

The Oregonian

Can Portland increase diversity at highest ranks?

*By Brad Schmidt
August 14, 2015*

Concerned about diversity in its top ranks, the city of Portland will propose hiring tweaks aimed at recruiting more minorities.

The last seven bureau directors hired by Portland are middle-aged white men, three chosen with no competitive process.

Portland's diversity initiative would be modeled after the NFL's Rooney Rule, which mandates that at least one minority candidate be interviewed for head coaching and general manager positions.

Josh Alpert, chief of staff for Mayor Charlie Hales, said a proposal could be ready in about a month.

"It sends a signal to the community – not just in Portland but really anywhere – that we are open for business and are open to having a good, diverse workforce," Alpert said.

Portland's push comes six months after a city parks employee asked the City Council to adopt Rooney-like guidelines for recruiting bureau directors. In recent months, companies such as Facebook, Pinterest, Microsoft, Amazon and Xerox have embraced similar practices.

The changes could also extend to other top management positions, Alpert said.

The concept of a Rooney Rule – implemented by the NFL in 2003 and named after Pittsburgh Steelers owner Dan Rooney, who led a diversity committee – began in Portland with parks ranger Sam Sachs.

Sachs, a fullback for Western Oregon University in the 1980s, was disappointed when Portland State University hired a white 65-year-old, Jerry Glanville, to coach the football team in 2007.

Sachs, at the time working in loss prevention for Nordstrom, persuaded Rep. Mitch Greenlick, D-Portland, to sponsor 2009 legislation to require at least one minority candidate to be interviewed for Oregon college head coaching and athletic director positions unless no qualified candidate could be found. The bill passed.

Sachs joined the city full time in 2012 but made little headway on a Rooney rule. He tried again this year and eventually landed a meeting with Alpert, the top aide for Hales, who is up for re-election next year.

"Directors impact hiring, they impact equity and diversity, all of that stuff," said Sachs, 47.

Portland's Citywide Equity Committee wrote a letter to the City Council last month expressing concern about the common practice of appointing bureau directors and other top managers with no competitive process.

That benefits a predominately white workforce, members wrote, and fails to ensure that minority candidates "have equitable access to positions of authority in the city."

Anna Kanwit, Portland's human resources director, wants any new rule to be part of a bigger effort.

"What I don't want people thinking is, when we do this, then we're done, because we're not," she said. "Because we have to address the underlying issue: If I don't have qualified applicants, why not?"

The city legally can't set quotas or interview minority candidates simply for the sake of doing it, she said. Recruiting people of color to move to Portland will always be a challenge.

"But I do think we need to do some things differently," she said.

Dante James, director of Portland's Office of Equity and Human Rights, who moved from Denver, said he would like to work with human resources on reaching a broad pool of candidates for top posts.

Whatever happens, Sachs already has an idea for a name for the policy: the Charles Jordan standard, in honor of Portland's former city commissioner and parks director, who was one of only two African Americans ever elected to the City Council.

OHSU lobbying saves \$1 million in Portland fees

*By Brad Schmidt
August 13, 2015*

High-stakes lobbying at City Hall will save Oregon Health & Science University a reported \$1 million in Portland development fees when it builds the new Knight cancer research center and other projects in the South Waterfront District.

A lobbyist for OHSU successfully pressed members of the City Council to delay dramatic fee hikes until July 2016, a year later than originally proposed.

The reprieve gives OHSU time to complete plans for its massive center and two other buildings – nearly 1.1 million square feet in all – that will reshape the city skyline. The projects – including a 332,000-square-foot research center identified in city documents this week – is moving forward after a successful \$1 billion fundraising campaign for cancer research, including \$500 million from Nike co-founder Phil Knight and his wife, Penny.

The delay in fee increases will benefit every developer, but city records show it was a plea from OHSU – the city's largest employer – that prompted the deferral. Because of the size of its projects, OHSU stands to be the single biggest beneficiary of the delay.

The fee hike – which would be used to expand and improve the city's parks system – proved immensely controversial. Business groups and homebuilders objected to increases ranging from double to nearly quadruple existing rates, which are based on square footage, and filed a lawsuit.

Commissioner Amanda Fritz, who oversees Portland Parks & Recreation, wanted the increase to take effect in July 2015. But the City Council, when it approved the hikes in May, bumped the starting date to July 2016.

"I think the timing was based on the political realities of getting support," Tim Crail, a policy adviser for Fritz, said Wednesday.

Officials for OHSU declined an interview request Wednesday. In a statement, Brian Newman, associate vice president for campus planning and development, said Portland's increase should be applied only to new projects – not those with planning already underway.

"A substantial increase in the park fee mid-project is a major cost impact that would require changes to our buildings' size and design," he said.

Newly released lobbying reports show OHSU representatives began speaking with city officials about delaying the increases on April 10, five days before the City Council publicly discussed Fritz's proposal.

At the April 15 meeting, Fritz pushed the date back to January 2016. The City Council was scheduled to vote on that plan May 6. But on May 5, OHSU lobbyist Michael Harrison emailed staff members for Mayor Charlie Hales and Commissioners Dan Saltzman and Nick Fish.

Harrison asked for another delay, saying the Knight project's budget was final. The increases would end up "putting a hole in the Knight Cancer construction budget of nearly \$1m," he wrote, according to emails obtained by The Oregonian/OregonLive.

Harrison also warned that officials for Portland State University were worried about the effect on renovation plans for a 168,000-square-foot sports facility.

Harrison asked city leaders to delay higher fees until July 2016, to ensure OHSU had time to get a completed building permit application for the Knight center.

A top mayoral aide told Harrison that Hales would support the delay, records show.

When Hales proposed the change May 21, he didn't mention OHSU by name but said the delay would benefit a variety of projects in the pipeline.

Asked about it later that day, Hales' spokesman, Dana Haynes, said in an email that the office "heard from a lot of people" about the proposed increase. "That includes OHSU and PSU and private companies."

Preliminary plans submitted to the Bureau of Development Services this week show the Knight research project will be a mix of office and laboratory research space, with retail, parking and a conference center. The project budget is \$160 million and will be north of OHSU's 12-story Skourtes Tower.

OHSU also plans two other buildings near the Center for Health & Healing. That \$340 million project, totaling about 750,000 square feet, will include a patient care building and patient housing, although only some space will be dedicated to cancer efforts.

The Portland Tribune

Request a Ride

Before it drove into Portland, Uber picked up a powerful lobbyist.

*By Beth Slovic
August 12, 2015*

On Dec. 13, 2014, Mark Wiener hosted a Saturday détente at his Eastmoreland home between Mayor Charlie Hales and Uber, the ride-hailing company that had entered Portland's taxi market in defiance of City Hall.

Six days later, Wiener—a paid campaign consultant to a majority of the City Council, including Hales—signed a lobbying contract with Uber.

Wiener's dual role as consultant and lobbyist, reported last week by WW, played a key role in winning Uber a much-coveted market in Portland. Now it's raising questions about the ease with which campaign consultants can trade on their access to elected officials.

"There is an appearance of a conflict of interest," says City Commissioner Nick Fish, "when someone who is representing a company like Uber also represents the person they're trying to influence."

Fish, who doesn't employ Wiener and who voted against the April deal to allow Uber and its competitor Lyft to operate in Portland, says it's unethical to allow campaign consultants to lobby city officials they helped elect. "I think the average person would say there's something wrong with that."

But other city leaders don't see a problem. Hales gave Wiener his blessing to accept Uber's money, both men have said.

Wiener, whose list of Democratic clients reads like a who's who of Oregon politics, is still working for Uber. He told WW last week there was no conflict because he wasn't being paid simultaneously by Uber and the Portland elected officials he represents.

"I am neither under contract nor being paid," he said, "by anyone at City Hall."

He declined repeated requests by WW to disclose how much Uber was paying him, claiming the terms of his nondisclosure agreement with the company didn't allow it. Uber's lobbying reports to the city show it has spent at least \$62,000 lobbying City Hall during the first six months of 2015—far more than any other group has reported.

Wiener's dual role wasn't against city rules. But Uber appears to have broken at least one lobbying rule soon after hiring him.

It didn't report Wiener had acted as its lobbyist until April 10—almost three months after accurate lobbying statements for 2014 were due. That might be a violation of Portland's 2006 rules on lobbying, designed to bring greater transparency to City Hall.

On April 21, 11 days after Uber reported Wiener's work as a lobbyist, Hales joined City Commissioners Steve Novick and Dan Saltzman (also Wiener clients) in a contentious 3-2 vote to legalize Uber.

Portland City Auditor Mary Hull Caballero tells WW she will investigate whether Uber broke the city's 2006 rules; the company has been warned about compliance with those rules, she adds. Portland's enforcement system is triggered only by a complaint to the auditor.

Uber says it didn't break city rules because Wiener was giving the company "strategic advice" in December, not lobbying for it. Portland, however, defines lobbying broadly to include time spent preparing to communicate with officials.

Wiener hosted the Dec. 13 meeting in his dining room eight days after Uber defied city rules by running cars here ("Drive," WW, Dec. 31, 2014). Hales, Novick and two Uber managers attended—and agreed the city would reconsider its taxi rules if Uber backed off.

Portland's elected officials are required to disclose all meetings with lobbyists on their calendars. But Novick's December 2014 calendar makes no mention of the Dec. 13 meeting. The mayor's calendar does not include the Dec. 13 meeting.

Last week, after WW reported Wiener's dual role in Uber's arrival, Hales told KATU-TV there was nothing wrong with Wiener's work for Uber and that he approved it.

WW asked Wiener why he sought the mayor's permission. "I checked with Mayor Hales to ensure that my involvement would be potentially helpful and productive in forwarding good public policy," Wiener said, "as Uber and the city tried to repair a relationship that had become very difficult."

In 2010, Wiener told The Portland Mercury that he didn't try to influence public policy. "I made a decision a long time ago that I would not be a lobbyist, and I'm not," he said. "I help people get elected."

Today, he says, "I don't really think of what I do in this regard as lobbying as it is classically defined."

Debbie Aiona, a director with the League of Women Voters of Portland, says the public should be concerned about the issue.

"The issues these people are working on are important to all of us," she says. "We want people working on them who don't have conflicts of interest."

Fish wants Portland to follow the lead of lawmakers in New York state who've also confronted the issue of campaign consultants acting as lobbyists. There, lawmakers have attempted to require consultants to report their activities under regulations similar to those for lobbyists.

Short of that, Fish thinks elected officials should make individual pledges not to let their own political consultant lobby them.

"That's how you solve the problem," he says. "It's too much of a gray area, and at some level it just doesn't look good."

Correction: The original version of this story incorrectly said Portland imposed lobbying regulations in 2007. It was 2006. We regret the error.

The Portland Mercury

A Preemptive Strike

State Laws Are Stymieing Local Efforts to Fund Affordable Housing

*By Shelby R. King
August 12, 2015*

FORGET THE STREET FEE. The next big ask from Portland voters could be the "sleep fee."

As the city's housing crisis worsens, groups looking for solutions are finding no easy answers, in part because Oregon has preemptively banned a laundry list of methods that other states use to create dedicated funds for cheap housing. That's inspiring some novel ideas—which could be headed to the ballot in the near future—for how Portland can scrounge up new cash.

For months, Jes Larson, director of the Welcome Home Coalition, has been leading a group trying to find ways to fund more affordable housing in the city. The group's looked to 700 other cities and found that many of the solutions used across the country aren't possible in Oregon, thanks to statewide preemptions on things like inclusionary zoning, rent control, and real estate transfer fees.

"Many of the cities we looked at have committed local revenue to creating affordable housing," Larson says. "But the most common mechanisms used in other cities are banned in Oregon."

Other municipalities often generate housing funds by charging a document recording fee during real estate sales and by enacting a real estate transfer tax. Oregon can do neither.

Back in 2012, the Oregon Association of Realtors bankrolled a campaign to enact Measure 79, which amended the Oregon Constitution and banned local governments from charging a transfer tax—a fee, usually paid by the buyer at the time of sale, which other jurisdictions sometimes put into a kitty to reserve for creating affordable housing units.

The real estate association pushed the legislation through during the recession, when home sales were down, convincing voters that adding more cost to a home's price could hurt the already-flagging market.

Opponents of the bill, such as Oregon Opportunity Network Executive Director John Miller—who also happens to be a real estate agent—said at the time that they failed to see how adding a few hundred bucks to the sales price would scare away a buyer. But the Oregon Realtors Association was able to spook voters into approving the ban.

Actually, the vote amounted to a redundancy. At the time, real estate transfer taxes were already banned, though a 60 percent majority in the legislature could have changed that. With the constitutional change, voters now would have to repeal the current law, and then get a bill through to add a tax.

Things have changed a great deal since 2012. The real estate market is on fire right now, according to the latest data from Nick Krautter, a local real estate agent who tracks home sales. He says Portland-area homes are selling at a record pace and for record prices.

"Pending activity is picking up, so expect the number of home sales to be higher for August," Krautter wrote in his August 7 newsletter. "It appears the increased amount of buyers in this summer's market have decided to cope with the rising home prices and are determined to make a purchase before prices rise even higher."

In July alone, 1,162 homes sold in the Portland metro area, which is 106 more than June, according to Krautter's data.

In other cities, that activity would have spurred a boatload of cash for cheap housing. Not so, here.

Transfer taxes aren't the only way Measure 79 crippled advocates' attempts to find funds. The association responsible for pushing the legislation through also made sure people buying or selling homes wouldn't get dinged by a sizeable document recording fee—another popular way other cities collect housing money.

Portland's recording fee is \$45, Larson says, with just \$20 of that set aside for affordable housing. Other jurisdictions charge hundreds of dollars for the same service.

"The measure was facilitated by homebuilders, who were able to convince voters that it's overreach to have the state taxing people when they're selling a home," Larson says. "We're missing an opportunity here in Oregon with banning a real estate transfer tax, especially with developers who are buying and selling again and again."

In the face of these preemptions, Portland's somewhat restricted in how it can pay for affordable housing. Right now, many projects are funded through the city's urban renewal areas, where 30 percent of city renewal funds have to be spent on cheap housing. It's valuable money, but it also severely limits where, and when, projects can be built.

Then there's the city's Multiple-Unit Limited Tax Exemption (MULTE) program, which allows developers to get out of paying property taxes on new developments in exchange for including a certain percentage of

below-market rate units. City council recently voted to expand the program, but MULTE funds are not a cure-all.

So Larson and her organization have been looking for ways to create less-restricted housing revenue. Right now, they're thinking about dipping into tourists' wallets. The Welcome Home Coalition is polling locals to see if a hotel and dining tax would be a viable option.

"Tourists coming to Portland have expressed concern with visible homelessness in our city," Larson says. "A hotel tax would be a way to generate revenue from tourism to address that problem."

The coalition is also considering asking voters to approve a new general obligation bond or a property tax.

Housing Commissioner Dan Saltzman says he's open to new ideas, but notes voters are often reluctant to pay more taxes.

"I think a general obligation bond has potential because most voters are cognizant of the need and it's the most straight-ahead idea," he says. "The dining and hotel tax is an interesting idea, but we'll see what the polling shows."

One probable opponent: Advocates for Portland's tourism economy, who say pricier rooms and meals could scare away tourists.

"The main concern is that it could have a negative impact on the current tax collections," says Megan Conway from Travel Portland, noting that Portland's lodging tax is often less than similar cities. "Raising the tourism tax could result in us losing our footing as a more desirable meetings destination, which could in turn result in lower tax collections for the industry and the city."