

## The Oregonian

### Portland gas tax: Steve Novick proposes 10 cents per gallon

*By Brad Schmidt*

*October 5, 2015*

Portland voters in May likely will be asked to support a 10-cent-per-gallon gas tax to temporarily pay for street repairs and safety projects, the latest dramatic curve in a two-year political crusade by Commissioner Steve Novick.

Novick, who oversees Portland's transportation bureau, has now settled on a gas-tax proposal that would produce about \$58 million over four years.

If approved by voters, the local gas tax would be the highest in Oregon. Seventeen cities or counties have gas taxes ranging from a penny to a nickel per gallon.

Novick said he is optimistic about the gas tax after reviewing new polling results. The tax would raise far less money than the controversial street-fee proposal initially pushed by Novick and Mayor Charlie Hales in May 2014.

"I think the voters recognize the time to act is now," Novick said.

Novick said he will ask the City Council to send the tax to voters in the May 17 election – the same time that Novick and Hales are seeking re-election.

Hales has already publicly pledged support. Commissioners Dan Saltzman and Nick Fish are likely to offer support, too, having previously said they wanted any funding decision to be made by voters.

The proposed tax would run four years, Novick said, with a citizen oversight board and periodic audits to monitor spending.

On Monday, Novick will discuss the recent poll results – funded by his re-election campaign – and will also unveil a list of potential safety and maintenance projects that could be funded by the tax.

"It's not a final list," he said. "It's an example."

Earlier this summer, it looked unlikely that the City Council would push for new transportation funding.

Hales and Novick put efforts on hiatus in January to see if the Legislature would approve new statewide funding. When that didn't happen, and lawmakers indicated they wouldn't try again until 2016 at the earliest, Hales offered no new local plan.

"We will wait, we will pave, and we will continue to have faith in our leaders in Salem," Hales said in a July statement.

But Novick kept pressing, talking to business leaders, trying to build support. And the City Club of Portland last month endorsed a gas tax as the first step in a broader funding strategy.

After members of the City Council have "done nothing" to address the problem for nearly 30 years, Novick said, the gas tax would show voters that elected leaders are taking steps to fix Portland's crumbling roads.

"Doing something is much more preferable than continuing the past," he said.

## **The bold promise to reduce homelessness: Editorial Agenda 2015**

*By The Oregonian Editorial Board  
October 3, 2015*

The pledge last week of \$30 million by the City Council, in partnership with Multnomah County, to reduce Portland homelessness is right-minded and on-time. That's why it must be fulfilled over the next year and not descend to mayoral election chatter or budget infighting over previously stated spending priorities, among them street repair.

It is unacceptable that about 1,800 people lack shelter on any given night, regardless of season, in Portland and its environs. It is equally unacceptable that the city bound forward and upward in post-recession recovery with homeless numbers holding even or even creeping upward. The dissonance of lost souls on sidewalks or beneath overpasses as gleaming new buildings rise nearby signals the wrong message about Portland's capacity to get things right. Coddling a dependent class of people won't do, but neither will failure to serve the unlucky and the needy.

Dignity Village and Right 2 Dream Too, meanwhile, are ghettos operating successfully by their own logic, but they provide no working model for long-term accommodation to the city's burgeoning homeless population.

The challenge of finding \$30 million to help so many people, meanwhile, cannot be underestimated. Several public needs compete, among them seismic infrastructure upgrades to water facilities and repairing the city's neglected streets. It will be a test of Mayor Charlie Hales' resolve to help guide the Council in setting its spending priorities over the next several months. Among other things, the Council will be asked to commit to an overhaul of the decrepit Portland Building, a project favored by Hales but estimated to cost more than \$170 million and to substantially deepen the public's debt load.

Hales faces a tough race for re-election. But he has, with this new commitment forged in partnership with Multnomah County Commission Chair Deborah Kafoury, placed himself on the line to be held accountable. He should, along with the city's former and current housing commissioners Nick Fish and Dan Saltzman – the trio carried the Council vote – view follow-through on the pledge as an opportunity as much as social necessity.

The action is large. Brad Schmidt of The Oregonian/OregonLive reported that the city's \$20 million commitment to the county's \$10 million takes the following rough shape: about \$10 million to create 250 affordable housing units for people who are homeless and another \$5 million to provide temporary shelter for about 650 women, children and people with

disabilities. About \$2.5 million will be spent on helping folks avoid eviction, a problem intensified by a booming rental market with skyrocketing rents; and about \$12.5 million for outright rent assistance to qualifying individuals, as well as placement and support services.

Unfortunately, the subject of homelessness creates division. The blame-the-victim view is that Portland is too soft on the dispossessed, who then exploit the city for its tolerance and resources, and, finding things comparatively agreeable, multiply in number and escalate the social challenge. Those who view the homeless as unlucky and in genuine need of assistance, however, struggle to reconcile the city's prosperity with an expanding underclass, assistance to whom outstrips available public and nonprofit resources.

Neither view is correct. Homelessness finds most of its victims, who, by failure in the job market or illness or other limits withstand a destabilized world by having no place to sleep at night. The Council's bold commitment to change the circumstance is right. The action needs to be more than simply aspirational.

## **The Portland Tribune**

### **Novick wants 10 cent city gas tax on May 2016 ballot**

*By Jim Redden  
October 5, 2015*

Commissioner Steve Novick announced Monday morning that he will ask the City Council to place a ballot measure creating a 10 cent a gallon gas tax on the May 2016 Primary Election ballot.

Novick said the tax would expire in four years after raising \$58 million for street repairs and safety projects. He released a tentative list of projects prepared by the Portland Bureau of Transportation that allocated \$32.5 million to paving projects and the rest to safety projects.

Novick also released a poll that showed Portland voters would support such a tax by a margin of 55 to 37 percent, with 8 percent undecided.

"Momentum has been building in recent months for a gas tax," said Novick, citing a recent City Club of Portland vote in favor of it. Mayor Charlie Hales and his primary election opponent State Treasurer Ted Wheeler have both endorsed it.

Joining Novick at the Monday morning press conference were a number of business and community leaders who support the tax.

Novick says he has talked with the other three members of the council about the tax but not yet asked for their votes. He said the council must vote by January for it to appear on the May 2016 ballot.

## The Portland Mercury

### Surprise! It's an Emergency!

## They Mayor Says Portland Is in Crisis. That Might Be a Good Thing.

*By Dirk VanderHart*

*October 1, 2015*

MAYOR CHARLIE HALES was office-hopping.

With his chief of staff and the city attorney in tow, Hales dashed out of a meeting with Commissioner Steve Novick just minutes before the September 23 city council hearing. Then he ducked into Commissioner Nick Fish's office for a brief, whispery huddle.

Hales had a surprise for his colleagues—one you'd think would merit more than a quick heads up before it was unveiled to the wide world: The mayor was about to announce the city is formally in crisis.

"I'm going to bring forward to the city council a proposal to declare a housing emergency for Portland," Hales told the public, minutes after telling Fish. "That will produce authority for the city to do things better and faster than we do now."

It was an abrupt move, with questions swirling about how it would even work—which meant it was perfectly illustrative of Portland's frenzied efforts to get something (anything) done to quiet the full-throated alarm over housing.

Blink these days, and you'll miss the newest proposal for fixing Portland's woes. On September 15, the Community Alliance of Tenants held a press conference declaring a "state of emergency" in Portland housing, urging city hall to enact bold renter protections.

The next day, Housing Commissioner Dan Saltzman announced his own weaker series of renter protections—what he claimed are the strongest options we have under current law. Not until a day or two after that, according to their own timeline, did Hales' staff get to work on an emergency announcement.

If city council agrees to declare that emergency—the mayor's office scheduled an October 7 vote—it will be an almost unprecedented move. The day before Hales' announcement, Los Angeles became the first city in the US to declare an emergency around homelessness.

But the LA proposal came with a hard spending commitment of \$100 million in the next year. Hales' proposal has no spending goal. It's actually very narrow in scope: The mayor says a formal state of emergency will allow the city to suspend its zoning code, and more easily build new shelters for women and people with mental illness.

Is it a publicity stunt? With Hales facing stout competition from State Treasurer Ted Wheeler in next year's mayoral race, plenty of people have suggested as much. Hales jokes that putting more homeless shelters in people's backyards isn't the best way to win fans.

Stunt or no, though, the mayor has left the door open for something bigger than a couple of new shelters.

Just hours after learning of Hales' intention, Commissioner Fish was inviting reporters to hear a seven-point housing plan he was clearly formulating on the fly. It's made up of predictable elements, like leveraging some of the money that went to roads in this year's budget for housing, and making the Portland Development Commission spend more on cheap units.

Those ideas have been around a while, but they've got more legs in light of Hales' "emergency" talk.

"My interpretation," Fish says, "is that council is now going to say this is the most important issue confronting the city."

Not many Portlanders would disagree.

## Daily Journal of Commerce

### Hales' demolition tax plan worries builders

*By Garrett Andrews*

*October 1, 2015*

Homebuilders are worried about an idea being floated by Portland Mayor Charlie Hales to charge \$25,000 for "one-to-one" demolitions on residential property.

As part of his "Neighborhoods Initiative," Hales wants to heavily tax owners for razing "serviceable" single-family houses in zones R 2.5 to R 20. The move is intended to preserve both the diversity of housing stock in single-family zones and the availability of affordable housing.

Hales told the DJC that one thing that makes Portland unique is "neighborhood after neighborhood of nice, affordable single-family homes."

"Home prices are ascending rapidly; people are barely hanging on," he said. "The loss of affordable single-family homes one-by-one is a part of our crisis."

The tax would not apply to structures being demolished because of fire or other forms of catastrophic loss, or those declared derelict. The money raised through the tax would go to affordable housing, Hales said.

The matter will go before Portland City Council on Oct. 16. Hales said the tax amount could be modified.

"A lot of people told me they love the demo tax idea," he said. "Some people have told me they thought the amount was too low. I don't know if we've perfected the Goldilocks test."

The plan has local homebuilders worried, said Paul Grove of the Home Builders Association of Metropolitan Portland. He said taxing teardowns could have a result opposite of what the mayor intends. It could make it difficult for a developer to build two or more houses on an existing lot.

“In essence, this is a tax on density,” Grove said. “To maintain housing affordability, we have to have density, and the proposal would tax these alternatives that are the stated objectives of the city.”

One way that developers are building up infill is via “skinny” houses – razing a structure and replacing it with two narrow houses on the same lot. And if Hales is worried about preserving the history of a neighborhood, he shouldn’t go after skinny houses, Grove said.

“Skinnies go back to the early 20th century,” he said. “Portland has a long history of housing diversity.”

The “Neighborhoods Initiative” is a five-part plan to ensure that Portland’s neighborhoods remain “affordable, livable and equitable.”

Hales used the example of a \$350,000 home being purchased, torn down and replaced with a \$900,000 home that clashes with the surrounding Concordia neighborhood. Such an act can have a pernicious effect of pricing out a neighborhood’s current residents, he said. A map of home demolitions over the past five years shows heavy concentrations in the Cully and Concordia neighborhoods in Northeast Portland, and along Powell Boulevard and Division Street in Southeast.

Last year, 181 demolitions occurred in single-family zones, according to the Bureau of Development Services.

The proposed tax would be a unique policy. Other communities charge fees above and beyond basic permits, but do so to preserve a neighborhood’s character, according to Jillian Detweiler of Hales’ office.

But Grove said the mayor should go after buyer behavior, and not tax those supplying the demand. There is a greater problem with the city’s overall housing policy, he said, in that it prevents entry into homeownership by levying costs on first-time buyers.

“This will take us closer and closer to San Francisco,” he said in reference to its lack of affordable housing.