorest -- because they rent

*By Brad Schmidt  
February 24, 2015*

Twenty years ago, Portland leaders launched a progressive plan to mark down water and sewer bills for thousands of low-income Portlanders.

But from the beginning, there was a problem: The program extended only to customers with their own water meters who paid their own bills.

Most poor Portlanders rent apartments and pay indirectly, through payments to landlords.

City leaders pledged to reach more households. They studied the issue again and again. But nothing changed as low-income residents were denied millions of dollars in discounts while essentially subsidizing costs for everyone else.

Now, Portland Commissioner Nick Fish has reluctantly decided to take a final run at the issue - and if no solution emerges, he wants to end the conversation once and for all. The stakes are high, not just for low-income residents but anyone who gets a bill: extending discounts could blow an \$18-million-a-year hole in bureau budgets or force other ratepayers to cough up 6 percent more.

"I understand better why, over 20 years, people who are very well intentioned have not been able to solve this problem," said Fish, who oversees the Portland Water Bureau and Bureau of Environmental Services. "Because it's a complicated problem."

About 8,400 households receive an annual discount of \$520, roughly half off the average combined water and sewer bill. Officials estimate that about 40,000 households may meet income qualifications.

One low-income advocate who criticized the divide starting two decades ago said "it's almost discriminatory" to keep offering discounts to homeowners but not renters.

"We see a lot of things that become priorities and they get done," said Nick Sauvie, executive director of ROSE Community Development, an affordable-housing provider. "And unfortunately, what's important to low-income renters tends to be on the list of things that don't get done."

#### Portland values

The Portland City Council pushed for the discount program in 1994 in the face of growing sewer and water bills. A year later, Portland became one of the first big U.S. cities to offer reductions, setting a goal of 10,000 households a year.

Leaders considered it the right thing to do.

But officials couldn't figure out how to provide discounts to renters without meters and direct bills.

Sauvie and others complained and then-Commissioner Mike Lindberg, in charge of city utilities, pledged to look at options.

Officials for Portland's water and sewer bureaus studied the issue, concluding that renter discounts shouldn't be offered "at this time."

Among concerns: Would discounts on landlords' bills get passed on to renters or simply go into landlords' pockets? Was it legal? And would other ratepayers stomach paying more?

Commissioner Erik Sten searched for answers in 1997, forming an advisory group to find a way to extend the program "to include low-income renters who do not pay their water/sewer bills directly," according to a memo.

The group didn't solve the problem. Instead, it recommended a pilot program to install submeters at select apartment complexes.

"It fits Portland's values to give everybody a discount," Sten, who left the City Council in 2008, said in an interview. "But there isn't a practical way to do it. So it keeps coming up because it makes sense to Portlanders that it should exist."

The issue largely disappeared until last summer.

During the contentious street fee debate, Fish asked why the Portland Bureau of Transportation couldn't give discounts to low-income renters.

That set off Commissioner Steve Novick, who oversees transportation. Novick cited the administrative difficulties and called out Fish for his bureaus' problems.

"You and I have now agreed that we will work together," Novick wrote to Fish, in an email shared with reporters, "to try to make discounts for all utility bureau fees available to all low-income Portlanders."

### **Portland could figure out billing**

Another task force was formed. It did nothing.

Behind the scenes, an aide to Fish told him in a 2014 memo that the situation is "incredibly messy." Sonia Schmanski also warned him about the politics of subsidizing more low-income residents by raising rates on everyone else.

"It is hard to reconcile this with our constant refrain that your top priority is stabilizing rates," she wrote the memo, obtained through a public records request. "I fear this could erode your work to rebuild trust in the City's utility bureaus."

In an interview, Fish said it never made sense to study utility discounts amid the street fee debate.

"At the appropriate time, I'll do my due diligence and I'll make recommendations to my colleagues," Fish told The Oregonian/OregonLive in September. "But that's a process that I intend to lead, not to subcontract."

Last month, Fish created his own work group. Among efforts, city officials are working with Home Forward, the local housing authority, to reach low-income Portlanders who rent homes with a Section 8 voucher, and who pay utility bills but who haven't signed up for utility discounts.

Even without helping apartment renters, Portland remains ahead of most big cities, officials say.

But other jurisdictions have made progress in recent years. In Columbus, Ohio, officials provide discounts to apartment complexes where at least 80 percent of renters meet low-income qualifications.

Renters' leases must state that the tenant pays for water and sewer services, which are included in the rent. Columbus officials assume the discount is passed on to renters, although they don't check.

"We felt like it was the right thing to do," city spokeswoman Laura Young Mohr said.

In Bellevue, Wash., officials issue rebate checks to low-income renters who are elderly or disabled. About 720 people participate, with rebates for a single person ranging from about \$340 to \$640.

"It's a lot of work," said Patricia Burgess, Bellevue's program administrator. "I can attest to that."

As for Portland, David Shaff, administrator of the Water Bureau, said officials haven't devised a solution for renters in part because "it hasn't been the direction we've gotten from the City Council."

"If we were told, 'This is what we want to do,' we could somehow figure it out, yeah, I assume so," Shaff said. "We can put a man on the moon. So we can figure out how to bill people."

Recommendations from Fish's new work group are due in April.

Anything would help Jerry Grohs, who lives at a low-income apartment complex in Lents.

Grohs, 40, earns about \$13 an hour driving a forklift, supporting his wife and two kids. He meets the city's income qualifications but doesn't qualify for the \$520 discount because, like so many others, his utility charge is rolled into rent.

If he saw those savings, Grohs said he would buy more food or keep the apartment a little warmer in the winter.

"It really is a struggle," he said. "Any little bit would help."

## Portland's minimum wage: [Animated video](#) highlights struggles of 1,800 temporary Parks Bureau workers

*By Andrew Theen  
February 24, 2015*

The Portland City Council last week agreed to raise the minimum wage to \$15 an hour for full-time city workers and contractors. The city's 1,800 temporary, seasonal or "casual" employees won't be covered.

Many of those workers feel like they're hiding in plain sight, occasionally behind the front desks of any of the 14 city community centers around town (which drew 2.2 million visits in 2013).

In an animated video produced last year and presented to the City Council last week, supporters tried to show that underpaid and overworked employees are often the under-acknowledged pieces behind Portland's popular parks programs.

The video packs quite a bit into two-and-a-half minutes: the parks workers who were the face of one center for years but classified as a seasonal employees, the dance instructor and piano teacher who struggled to make ends meet, the worker who juggled many jobs but still couldn't get ahead.

The video relies on inside knowledge.

Judith Pulman, a Portland writer, editor and literary arts program director at the Multnomah Arts Center, a helped write and organize the video. Her partner, Mike Chastain, is a local animator and visual effects artist who produced the piece. Hazel Newlevant, an artist who grew up in Portland, produced the watercolor illustrations for the video.

Pulman is a "part-time casual employee," according to city human resources officials, despite working at the Southwest Portland arts facility since 2010. She's limited to 1,200 hours of work per year, and doesn't receive benefits through the city.

Pulman has seen her responsibilities grow in recent years.

"I love the work I do," she said, "but it's just not supporting me."

She makes up to \$17.50 an hour when she's coordinating classes, but less for other tasks. She has no kids, but also no job security. Seeing her fellow overworked and underpaid coworkers' daily struggles underscored the wider problem.

Newlevant said she has fond memories of pulling ivy from Forest Park as a temporary Parks Bureau worker.

The bureau was "close to my heart," she said, so it was an easy decision to spend about a month on the project. (She ultimately received \$500 from Laborers' International Union of North America Local 483, which represents city workers, for her work on the project).

Last week, the union and advocates behind 15 Now PDX packed City Hall in part to show support for the seasonal parks workers who won't see a raise anytime soon.

They showed the video. It was well-received.

Let us know what you think.

## Portland rewrites tax abatement policy with eye toward Internet-based business

*By Brad Schmidt  
February 24, 2015*

Portland officials have rewritten a key policy giving tax breaks to businesses, with an eye toward luring more internet-based companies.

But, unlike changes approved two years ago in an attempt to recruit Nike to the South Waterfront District, officials say no deal is on the horizon.

"The update is occurring with no company or project in mind," said Chris Harder, economic development director for the Portland Development Commissioner.

Officials have streamlined guidelines for a tax abatement program covering about 20 square miles of land in Portland, most of it industrial areas in Northeast, Northwest and North Portland. The changes, already approved by the PDC, will be reviewed by the City Council on Wednesday.

As part of the revision, officials cut language emphasizing "predominantly industrial-based businesses." They've replaced it with goals to attract new "industrial and commercial investments" while also "leveraging internet transactions in the e-commerce sector" and seeking out companies willing to establish headquarters in Portland.

Andy Reed, who manages the city's so-called "E-Zone" - short for Enterprise Zone - program, said officials still expect most tax abatements will be given to industrial-based business.

But the changes reflect recognition of the growing e-commerce sector and priorities outlined in the agency's economic development and strategic plans.

"The vast majority (of qualifying companies) are going to be a product-producing company," Reed said.

The E-Zone program offers tax abatements of up to five years on new capital investments for businesses located in specific, city-designated geographies. Portland established its first E-Zone in 1986.

The tax breaks are granted to a wide range of business focuses, such as manufacturing, assembly, fabrication, processing, shipping, vehicle repairs and software development, among others. Ineligible companies provide retail, food, entertainment or more "professional" services, such as health care or accounting.

On the other hand, state officials define "electronic commerce" as a company that largely conducts business online, even if it's retail in nature. "These transactions can include taking orders, closing sales, making purchases (or) providing customer service," according to the state.

Portland already offers an E-Commerce program, in areas overlapping with the E-Zones, that offers income tax credits to qualifying businesses.

Portland's new policy eliminates language focused on ensuring E-Zone jobs are for residents earning at or below 80 percent of the region's median income, and that employers offer special transit or childcare benefits to some of those workers.

City officials say that proved problematic because nearly all of the jobs are supposed to pay at least 150 percent of minimum wage, or about \$13.88 an hour, with average wages at about \$25 an hour.

In some cases, employees likely made too much to qualify for transit or childcare benefits. In others, it's not possible for employers or the city to measure an employee's overall household income to determine if they'd qualify, city officials said.

In fact, only one company has ever had to provide transit service money to employees under the city's old rules, Reed said, and none was required to help pay for child care.

Under both the old and new policy, companies must contribute 15 percent of their tax savings back to the Portland Development Commission for workforce training and business development.

But now, any company that saves at least \$1 million over five years will also be required to contribute an additional 5 percent of the savings to a PDC-controlled "Employee Support Fund" that will help pay for transit or child care.

"It's kind of, in my opinion, cutting edge," Reed said. "This is a citywide tool that we can dedicate to the low-income populations to help stay successful in the job."

The new policy calls for PDC and company officials to first focus money on transit and childcare services, but if they can't identify needs, it could be spent for support services, training and business development.

Asked about their expectation the money would go to transit and childcare services, Reed said, "100 percent."

Officials expect businesses will contribute \$500,000 to \$600,000 for the designated workforce development fund each year and as much as \$150,000 annually for childcare and transit aid.

Nearly 3,500 people are employed by companies receiving E-Zone benefits. The Portland Development Commission reports nearly \$750 million in investments by 38 companies from 2011 to 2014.

One company not on the list: Nike.

In 2013, the City Council quietly redrew the E-Zone boundaries hoping to convince the sportswear giant build satellite offices in the South Waterfront. But Nike decided to expand next to its existing campus in Washington County, instead.

## Portland's minimum wage: What full-time city workers don't earn \$15-an-hour?

*By Andrew Theen  
February 23, 2015*

UPDATE: Some parks workers will see a raise earlier than July 1.

For weeks, Portland officials couldn't pin down precisely how many current full-time city employees earn less than \$15-per-hour.

Was it 20? 15? 18?

Some of the uncertainty could be attributed to a handful of job vacancies.

But nearly a month after Mayor Charlie Hales' State of the City pledge to do "the right thing" and give full-time city workers the \$15-minimum wage, that figure remained elusive.

Until now.

According to the Bureau of Human Resources, there are 14 current full-time employees of the more than 5,600 total on payroll, who don't make \$15-per-hour.

Here are those positions and their respective wages, which are expected to bump up to \$15-per-hour come July (aquatics leaders will see a raise in May to \$16.71 an hour):

What Portland city jobs don't pay \$15-per-hour?		
Job Title	City Bureau	Hourly Wage
Maintenance Worker	Water	\$14.46
Maintenance Worker	Parks	\$14.46
Maintenance Worker	Parks	\$14.46
Maintenance Worker	Parks	\$14.46
Office Support Specialist I	Human Resources	\$14.77
Police Records Specialist, Trainee	Police	\$13.90
Police Records Specialist, Trainee	Police	\$13.90
Police Records Specialist, Trainee	Police	\$13.90

Police Records Specialist, Trainee	Police	\$13.90
Recreation Leader - Aquatics	Parks	\$14.71
Recreation Leader - Aquatics	Parks	\$14.71
Recreation Leader - Aquatics	Parks	\$14.71
Recreation Leader - Aquatics	Parks	\$14.71
Recreation Leader - Aquatics	Parks	\$14.71

Last week, the Portland City Council approved a resolution, amending the city's Fair Wage Policy and pledging to pay full-time city contractors and employees at least \$15-per-hour. That policy decision is expected to cost roughly \$1.1 million per year.

## City wants to build 200 units of affordable housing in RiverPlace: Portland City Hall Roundup

*By Brad Schmidt  
February 23, 2015*

The number of affordable housing units in Portland's upstart neighborhoods south of downtown could nearly double under a plan headed to the City Council on Thursday.

City housing and redevelopment officials want to begin construction of 200 apartments for low-income Portlanders by the end of 2017.

Officials are targeting the new construction for the RiverPlace area of the North Macadam urban renewal district, not the more glitzy South Waterfront or land that will be redeveloped by the Zidell family.

To date, just 209 units of affordable housing have been built in the area, hundreds of units below goals adopted by the City Council in 2003. And even if the new project is completed, Portland leaders will still be hundreds of units behind.

Four months ago, the Portland Housing Bureau recommended decreasing those goals because they were deemed unrealistic.

But in response to criticism from housing advocates, officials agreed to maintain the goals, which called for 582 units serving individuals and families earning up to 80 percent of the region's median -- out of the first 3,000 units built.

The proposed 200 new units would be open only to people earning up to 60 percent of the region's median income, with about one-third of the apartments exclusively for people earning up to 30 percent of the median.

A family of four at 60 percent of the median earns about \$42,000 a year, with rent for a three-bedroom apartment considered affordable at about \$1,100, including utilities.

Officials want the new development to include ground-floor retail, and it could be part of a broader mixed-income project. Previous estimates suggested as many as 450 units could be built on a 2-acre city-owned parcel at the corner of Southwest River Parkway and Moody Avenue.

Portland would help pay for the project by tapping money generated by the North Macadam urban renewal district. Officials are projecting \$47 million for affordable housing in the area through fiscal 2025, with \$19 million by 2017 and about \$27 million between 2022 and 2025.

Affordable housing represents the single largest expenditure for the area.

The new plan -- part of a broad package of changes to urban renewal districts -- does not specify whether affordable housing will be built on the Zidell family's 30 nearby acres.

The family, which owns a barge-building business along the banks of the Willamette River, maintains that it has an interest in developing housing across the income spectrum. But city records and the company's internal documents suggest reluctance.

The city's urban renewal plan states that any development agreement with the Zidell family will "require affordable housing rights," although that doesn't necessarily mean affordable housing will be built. It goes on to say broadly that development agreements "may provide" the city with an opportunity to buy land for affordable housing.

Previous negotiations indicated Portland could buy property from Zidell in the future, but only if the total number of affordable housing units in the urban renewal district is less than 479.

That's a number Portland officials could approach or surpass, depending on how big of a project they push in RiverPlace.

The plan also calls for annual reports tracking progress on the city's 2003 goals.

A new "working group will create detailed plans for the timing and cost of affordable housing projects," the document reads, "and report to City Council annually regarding progress."

## **The Portland Tribune**

### **Council gets a pitch for city Rooney Rule on hiring**

*By Kevin L. Harden  
February 23, 2015*

If the NFL can do it, and the state of Oregon can do it, couldn't the city of Portland do it too?

That's the question Sam Sachs is going to ask Portland's City Council Wednesday morning, when he proposes a new city rule requiring that a qualified minority candidate be interviewed for each open high-level city position.

It's a proposal similar to the "Rooney Rule," that NFL teams have used it for 12 years to interview — and hire — top minority candidates for head coaching jobs. State lawmakers adopted a version of the rule in 2009, requiring qualified minority candidates to be interviewed for head coaching and athletic director positions at state-funded institutions.

Portland's city government doesn't have that kind of rule, and Sachs thinks it's time to add it to the human resources requirements.

"It doesn't discriminate, because you're already interviewing white candidates," Sachs said last week. "It challenges the city and any bureaus to create a diverse hiring committee and seek out qualified candidates."

Sachs and Portland Human Resources Director Anna Kanwit will speak to the City Council about a possible citywide Rooney Rule at the beginning of the Feb. 25 meeting, which starts at 9:30 a.m. in City Hall's Council Chambers, 1221 S.W. Fourth Ave.

Kanwit said she isn't advocating for the rule on Wednesday, but will discuss with the council steps the city has taken to implement diverse interview panels for high-level job openings, like bureau directors. "These processes help to increase diversity hiring," Kanwit said last week.

During the same meeting, city commissioners could establish a seven-member committee to help local minority and women-owned businesses get more city contracts. If adopted by the council, an ordinance will create a panel appointed by the mayor to review city procurement procedures and recommend ways to increase business with minority and women-owned companies.

## 'In their court'

Sachs is a city park ranger responsible for off-leash enforcement. He also is chairman of the Community and Police Relations Committee and a member of the city's Human Rights Commission.

Six years ago, Sachs was one of the driving forces behind the state's new mini-Rooney Rule for Oregon university coaches and athletic directors. He asked state Rep. Mitch Greenlick of Northwest Portland to sponsor House Bill 3118 that created the requirement. Greenlick was joined by Reps. Tobias Read of Beaverton, Peter Buckley of Ashland and Chip Shields of Portland as the bill's co-sponsors. State Sens. Suzanne Bonamici of Washington County and Margaret Carter of Portland also joined as co-sponsors of the bill.

The proposal was meant to remedy a situation in which, at the time, less than 10 percent of all NCAA head coaching and athletic director jobs were held by minorities. Since then, more minorities have been hired for top coaching and athletic director positions.

The Rooney Rule was named for Pittsburgh Steelers' owner Dan Rooney, chairman of the NFL's diversity committee. Since its implementation in 2003, NFL franchises have increased the hiring of minority coaches and team officials.

Sachs said he took the proposal for a city Rooney Rule to the staff of then-Mayor Sam Adams a few years ago, but "it never got off the ground."

He also hopes to talk with city commissioners early this week to clear the way for his proposal, which would require a change in city hiring procedures.

"We can start that conversation around the possibility of adopting this rule and how it's going to work out and how we're going to do it," Sachs said. "I thought I'd put the ball in their court."

## Willamette Week

### Portland's Deadline for Airbnb Safety Permits Passes Unheeded, But City Won't Issue Fines

Only 4.6 percent of Airbnb rentals in Portland list a permit number, independent analysis finds.

*By Anna Walters  
February 24, 2015*

The city of Portland has struggled to crack down Airbnb scofflaws, including short-term rental hosts who aren't getting city safety inspections and advertise multiple units they aren't living in. City officials set a Feb. 20 deadline for Airbnb and other sites to begin posting hosts' city permit numbers online or face a \$500 fine.

That cutoff has passed—with few Airbnb hosts complying. But city regulators are refusing to levy fines.

An independent analysis of Airbnb's Portland rentals revealed that of the about 2,006 rentals in the city, only 93—or 4.6 percent—list a permit number.

Murray Cox, who created [insideairbnb.com](http://insideairbnb.com), an interactive tool that compiles data scraped from Airbnb's site, provided WW with Portland's permit data, pulled on Feb. 21—a day after the city's deadline. But city officials aren't cracking down.

City Revenue Bureau director Thomas Lannom says as long as companies are making "a good faith effort" to make hosts follow the rules, they won't face a \$500 fine per violation.

"It's not going to be 'Okay, it's Feb 21st, you're not in compliance, here's your \$50,000 penalty,'" Lannom says. "What we're looking for is that they are working with us and trying to comply. If they appear to be dragging their feet, that is when we can bring and will bring penalties into play."

Lannom also says the city is not yet compelling Airbnb and other companies to disclose the addresses of their hosts.

"We've not asked for that information, because that's not where I want to start," he says. "I would much rather honor the companies' desire to keep their host information confidential. To the extent that we can't

gain compliance, and that we're dealing with a company that's intractable, then at that point we could request that information."

Airbnb has met the city's deadline for displaying permit numbers—to an extent.

WW created a test listing on Airbnb and found that although hosts must acknowledge a text box referencing Portland rules—including the permitting requirement—the site still allows hosts to list a property without filling in the "Permit Number" field. Lannom says he doesn't know how many other short term rental companies have provided a field for hosts to list permit numbers.

The insideairbnb.com data scrape shows 10 hosts, or less than 1 percent in the city, say they're awaiting city approval. One host wrote in their listing: "Pending since Dec 2014. We haven't heard from city yet though we paid the fee."

Michael Liefeld is in charge of inspecting short-term rentals for safety for the Bureau of Development Services. He says he counts the effort by some hosts to get permits as a victory.

"If somebody said 'I'm working on it'—mission accomplished," he says. "That means they're aware of the permit requirements and they've indicated that they are working on complying."

## **Steve Novick's Best Advice to Gov. Kate Brown? Get a Corgi**

*By Beth Slovic*

*February 23, 2015*

Gov. Kate Brown's sudden rise to power last week unleashed a flurry of demands and requests on the new governor's time—she extended former Gov. John Kitzhaber's moratorium on the death penalty before it expired in a few weeks, for example—as well as lots of free advice from other politicians.

Example: Former Gov. Barbara Roberts, at a Feb. 14 celebration at the Oregon Historical Society, said she would encourage Brown to keep a good journal while in office in case she ever wants to write a memoir about her time. (Perhaps Roberts has new regrets about not having better notes on this encounter with Kitzhaber in 1993?)

Portland Commissioner Steve Novick, a proud owner with his wife, Rachel, of two corgis, has his own advice for Brown, which he shared in a jokey press release emailed to reporters.

*Governor Kate Brown recently lamented that since she does not currently own a dog, she will be unable to join dog-related events in the Mahonia Hall neighborhood.*

*"I have three words for Governor Brown: get a corgi," said Portland City Commissioner Steve Novick.*

*Novick pointed out that the popular, successful, and recently reelected Governor Jerry Brown of California owns a Pembroke Welsh corgi, Sutter, who has played a key role in his Administration. In 2012, Sutter campaigned throughout California for Proposition 30, the tax increase on the wealthy that allowed the State to balance its budget without slashing education funding. The New Republic, among others, credited Sutter for the success of the measure. BuzzFeed has described Sutter as "a force in California politics."*

*"The lesson is clear: If you're the Governor of a Pacific Coast state, and your name is Brown, you'd be crazy not to get a corgi," Novick said.*

*In addition, cartoonist Jack Ohman, a college classmate and friend of the Oregon Governor, now removed to Sacramento, takes great delight in drawing Sutter. "I suspect nothing would make Jack happier than having a chance to draw two Governors Brown with their corgis," Novick said.*

Novick says he hasn't taken his plea to Brown directly. "I think the better course is to build a grassroots movement to which she'll eventually have to respond," he joked.

## Daily Journal of Commerce

### A housing plan for North and Northeast Portland

*By Shelby King  
February 23, 2015*

The Portland Housing Bureau has earmarked \$9 million to prevent displacement and produce new homeowners in North and Northeast Portland.

When the Portland City Council approved Mayor Charlie Hales' proposal to dedicate \$20 million in tax-incremental funding (TIF) over five years to begin to address the lack of affordable housing in North and Northeast Portland, the PHB asked community members during seven months of meetings what they should spend the money on, Executive Director Traci Manning said. The bureau received suggestions from more than 450 people.

"We heard very loudly at the forums, 'For heaven's sake, the people who are still here, help them hang on to their homes,'" she said. "With TIF money there are limits to what we can spend it on and where. It's all got to be what's called 'sticks and bricks.'"

PHB officials responded by earmarking nearly half of the money from the five-year plan – the "North/Northeast Neighborhood Housing Strategy" – for programs aimed at preventing displacement and creating new homeowners in the Interstate Corridor Urban Renewal Area – 3,990 acres featuring older, sometimes historic neighborhoods connected by commercial corridors and including large-scale industrial centers.

The PHB is partnering with local agencies to offer \$3.2 million in zero-interest loans (up to \$40,000 per home) to 80 households during the five-year program. The loans will provide critical home repairs to low-income homeowners earning up to 80 percent of the area median family income. This \$3.2 million is in addition to the PHB's usual \$500,000 dedicated to providing no-cost loans to low-income homeowners, Manning said.

Commissioner Dan Saltzman said that loans provided by the existing Single Family Home Repair Program can mean the difference between a family retaining a home or giving it up.

"Expanding these existing programs allows us to take advantage of an established program infrastructure and a network of community partnerships to move quickly to prevent further displacement," he said. "The funding increase allows us to raise the cap on loans from \$15,000 to \$40,000, so that we can better address the substantial home repairs required to maintain older homes, like those in the North/Northeast area."

An additional \$800,000 over five years will provide 160 households with \$5,000 grants to make critical repairs. Only elderly and disabled homeowners may qualify for the grant program.

"There is a lot of older housing in these areas, and people get stuck," Manning said. "People get behind in maintenance or can't keep up with repairs because they're low income, and they end up selling."

Manning said the PHB has a backlog of applications for people seeking assistance from the bureau's existing home repair program, which usually provides \$500,000 a year in loans.

"Frankly, we haven't done as much as we could in the past because we spend all the money we have," she said. "The programs we already have are well-used."

In another bid to address affordable housing options, the PHB has set aside \$5 million for creating new homeownership opportunities through partnerships with local programs such as those offered by nonprofit Portland Community Reinvestment Initiatives.

"The need to help more people move into homeownership was a common theme throughout the community forums," Saltzman said. "One of the primary factors behind the widening racial wealth gap is the length of homeownership. Opening up more pathways to stable homeownership opportunities is a critical first step to addressing that."

Of the \$5 million, the PHB plans to add \$2.4 million to its Down Payment Assistance Loan Program, helping 40 first-time homebuyers who earn up to 80 percent of the area median family income buy their first home. The DPAL Program currently has a \$500,000 annual budget, Manning said.

"We heard from a lot of people who grew up in the area," she said. "But when it came time to start a family they found they couldn't afford to stay."

The remaining \$2.6 million of the \$5 million will go toward construction of new homes to increase new affordable housing stock in the area. Manning said this strategy "will be the last thing out the door" over the course of the five-year program. The PHB's plan is to partner with community organizations to provide low-income citizens opportunities to become homeowners through land trust and sweat equity programs, she said.

## **Two design approvals appealed to Portland City Council**

*By Inka Bajandas  
February 23, 2015*

Neighborhood groups have appealed Portland Design Commission approvals last month of two planned projects in Northwest Portland.

Neighbors of the proposed Tess O'Brien Apartments, at 1950 N.W. Pettygrove St. and 1953 N.W. Overton St., and Block 136, at 1241 N.W. Johnson St., have filed separate appeals to the Portland City Council questioning the commission's project approvals and the city's design review procedures.

The Northwest District Association appealed approval of FFA Architecture and Interiors' design for the 125-unit Tess O'Brien Apartments. Members of the group claim in the appeal that the proposed development does not blend into the surrounding neighborhood and that procedural errors occurred during the design review process.

Meanwhile, Pearl District neighborhood group Preserve the Pearl LLC appealed approval of the design for Block 136, by Seattle-based architecture firm Mithun. Members claimed that the public process was flawed, including insufficient communication with the Pearl District Neighborhood Association. They also questioned allowing added height to the housing portion of the development.

An appeal hearing before the City Council for the Tess O'Brien Apartments is scheduled for March 4. A hearing for Block 136 is scheduled for April 8. Both hearings will start at 2 p.m. at Portland City Hall, 1221 S.W. Fourth Ave.

The Design Commission voted 3-1 last month to approve the design of the Tess O'Brien Apartments. It was the fourth design review hearing for the project, which had been criticized by commissioners and neighboring residents.

Plans for the \$15 million project call for two six-story apartment buildings with a large courtyard in between including outdoor seating, stormwater planters and bike storage. Construction is scheduled to start this spring, according to the project's developer, Kehoe Northwest Properties.

Design commissioners gave overwhelmingly positive comments last month when they approved designs for Seattle-based Security Properties' Block 136 project. Concerns voiced by neighbors were that the development's planned 150-foot residential tower would be inconsistent with shorter surrounding buildings.

Plans call for a five-story office building facing 13th Avenue and a 15-story residential tower on 12th Avenue separated by a public courtyard connecting Johnson and Kearney streets. The 13th Avenue building will contain approximately 15,000 square feet of retail space and 60,000 square feet of office space. The 12th Avenue building will have approximately 208 residential units and 211 underground parking spaces.

The two buildings will occupy a full block bordered by Northwest 13th and 14th avenues and Johnson and Kearney streets.

## The Portland Business Journal

### Portland auditor mostly lauds city's children's program, suggests tweaks

*By Andy Giegerich  
February 24, 2015*

A program backed by a 13-year-old tax levy that aims to help Portland's children is in good shape, but could be a tad better.

So says City Auditor Mary Hull Caballero, in her second audit since taking over the post this year. Hull Caballero noted that the program seems to be succeeding operationally, as the Levy remains below its proscribed 5 percent cap on administrative expenses.

The Levy program's staff also follows "appropriate financial practices," she wrote.

"We also found, however, that the goals and structure (Portland's City Council) originally established for the Levy have expired, and that the grant decision process can lack clarity," Hull Caballero wrote. "While neither of these issues indicate that Levy funds are not well spent, addressing them could help focus Children's Levy funds on the highest needs and ensure effective program operations."

Portland voters approved a property tax levy in 2002 to fund programs for children. The program backs efforts related to child abuse prevention, mentoring, after-school programs, foster care and childhood and family hunger.

"In our review of the Children's Levy, we found that the Levy has become more strategic in grant decisions over time, and has strong practices in place to ensure grantees are accountable for how they spend Levy funds," Hull Caballero said.

City Commissioner Dan Saltzman, a Levy proponent responded that he agrees with the findings and that steps are already in place to enact some of the auditor's recommendations.

## The Skanner

### City Council Says 'Yes' to Terrorism Task Force

*By Donovan M. Smith  
February 23, 2015*

Portland joins the ranks of every other major city in the United States as full time members of the Joint Terrorism Task Force, despite a bitter outcry from Civil Rights organizations and a large cross-section of Portland's Muslim community.

Now, after the City Council's divided 3-2 vote to join, two Portland Police officers will be working full-time as part of the JTTF. The task force partners local law enforcement with the FBI to combat international and domestic terrorism – but critics argue the JTTF unfairly targets innocent people and that even top city leaders will have no ability to know or track, let alone control, what Portland police officers might do as part of the "team."

"We find it hard to believe that after written and verbal testimony from the ACLU, the Japanese American Citizens League, Jewish Voice for Peace, eleven prominent Portland-area Muslim organizations, former State Senator Avel Gordly, and dozens more people against re-joining the JTTF, with the only organization in favor being the Citizens Crime Commission of the Portland Business Alliance, that Council voted to re-join the JTTF," wrote Portland Copwatch's Dan Handelman.

See Lisa Loving Of The Skanner News' report detailing the history of unfair profiling by the FBI of mostly Muslim men from the Pacific Northwest [here](#).

Handelman, a police accountability activist, in past years unsuccessfully tried to sue FBI officials over surveillance of a grassroots organization he is affiliated with, Peace and Justice Works.

In 2005, Portland became the first and only city to pull out of its partnership with the JTTF, only to re-join on a "case-by-case" basis in 2011 following the controversial plot to let of a bomb in Pioneer Square a year earlier.

City Council is sitting down to hammer out a Memoranda of Understanding, detailing the structure of the partnership Feb. 25 at 3 p.m. at City Hall.

Mayor Charlie Hales called his vote to re-join one of the hardest decisions he's had to make in office.

"It's a choice of evils," Hales told The Skanner News. "The FBI has done things I can't condone, and the federal government has done and is doing things that I think are unacceptable. And yet we have to deal with this threat of our citizens being killed or injured by people who seem to have no regard for life and human freedom."

Hales, who voted in the early 2000's against joining the JTTF as a Commissioner, says that his current decision was "51-49" but that the City and police bureau will step up outreach with communities that could feel especially threatened by the decision to become full partners.

Commissioners Dan Saltzman and Nick Fish voted with the mayor to rejoin, while Commissioners Steve Novick and Amanda Fritz took a stand against.

Hales says the two Portland Police officers who will be joining the task force have yet to be chosen by Portland Police Chief Larry O'Dea.

Mayor Hales—who is also the police commissioner--still will not have security clearance which would allow him better insight into the specific activities of the partnership. However, now he will have a non-disclosure agreement which he did not have before.

Conversely, Chief O'Dea will have a non-disclosure agreement. When asked if he would have felt as comfortable to vote to re-join under former Police Chief Mike Reese, Hales replied "No, in a word."

"Mike Reese did a good job. But because I recruited Larry and we've had a lot of conversations about what matters, we know each other very well," Hales said. "I think we have a chief there that the community can rely on. I think a lot of people in the community already have that sense about Larry that when he talks about equity, relationships, and serving the whole community they know he really means it."

The mayor says if he's not satisfied that he's properly informed on the happenings of the JTTF he'll "pull the plug" on the City's involvement but did not provide a time-frame.

Handelman argues that City Council should reconsider their vote, and not sign the Memorandum of Agreement with the FBI this week.

In an open letter sent Monday morning to all five members of the Council, Handelman lists four items in the proposed ordinance that should be changed if the city decides to go ahead with the JTTF.

1--In addition to the termination clause (paragraph XXII-A which allows either side to terminate the agreement with 60 days' notice) there should be an annual sunset clause so that Council and the community can continue having this important conversation. The 2000-2005 version of the MOU [memo of Understanding] included authorization for FBI reimbursement of Portland Police overtime, which required annual consideration by the Council.

2--The annual reconsideration of the MOU should come with transparent reporting on how many investigations the PPB officers have engaged in, what level of inquiry was involved (assessments, preliminary investigations, full investigations), and affirmation of training by the City Attorney or a state authority on Oregon's "181 laws."

3--Any section which indicates that the Portland Police must comply with FBI rules or lose the ability to control documents that they have created, or which creates broader protection for the FBI than for the PPB or the public, must be amended (paragraphs V-B-3, V-B-5, VIII-A, IX-A and Section VII, for example).

4--The local chain of command must be unbroken and transparent. The agreement says that officers can't talk to any supervisor who does not have security clearance (paragraph VI-A-4), which means the Police Commissioner, as we've discussed for years, can't supervise his own officers. Furthermore, Chief O'Dea today declined to tell us the name of the Criminal Intelligence Unit Lieutenant who presumably is ensuring compliance with Oregon law and Portland Directives. This is unacceptable.

A letter from the District Attorney responding to our 2013 public records request for a roster of PPB personnel noted that "there is a compelling public interest in police oversight and transparency... that has been satisfied by the voluntary disclosure of... the command staff of the various divisions." The roster we received does not identify the CIU Lieutenant and thus is arguably in contradiction to the DA's letter.

There are over 100 JTTFs in the United States—up until this vote, Portland was the only major city not participating full time with the agency. The newly constructed \$60 million FBI headquarters for Oregon still remains the only one without an office dedicated to the task force—though that could change after the Feb. 19 vote.

## **GoLocalPDX**

### **Portland Unable to Regulate Airbnb and Similar Companies**

*By Joanna Evoniuk  
February 24, 2015*

Nearly 90 percent of the home-sharing properties in Portland are operating illegally by not holding permits, according to a GoLocalPDX review of the industry.

Home-sharing companies like Airbnb and their hosts are not complying with all of Portland's rules for short-term rental units, while the City of Portland's attempts to regulate the industry have fallen flat.

The city is trying a new approach to ramp up enforcement. As of Feb. 23 the Portland Revenue Division can fine companies and hosts who are not in compliance with city ordinances for short-term rentals.

"Our goal is to invest the online platforms that facilitate these rentals to have a greater stake in the issue," said Mike Liefeld, enforcement program manager for the Portland Bureau of Development Services. "It gives authority to hold them responsible in hopes to make enough changes.

Despite warnings from the City, there are only 168 permits registered with the city for short-term rental properties out of an estimated 1,600 rentals. Not all companies have responded to the city's requirements for listing host's operating permit numbers on their websites.

Liefeld said city officials hope the possibilities of fines will encourage companies to ensure their hosts follow guidelines. However, community members want to see more results in regulating the rental-sharing market.

"It's a far cry from what it should have been by this time," Dean Gisvold, a leader of the Irvington Community Association, said about the number permits. "Even with the passing of these ordinances, I've not seen any evidence of what the city may be doing to crack down on what's not permitted."

#### **New Rules**

Portland City Council passed an ordinance on Jan. 21 that gives the Revenue Division power to fine companies and their hosts for failing to comply with city ordinances.

Hosts are required to apply for a permit through the Department of Development Services and undergo a health and safety inspection. Companies must collect a transient lodging tax, as well as require their hosts to apply for a permit and post their permit number on their profile. Companies can be fined \$500 for every listing that does not list a permit, according to Thomas Lannom, director of the city's Revenue Division.

Lannom sent a letter last month to the several short-term rental companies operating in Portland, such as Airbnb, HomeAway and FlipKey, informing them of the new codes and what actions they needed to take to avoid fines.

Some rental companies have responded positively to the letter, saying they want to do the right thing, according to Lannom. However, he has not heard back from some companies.

That said, Lannom said he has not issued any fines yet, nor does he plan to anytime soon.

"That's not our philosophy," Lannom said. "We are working with companies and trying to encourage them to come into compliance in the first place."

## **Citizen Concerns**

Some Portlanders are concerned about the number of hosts operating without a permit. Gisvold, whose neighborhood association has dealt with several Airbnb properties, said he thinks it is unfair for short-term rental companies and hosts to not follow guidelines other hospitality business do.

“A tourist has every right to an expectation they are going to be safe and secure,” Gisvold said. “We need more regulation before an incident of a tourist in a room with a fire. Health and safety has always been my main concern.”

Kit Thompson, an Airbnb host, said she is in the process of getting her permit approved.

“It’s good the city is concerned about safety for the guests. I know about the permit process—it’s a major time drag. But you’ve got to do it, like paying taxes,” Thompson said.

Steve Unger, co-owner of The Lion and The Rose Bed and Breakfast, said the city has made a reasonable license policy for hosts that is relatively inexpensive, and most hosts for private rentals were behind the ordinances that allowed them to operate in Portland.

However, some hosts could be concerned with subjecting their home to city inspections, according to Airbnb host Lisa Myers Warmington. She signed up for a permit, but is concerned the city did not outline how intense the inspections will be.

“That’s why they’re not signing up—they’re terrified,” Warmington said. “[the city] only gave a verbal promise of ‘light inspections.’”

## **Complying with Ordinances**

Airbnb spokesperson Christopher Nulty said the company sent a letter out to its hosts, informing them of the new requirements in Portland. Airbnb also collects the lodging tax from its hosts, according to Lannom.

“We ask all of our hosts to follow local rules and have outlined the requirements for Portland’s home-sharing regulations with our hosts on multiple occasions,” Nulty said. “We plan to continue working with the city to ensure that Portlanders can share their home while contributing to the community.”

Unger said although there is an option for hosts to list their permit number on their profile, they have the option not to fill out that field, and it will not show up if they do not.

How Portland reacts to the actions of home-sharing companies could set precedents for other places around the U.S., according to Unger.

“It be a good thing for the city to actually fine Airbnb,” Unger said. “It’s good for a city to take action, especially with other [cities] looking on. Portland is a leading edge on this.”