

The Oregonian

Portland's expensive housing and its leadership vacuum: Editorial Agenda 2015

*By The Oregonian Editorial Board
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Portland Mayor Charlie Hales and his colleagues on the City Council have cranked open the policy floodgates in response to the escalating cost of housing. This is a serious problem, and responsible policies to address it deserve serious consideration. To witness the frenzy at City Hall, however, is to recognize, once again, Portland's yawning leadership vacuum.

What Portland needs is someone – ideally a mayor – willing to step back from the crisis du jour and urge colleagues and constituents to consider how specific proposals fit within the city's larger function. Portland needs to provide reasonably priced housing, to be sure. But it needs to do a lot of other things, too, like furnishing employment and meeting the needs of middle-class people, including those with blue-collar jobs.

Consider from a middle-class perspective two of the housing-cost measures under discussion.

First, to generate money for affordable housing, Commissioner Dan Saltzman would like to explore a fee on new housing. Saltzman, who oversees the Housing Bureau, says he's going to ask Council this month to fund a study that will "look at how new development impacts the need for affordable housing." Such a study could be used to justify the imposition of a fee on new projects, which would be used to subsidize affordable housing.

Second, Hales wants to tax anyone who'd like to demolish a residential structure – even to build a new one in its place - \$25,000. As of weeks ago, the tax was just that – a tax. But the latest iteration of the proposal allows property owners to collect rebates for building multiple units or affordable housing. Council will discuss the proposal Wednesday.

Council's policy grab bag includes other things as well. There's a promise to spend millions to reduce homelessness. There's the declaration of a housing emergency and consideration of a renter-protection ordinance. The two revenue proposals stand out, however, because they purport to address an affordability problem by, paradoxically, adding taxes and fees to the thing that's already considered too expensive.

The rising cost of housing in Portland is not a new phenomenon, nor have city commissioners been unaware of their own role in driving prices upward and otherwise increasing the cost of living in the city. Just months ago, for instance, the Council narrowly approved a new method of calculating system development charges for parks. As a result, fees will jump significantly for new housing and business space. Saltzman, one of two commissioners to oppose the park methodology, said he did so in order to preserve "room" for an affordable-housing fee.

Council is now poised to discuss Saltzman's housing fee and the mayor's huge demolition tax. Room? Who needs room? There's no need to set priorities, it seems, when you assume that

Portlanders have a limitless tolerance for higher costs, including taxes for the arts, new taxes and fees for housing and – next year – the adoption of a 10-cent citywide gas tax.

Hales and his colleagues together have failed Portlanders not only by agreeing almost uncritically to the steady escalation of costs, but also by helping to limit employment opportunities. If you're going to pay more and more for housing and for living, it really helps to have a good job. But when the Portland Planning and Sustainability Commission's environmental requirements effectively killed the Port of Portland's effort to develop part of West Hayden Island – and provide badly needed employment – most commissioners shrugged. The mayor even declared himself "comfortable" with the result. As a sequel, Hales has tried to chase off Pembina Pipeline Corp., which would like to invest hundreds of millions in a propane-export terminal at the Port. So much for those jobs, too. Did his colleagues rise up in protest? Hardly.

By failing to recognize how each successive tax or fee increase contributes to an affordability problem everyone claims to abhor; by refusing to support the creation of blue-collar jobs (and even chasing them away!), Hales and his colleagues have pushed the city further in a direction no one likes. The wealthy are, and will remain, relatively immune to rising housing costs. Low-income residents will benefit from any increase in housing subsidies. The middle-class will see higher costs and receive no subsidies. Portlanders who work in politically unpopular industries, meanwhile, will find few friends in City Hall.

Ironically, the mayor's demolition tax itself embodies the problem. It's supposed to preserve the availability of affordable housing stock, yet low-income Portlanders aren't likely to buy single-family homes in today's overheated market. Such "affordable" houses are, thus, not affordable to most of them in any case. High-income Portlanders are best able to shrug off a \$25,000 tax to build the newer and better homes they want. The tax, instead, will weigh heavily on middle-income homeowners, who may thus decide not to embark upon projects that would support the jobs of people in the construction industry, some of whom have modest incomes. What Hales seeks is, in effect, a \$25,000 tax on job creation dressed up as an affordable-housing initiative.

Higher taxes and fees, missed employment opportunities and a hard-pressed middle class. With the right leadership, Portland could do much better.

Portland Fire Bureau employee who said chief grabbed him by neck sues for \$47,500

By Aimee Green
10/13/2015

A former Portland Fire Bureau manager who says Fire Chief Erin Janssens suddenly grabbed him by the neck and aggressively shook him during a work meeting has filed a \$47,500 lawsuit against Janssens.

Brian Alcid has suffered embarrassment, anxiety and emotional distress from the Dec. 4, 2013, encounter with the chief in her office, according to Alcid's suit filed Monday in Multnomah County Circuit Court. Alcid and Janssens had disagreed over the budget for some fire station artwork.

Alcid and a deputy fire chief -- who witnessed part of the incident -- have said they didn't immediately file complaints with the city's Bureau of Human Resources because they worried about keeping their jobs. But as Alcid's planned retirement date from his job as senior facilities maintenance neared, he ultimately did complain -- in October 2014, 10 months after the incident.

Janssens responded to human resources by disputing Alcid's account, saying she only placed her hands on top of Alcid's shoulders, near his neck.

The city found in a May 2015 report that although the physical contact was unwelcomed, it lasted only a few seconds and didn't cause Alcid any "physical distress."

The city also determined that the chief was "discourteous." Portland City Commissioner Dan Saltzman, who also is fire commissioner, decided not to discipline Janssens. Janssens is Portland's first female fire chief and has held the position more than three years now.

In June 2015, the incident and the decision not to discipline the chief became public. In July 2015, the city was forced to release its human resources report into the incident. Although the city had refused to release the report, The Oregonian/OregonLive appealed to Multnomah County District Attorney's Office and the office ordered that it be made public.

DOCUMENT: Portland's Bureau of Human Resources investigative report

Commissioner Saltzman might have fanned the flames in June by stating, as reported in The Oregonian/OregonLive: "After reviewing the investigation by the City Attorney's office and the Bureau of Human Resources of Mr. Alcid's complaint, it was clear to me that a retired employee was attempting to undermine Chief Janssens' authority."

After seeing Saltzman's statement, Alcid told The Oregonian/OregonLive in June that he was disgusted.

"I thought I was taking the high road by not pursuing financial compensation for the chief's actions and just reporting it to HR," Alcid said.

On Monday -- four months later -- Alcid filed his lawsuit. He lists Janssens -- and not the city -- as a defendant.

Portland attorney Kevin Keaney is representing Alcid. (Read the lawsuit).

The Portland Business Journal

Hales' revised demolition tax would only target Portland builders who don't boost density

*By Jon Bell
10/12/2015*

Mayor Charlie Hales still wants developers to pay a \$25,000 fee when they demolish homes in Portland, but new guidelines aimed at boosting affordable housing and density could give some builders a pass on the tax.

As the proposed fee was originally pitched, builders would pay \$25,000 for tearing down single family homes that are still in livable condition. They would also pay an additional \$25 for every year the house has been around. Funds generated by the tax would go into a city housing fund aimed at home ownership and other programs.

Under new guidelines released last week, however, builders who tear down a single home and replace it with either affordable housing or multiple new dwellings would be able to apply for a rebate. The fee would also not apply to derelict homes or those seriously damaged by fires, landslides, floods or other disasters.

The city projects that the fees could generate between \$1.25 million and \$3.75 million, depending on how many demolitions take place and how many would trigger the fee. The latter number would represent 150 demolitions. The city had about 180 demolitions in 2014.

According to Restore Oregon, a nonprofit dedicated to preserving historic and other structures in Oregon, Portland is on track to nearly double that number, with close to 400 expected for this year alone. In announcing a new web site focused on neighborhood preservation last week, the nonprofit noted that fewer than 9 percent of the homes being demolished are being replaced with multi-family structures that will increase density.

The Portland City Council will take up the issue during its regular session on Wednesday.

Go Local PDX

Hales, Wheeler Voice Support for Minimum Wage Increase

*By Brendan Murray
10/13/2015*

Calls to increase Oregon's minimum wage by Oregon House Speaker Tina Kotek (D) received praise and support from the City of Portland's Mayoral candidates, State Treasurer Ted Wheeler (D) and incumbent Mayor Charlie Hales (D).

Both candidates voiced their support for raising the minimum wage, both in the City of Portland and across Oregon. Hales' Office declined to give a specific figure for the State's minimum wage while Ted Wheeler called for a minimum wage hike past the often cited \$15 an hour.

Last week, Kotek cited figures from the North Star Civic Foundation, a group of Portland business leaders, to explain why she believes the State should raise its minimum wage to \$13.50. Other groups have gone further than Kotek, asking for Oregon's wage floor to be raised to \$15 an hour.

Oregon would not be the first state to pass such a measure. Portland's west coast neighbors Seattle, San Francisco and Los Angeles have all passed laws that will raise their minimum wage to \$15 before 2020. Washington DC has done the same, and New York City passed a law this summer that raised the minimum wage for fast-food workers to \$15.

Oregon currently has the second-highest minimum wage of any state at \$9.25 an hour. Washington, the state with the highest minimum wage, guarantees workers \$9.47 an hour.

Hales Wants \$15

Sara Hottman, a spokeswoman for the Mayor's Office, told GoLocal that Hales supports a minimum wage of \$15 for the City of Portland.

"The Mayor has said he supports a higher minimum wage, and that is why he raised the minimum wage to \$15 an hour for city employees," Hottman said. "He believes that is what is right not just for public employees, but for workers across the city."

Hales used minimum wage as a centerpiece of his State of the City speech earlier this year.

"Another passion of mine: Living wages for city workers," Hales said in the speech. "It's a passion for a lot of us, including Dan Saltzman: This year we'll be proposing my budget that all full-time permanent employees and contractors of the city of Portland make \$15 per hour. It's the right thing to do."

Hottman did clarify, however that while Hales also supports an increase to the State's minimum wage, he does not have a clear wage in mind.

"He has not identified a state-wide figure for the minimum wage," Hottman said. "He has offered his approval for an incremental rise in the State's minimum wage, which would bring it to \$12, then \$13, then \$14 and \$15."

Wheeler Wants More

Wheeler, like his opponent Hales, told GoLocal he believes the minimum wage in the city should be raised. He cited the increasing cost of living and the rate of inflation in calling for the increase.

"The minimum wage has not kept pace with inflation or productivity," Wheeler said. "It should be increased. While there will be an important debate over the right number, more important will be if local cities like Portland can set our own, higher minimum wage."

However, in a departure from most groups calling for an increase to wages, Wheeler did not stop at \$15 an hour, saying he would like to see wages in Portland climb even higher.

“Let’s not fool ourselves, even \$15 an hour is not enough to sustain a family or rent a decent home in Portland,” Wheeler said. “We need to do much more to connect people to the skills and education they need to get jobs that pay \$25 or \$35 an hour, jobs which are going unfilled today.”