

The Oregonian

New rules proposed for taxis, Uber, Lyft

By Elliot Njus

October 29, 2015

A slate of proposed rules unveiled Thursday sets the stage for Uber and Lyft to stay in Portland permanently alongside traditional taxicab companies.

The rules, proposed by city Commissioner Steve Novick, would again reshape the city's for-hire transportation market. That industry was shaken up earlier this year when the city allowed ride-hailing firms in, doing away with limits on the size of taxi fleets and deregulating fares along the way.

Here are some notable changes if the proposal is approved Nov. 5 by the City Council:

Annual taxi permit fees will be replaced with a 40-50 cent surcharge on each ride.

The fees would be collected by taxi and ride-hailing companies and paid to the city quarterly.

Bryan Hockaday, a Novick policy advisor, said permit fees never covered the cost of overseeing taxicab service. He said the per-ride fee, rather than an up-front fee, would avoid pricing small companies out of the market.

A coalition of local taxi companies — Radio Cab, Green Cab, Portland Taxi Cab, Union Cab, Broadway Cab and Sassy's Cab — characterized the new fee as a tax that would be passed directly to the public.

"Instead of requiring companies to pay permit fees, customers would pay all city program costs," the group said in a statement. "This new tax rate would be set by the Bureau of Transportation, without City Council oversight."

A requirement to maintain a wheelchair accessible fleet would be replaced with a requirement to provide 24/7 wheelchair-accessible service.

Taxicab companies were previously required to have a fleet that was at least 10 percent wheelchair accessible. But those vehicles weren't necessarily on the road at a particular time of day.

Instead, the city will require that each company provide wheelchair accessible service 24 hours a day.

Hockaday said the city would step up its enforcement, auditing the companies and issuing fines when a wheelchair-accessible ride isn't available. The city has only issued warnings during the pilot program that began in April.

Taxi, Uber and Lyft drivers would go through city-mandated training within 30 days of obtaining a permit.

The training would cover the city's for-hire transportation code, traffic safety, Portland-area attractions and customer service.

The city would provide training, but companies could develop their own materials to be approved by city transportation officials.

Drivers currently have to pass a knowledge test within six months of receiving their permit.

'Historic day': Portland pledges \$67 million for affordable housing

*By Brad Schmidt
October 28, 2015*

In what was billed a "historic day," the Portland City Council on Wednesday pledged nearly \$67 million to subsidize the development of affordable housing over the next decade.

Most of the money will be targeted for projects in gentrifying North and Northeast Portland and to ensure affordable units are included when the Pearl District post office is redeveloped.

The \$67 million comes on top of \$202 million in urban-renewal funds already earmarked for housing efforts through June 2025.

"This is a significant increase in the amount of money dedicated to affordable housing, and I pledge on behalf of myself and the Housing Bureau that we will spend it wisely and effectively," Commissioner Dan Saltzman said.

The financial pledge results from a major policy shift highlighting Portland's new-found political importance of affordable housing. The City Council voted 5-0 to increase the percentage of money dedicated to affordable housing within designated urban-renewal districts, boosting the share from 30 percent to 45 percent.

Just a few months back, city officials recommend no financial changes to their 9-year-old "set-aside" policy. But a city advisory commission in August called for an increase to 50 percent, leaving city leaders scrambling.

Officials delayed making any formal recommendations until last week, after Saltzman and Commissioner Nick Fish brokered a compromise with Mayor Charlie Hales.

Increasing the money dedicated to affordable housing will leave less for redevelopment efforts by the Portland Development Commission. It will also reduce urban renewal money available to help pay for road and park projects within renewal districts. But city officials said the changes would not impact existing commitments.

Hales, who oversees the development commission, had initially resisted a 50 percent figure. But he believes the 45 percent compromise offers a good balance – and housing advocates supported the increase during Wednesday's City Council hearing.

Developer Dike Dame, who sits on the city's housing advisory board, said the increase was a "no brainer," even if it was less than requested.

"Life is all about compromise," said Dame, who is working with partner Homer Williams on an affordable-housing project on city-owned property at RiverPlace south of downtown.

The City Council had been scheduled to approve the policy shift Nov. 4 but voted immediately, citing the city's three-week old "housing emergency" as justification.

able to say how many units the \$67 million would help fund, although Saltzman said it would be in the "hundreds."

UPDATE: Kurt Creager, the Housing Bureau director, said the money should help cover 670 to 700 units. Patrick Quinton, executive director for the Portland Development Commission, said the money would be budgeted over the next five years.

The money will be spent on affordable rental units for families earning up to 60 percent of the median family and home-ownership programs for families earning up to 100 percent of the area median, according to city guidelines.

In what Saltzman called a "historic day," the City Council on Wednesday also authorized a study that could lead to new fees on development projects to help pay for affordable housing. The analysis is due next spring, but officials said similar fees elsewhere raise anywhere from \$5 million to \$30 million annually.

Combined, the moves represent the latest financial commitments to housing in Portland.

In 2014, Hales committed \$20 million toward affordable housing in North and Northeast Portland. Last month, Hales pledged \$20 million to combat homelessness. And two weeks ago, the City Council increased the notification period for no-cause renter evictions to 90 days.

Hales, who announced this week he would not seek re-election, said he was proud to see the City Council do so much in so little time. But he said Portland still needs more money.

"In effect, this council is taking the cash drawer that we have and shaking it upside down and finding almost every dollar that we could possibly find for housing," he said. "There's not much else in that drawer after this good work."

Charlie Hales renews campaign for burdensome local 'box' ban: Editorial Agenda 2015

*By The Oregonian Editorial Board
October 28, 2015*

Charlie Hales may have lost his stomach for his re-election campaign, but Portland's mayor seems just as enthusiastic as ever about giving local businesses ulcers. On Friday, Hales' office informed the Portland Business Alliance via email that it "is planning on bringing the ban the box ordinance back to council on the afternoon of November 8th." By way of context, the Legislature this year approved a statewide "box" ban, which goes into effect Jan. 1. Rather than waiting to see how it works, Hales wants to play legislative leapfrog with something more burdensome.

The "box" everyone's busy banning these days refers to the tradition of asking job applicants whether they've been convicted of a crime. Traditionally, many of those who've answered in the affirmative (by checking the box, which can be figurative or literal) have been dismissed out of hand even though their crimes may have occurred many years previously and had little direct bearing on the employment they sought.

Why not, the argument goes, give such people the chance to make their cases to prospective employers without their rap sheets hanging over their heads? Having gotten to know applicants in this fashion, prospective employers might give their criminal histories less weight when the information emerged later in the hiring process. Either way, at least applicants would get a fair shot.

Prodding employers to at least consider hiring people with criminal histories is certainly worthwhile. Unless, that is, the prodding is done vigorously with a very pointy stick and

"consider" is just a polite way of saying, "do it or else." Hales' office was pushing the pointy-stick approach before pausing during this year's legislative session. The proposal Council will consider next month, Wiggins explained in her email, is a slightly modified version of a draft circulated in June.

That proposal would allow an employer to conduct a criminal background check only after making a conditional offer of employment. At that point, the employer could say "no" to an applicant ... with a big asterisk. First, the employer would have to determine that the "specific offense or conduct is job related for the position in question and consistent with business necessity." Next, the employer would have to justify and defend the decision in a series of document-heavy exchanges with the applicant that could lead to the filing of a complaint with the city and, ultimately, a civil penalty.

The employer, thus, would be compelled to make a job offer without possessing information that might reflect upon the credibility and trustworthiness of a candidate. And once an employer came to possess such information, his or her discretion could be second-guessed by people who have no stake in the business and shoulder no responsibility for its success. Nor, for that matter, would they suffer the consequences of hiring mistakes. What could possibly go wrong?

The new version Hales' office will present the City Council next month, by the way, differs only in that it replaces the city as the enforcement agency with the state Bureau of Labor and Industries, according to last week's email. The silence you hear is the cheering of Portland's business community.

Hales' push to revisit the issue is surprising given that a statewide box-ban adopted this year has not yet gone into effect. The law bars employers from asking applicants about criminal convictions either on employment applications or prior to an initial interview. In the absence of an interview, an employer may not conduct a criminal background check prior to making a conditional offer of employment. Nothing, however, prohibits an employer from considering a conviction history when making a hiring decision.

This law is simple and it balances the desire of applicants with criminal histories to make their cases to employers with the obligation of employers to hire responsibly. Why Hales feels the need to "improve" upon state law is a matter of conjecture, as his office did not respond to a request for comment. What certainly could stand some improvement, though, is City Council's relationship with the Portland's business community. Telling the mayor to shelve his box-ban reboot would be useful in this regard.

Editor's Note: The mayor's office contacted The Oregonian/OregonLive editorial board Thursday afternoon to say that the ban the box hearing has been scheduled for the afternoon of Wednesday, Nov. 18.

The Portland Tribune

City Council may oppose fossil fuel exports, oil by rail projects

By Steve Law

October 29, 2015

The city of Portland could go on record next week formally opposed to supporting any new fossil fuel export facilities through its territory — including coal, natural gas, and propane — or new efforts to ship crude oil by train through the city.

Mayor Charlie Hales and Commissioner Amanda Fritz sponsored a pair of resolutions, which will be considered next Wednesday by the full City Council, starting at 2:30 p.m.

The measures come in response to a flurry in fossil fuel export and transfer projects the past few years in the city or elsewhere in Oregon, including propane, coal and LNG export projects as well as oil-by-rail projects for domestic use.

The City Council pledged to consider a fossil fuel export policy when it adopted an update to the city/county Climate Action Plan earlier this year. The resulting resolution says the city will oppose “expansion of infrastructure whose primary purpose is transporting or storing fossil fuels in or through Portland or adjacent waterways.”

The resolution makes no effort to distinguish among various fossil fuels, citing risks to the climate from high carbon emissions from such fuels. It notes that coal trains, in particular, pose air quality and health risks because shippers rely on open-air train cars that leave coal prone to leakage, as has occurred along current rail routes in the Columbia River Gorge where coal is transported.

The resolution criticizes fracking, the main method now used to extract natural gas and oil on land in the United States, as particularly harmful to the environment. Fracking involves intensive injection of chemicals and water underground, to free gas and oil in shale rock. Fracking has been blamed for water, land and air pollution as well as earthquakes.

It’s unclear how the resolution might affect Pembina Pipeline Co.’s proposed \$500 million propane export project in North Portland, which Hales refused to allow for consideration by the City Council last spring.

The oil train resolution, championed by Fritz, puts the city on record opposed to new “oil-be-train” projects, including one proposed by Vancouver Energy to what would be the largest oil-by-rail terminal in the nation.

The Vancouver City Council also has gone on record opposed to that project.

It’s unclear what impact the city resolution may have, given protections for interstate commerce that businesses enjoy under the U.S. Constitution, which could override municipal concerns.

Can you still fight City Hall?

By Peter Korn

October 29, 2015

You have to give Margie Sollinger credit. She listens.

Last month, the city of Portland, thanks to Sollinger, the city ombudsman, made it a lot easier to contest city decisions. Say you think the Water Bureau has overcharged you. Or you've been given a city citation for a few hundred dollars because a Bureau of Development Services inspector, following up on a complaint, found your prairie grass lawn met the code standard for a homeowner nuisance.

So what are you going to do about it? You can call the bureau's city commissioner to complain and hope he or she assigns a staff member to look into your problem. Good luck with that. You can hire a lawyer, except what attorney is going to take a case about a fine of a few hundred bucks?

What you are supposed to do first is tell the appropriate city agency that you want to appeal through the agency's channels, if there is one city department responsible for your problem. Then, if you don't get satisfaction, contact the city ombudsman — Sollinger.

Last year Sollinger noticed city agencies weren't getting nearly as many complaints and requests for hearings as she expected. And it didn't take her long to figure out why.

"It was too expensive," she says.

Most complaints about a city agency end up in front of a hearings officer, and some agencies were charging residents up to \$1,300 for those hearings. That didn't sound like justice to Sollinger.

"If we're going to offer due process, it should be accessible," she says. "Thirteen-hundred dollars for an appeal of an administrative decision to me was an absurd amount to be charging." An appeal to the U.S. Supreme Court, Sollinger says, is just \$300. She looked it up.

Just as important, Sollinger says, was the fact that most Portlanders didn't even know how to contest city decisions because city agencies weren't telling them — at least not in big, bold letters.

All of which left the city's ombudsman to do exactly what she is supposed to do — independently investigate complaints against city bureaus.

"I'm the last resort for when there isn't any other option," Sollinger says. "I am the way that people fight City Hall."

Lowering the bar

In May, Sollinger and her boss, City Auditor Mary Hull Caballero, asked the City Council to require city agencies to let all residents know how they can appeal decisions. And they asked for a new policy requiring agencies to reduce their charges for appeals that go before a hearings officer to "a nominal fee." They prevailed, proving that you can fight City Hall — at least you can if your office is in City Hall.

The new policies went into effect in September and Sollinger can report that they are working. ... She thinks. Since the ombudsman is an independent office, city agencies aren't required to report to her and prove they have changed. But what she does know is that, thanks to her administrative justice proposal, appeals to city agencies that result in a hearing before a hearings officer now top out at \$10.

Also, city agencies have been directed to revise the form letters they send out on city business so that residents are clearly informed of their options for appeal.

This doesn't mean the problem that Sollinger has tried to address has completely gone away. Some city agencies don't use hearings officers. Instead, they handle complaints in-house. And those agencies can still charge up to \$500 for appeals, Sollinger says. She'd like to take on those fees, too, but for now will settle for the changes she made. There are, after all, so many other issues for an ombudsman to look into, and so many complaints to which she must respond.

Hull Caballero says the administrative justice proposal is a perfect example of the ombudsman taking on a citizen conflict and using it to create systemic change for the city. Hull Caballero likes the fact that Sollinger can respond more nimbly to complaints than the more cumbersome city audit process, which tends to focus on big-picture problems.

Neighborhood activists say they like Sollinger's willingness to investigate and confront government bureaucracies. Sollinger is "intellectually rigorous and thorough," according to Mark Sieber, executive director of neighborhood support group Neighbors West-Northwest.

When a west-side volunteer believed a neighborhood association election violated procedure, and then felt that her appeal to the city's Office of Neighborhood Involvement didn't get a proper hearing, Sieber recommended the woman contact Sollinger. Sollinger, Sieber says, didn't just look at the election. She investigated the regulations governing the ONI appeals process, which are now due to be revised.

"She doesn't act like a judge on the case," Sieber says. "She's actually looking at the whole system. And she's willing to go where the information leads."

Looking at the big picture

The ombudsman's office has successfully taken on Dumpsters blocking sidewalk rights of way and City Hall conflicts of interest. Sollinger says she prefers to pursue complaints that highlight a systemic problem rather than an individual conflict.

Two years ago, Sollinger heard from a low-income homeowner with a lien against her home she simply could not afford. City inspectors had cited her for excessive peeling paint on her house's exterior. The monthly fines she was unable to pay doubled and then tripled until the lien reached \$30,000.

That made no sense to Sollinger, who says the nuisance citation program originally was established as a tool for the city to go after slumlords.

"It's not proportionate to the underlying violation," Sollinger says. "If the reason you didn't paint your house was you couldn't afford it, then no amount of penalties and fees is going to incentivize you to afford it."

Sollinger worked out a deal with Bureau of Development Services officials that reduced the homeowner's fees. Sollinger says she intends to continue highlighting a system that can unfairly burden low-income homeowners.

Penalty relief

Last year, BDS was the subject of the most complaints received by Sollinger, and a quarter of those had to do with liens the bureau had placed on properties. She recently received a complaint from a homeowner who says a \$167,000 lien was placed against his home for poor property maintenance.

If Sollinger decides to look into your complaint and finds it has merit, she generally works out a compromise with the relevant bureau more than 80 percent of the time, she says.

"We utilize persuasion to get folks to do things," she says.

Agencies know that if persuasion doesn't work, she's willing to go public with criticism. "That system works well," Sollinger says.

Not always. In 2013, a number of city employees complained to Sollinger that city whistle-blowers were being punished on the job. Sollinger investigated and found that Portland lacks "a clear and consistent protocol for handling whistle-blower reports."

Sollinger says she hoped to propose measures to clean up the city's law so that whistle-blowers would be protected. But that hasn't happened. She says she's had to "back burner" the issue, but hopes to propose reforms in the future.

Growing capacity

The ombudsman's office received 428 complaints last year and provided information, or a referral, or conducted an investigation, in 182 of those. When Sollinger declines to address a complaint, it's usually because the problem involves a county or state agency, which are not under her purview.

"I say no a lot," she says.

But she's also starting to say "yes" more often. She recently was given funding to hire a deputy ombudsman, Tony Green, so now there are two in her office able to investigate complaints.

Green started work in September, which should mean more investigations and more outreach, Sollinger says. Expect to see an ombudsman representative at neighborhood meetings.

Sollinger's office undertook 34 full investigations last year. In 18 of them, the complaint was substantiated either fully or in part. She made policy recommendations to city bureaus 22 times as a result of substantiated complaints and bureaus accepted her recommendations 18 times.

With the problem of prohibitive appeals fees at least partially addressed, Sollinger says the next big hurdle is letting people know her office exists to help when they feel they've been treated unfairly by a city agency.

The word ombudsman, by the way, apparently has its origins in Sweden, where, in 1809, the Swedish parliament started using the term when it set up a special independent agency to protect the rights of citizens. The word itself comes from an Old Norse word, according to Merriam-Webster's dictionary. Some women in Sollinger's field prefer ombudswoman. Some agencies refer to the people who hold Sollinger's position as ombuds. She'd rather not.

“I’ve preferred the status quo,” she says. “To the extent that people have heard of (the ombudsman), I don’t want to make it harder for those people to find me.”

Checkmark in the win column

Portland's “resident gadfly,” as ombudsman Margie Sollinger calls herself, responds to Portlanders' complaints and occasionally winds up tackling issues much larger than an individual's conflict. One of Sollinger's most controversial investigations began with a single confidential complainant who told her in 2013 that a construction firm was getting city business to which it had no right.

Portland's social equity contracting program gives preference to contractors who can certify that they are minority- or women-owned. Sollinger's tipster said that Elkins Masonry Restoration had that certification, but was actually just a front for a noncertified firm that wanted in on Portland Housing Bureau projects.

Sollinger started to investigate and discovered the charge appeared to be at least partially true. She also discovered that even if the charge was true, the city had no authority to punish Elkins. In addition, state officials objected to her interfering in their certification program.

That didn't stop Sollinger.

Eventually the Oregon Department of Justice got involved in the case. In March, Elkins agreed to relinquish its certification as a minority- or women-owned business and paid \$15,000 to settle the state's allegations.

Eight out of 10 of the 428 complaints registered with the ombudsman last year came from Portland residents. Twelve percent of last year's complaints were filed by city employees and 8 percent by local businesses.

Got a gripe?

To file a complaint with the Portland ombudsman, call 503-823-0144. Complaints also can be made online at: ombudsman@portlandoregon.gov

Agencies called to task

Most complaints about Portland city government to ombudsman, in order by number of complaints: 2012-2014:

- 1) Bureau of Transportation
- 2) Bureau of Development Services (building and zoning code)
- 3) Bureau of Management and Finance
- 4) Water Bureau
- 5) Parks and Recreation
- 6) Bureau of Environmental Services
- 7) Police Bureau

City Council takes two big strides to boost affordable housing funding

By Steve Law

October 28, 2015

Three weeks after declaring an “affordable housing crisis” in Portland, the City Council unanimously approved two new policies Wednesday that will dedicate tens of millions of dollars to build new units in coming years.

By a 5-0 vote, the council agreed to a 50 percent increase in urban renewal funds “set aside” for affordable housing. The move is estimated to bring \$66.7 million in additional funds over the next decade, perhaps enough to build 650 to 670 new units. The policy change means 45 percent of tax-increment financing, the primary source of urban renewal funds, will be directed to the Portland Housing Bureau for affordable housing projects, instead of the Portland Development Commission, the city’s urban renewal agency. The previously policy set aside 30 percent of tax increment funds for housing.

Led by the Metropolitan Alliance for the Common Good, housing activists earlier this year mounted the so-called “TIF to 50” campaign, trying to boost the housing set aside to 50 percent. In a deal negotiated between Mayor Charlie Hales and Commissioner Dan Saltzman, who oversees the Portland Housing Bureau, the council settled on 45 percent as a compromise, which still equals a 50 percent increase in housing funds.

Mayor Hales and PDC Executive Director Patrick Quinton said the new money won't require the urban renewal agency to abandon any of its past commitments to projects. However, Hales said he intends to seek a two-year extension of the Lents Urban Renewal Area — essentially keeping much of the area's property value off the regular tax rolls — to limit any impact on redevelopment projects in that part of town.

The Interstate Urban Renewal Area in North Portland is in line to get the biggest boost for affordable housing: \$32 million. The compromise also will bring \$20 million in new housing money to be spent when the city acquires the U.S. Postal Service distribution center in Northwest Portland; \$7.5 million in the Lents area; \$5 million in the South Waterfront area; and \$2 million more in the Gateway area.

Several neighborhood leaders in Lents and Gateway opposed the agreement, arguing the city doesn't need to subsidize more affordable housing in those East Portland communities because most of the existing housing stock is considered affordable. They preferred the money stay with the Portland Development Commission to spur more commercial development.

Mayor Hales promised the communities will be consulted as to the best use of the new housing funds.

Most of the people filling the City Council chambers heartily supported the council's action.

“You're obviously responding to the crisis the community is really feeling,” testified Diane Linn, executive director of Proud Ground, which acquires land for affordable housing.

The second action Wednesday could prove much more significant in the long run, if it goes forward as planned. The council, in another 5-0 vote, approved a “nexus” study, which will lay the groundwork for the city to adopt a new “linkage fee” on development. For example, when a

new development is built due to a zone change, creating more demand for housing, the city might levy a surtax on property taxes on the new development, to help pay for housing.

Several other cities are already deploying linkage fees, which Saltzman on Wednesday called a “developer impact fee.”

Kurt Creager, Portland Housing Bureau director, said a new hotel, for example, might create new jobs that pay \$9 to \$15 an hour. The hotel might be taxed more to help those workers land affordable housing. The nexus study might evaluate the market feasibility of the fee, so that it isn't set so high that the hotel wouldn't be built.

Boston, Sacramento, San Diego, San Francisco and San Jose have linkage fees, and Seattle is considering one, Creager said.

Those cities are raising \$5 million to \$30 million a year from such linkage fees, said Matthew Tschabold, an equity and policy manager at the Portland Housing Bureau.

Urban renewal districts take up less than 15 percent of the city, and the housing set aside money can only be used in some of those districts. The linkage fee proceeds would be used in the rest of the city, Creager said.

He hopes the nexus study will be completed by April, so the linkage fee, or developer impact fee, could go into effect next July.

The business community will first get a chance to weigh in on the idea.

Though the City Council still needs to approve the actual linkage fee, Wednesday's unanimous vote signals the council's intent to adopt one.

“This really is a historic day for affordable housing in Portland,” Saltzman said.

Willamette Week

Mayor Charlie Hales Thinks Lents Neighborhood Activists Should Run for Mayor, Too

*By Aaron Mesh
October 30, 2015*

Portland Mayor Charlie Hales is recruiting candidates to challenge the new mayoral frontrunner, Oregon Treasurer Ted Wheeler. The East Portland neighborhood of Lents is greeting new construction after nearly two decades of failed city efforts to jumpstart the area.

On Wednesday, those two desires overlapped.

Hales told Oregon Public Broadcasting on Oct. 28 that the Lents neighborhood activists who agitated City Hall to double down on \$100 million in urban-renewal spending should consider jumping in the mayor's race.

"We've been working with that neighborhood to finally implement their urban renewal plan and build some great stuff in Lents," Hales told Think Out Loud. "And there were some community leaders in that room that I would love to see run for office. I'd love to see somebody from out that way run for mayor."

Hales name-checked affordable-housing developer Nick Sauvie, community advocates Cora Potter and Nick Christensen, and Jesse Cornett, who lost a City Council bid in 2008 using public financing.

Cornett sent WW a written response to Hales' invitation. "Ha," he wrote. "Hahahahaha. Bwaaahaaaaaaahaaaaahaaa."

Hales has some reason to be enthusiastic about Lents: The city spent \$96 million on urban renewal there over 15 years—with few results—but since WW wrote about the quagmire in early 2014, Hales has pressed for improvements.

Now Lents is again talking about changes. The Portland Development Commission has approved and contracted three projects at the intersection of Southeast 92nd Avenue and Foster Road. The plans include an agreement, not finalized, to build affordable apartments on the site of controversial nightclub the New Copper Penny.

The PDC revealed new drawings of the intersection on Tuesday.

City Could Charge 50 Cents on Every Uber or Taxi Ride

*By Coby Hutzler
October 29, 2015*

The city of Portland may start collecting 40 to 50 cents for every ride provided by Uber, Lyft and taxi cabs.

City Commissioner Steve Novick suggested the fee in proposed rules released today. The City Council is expected to vote on those rules in November.

The new fare surcharges would be used to pay for the companies' operating permits—a change from permit fees based on a company's type or size. The fees would continue to be used to cover the permitting program's operating costs.

The new rules say that the exact amount of the surcharge would be set annually by the Portland Bureau of Transportation.

A coalition of taxi companies, the Transportation Fairness Alliance, is lambasting the plan—comparing it to the much-hated street fee.

"Like the proposed street fee, the Novick proposal would pass all public agency costs directly onto the public," writes spokeswoman Kelliann Amico. "The proposal contains no limit on these new taxes, increases costs, and decreases government efficiency."

Uber managers did not immediately respond to WW's request for comment.

The Portland Mercury

The City Promises More Affordable Housing Funds. Will It Follow Through?

Portland's Got a Spotty History Living Up to Similar Commitments

By Shelby R. King

October 28, 2015

Last week, Commissioner Dan Saltzman announced a recommendation that advocates have long been looking forward to. He filed an ordinance proposing that money specially reserved to build affordable housing should increase from a minimum of 30 percent to 45 percent of the money snatched up in five of the city's urban renewal areas (URAs)—potentially adding \$67 million to the coffers for cheap housing over five years.

Affordable housing advocates are thrilled, calling the proposed increase a victory. Leah Greenwood, a former senior policy manager for the Portland Development Commission (PDC) who's advocated for ratcheting up affordable housing money, said after the announcement that she was pleased with Saltzman's calculations.

"To seriously address the affordability crisis, we have to look at all potential sources of funding," Saltzman said in a press release. "Increasing the amount of money we spend in urban renewal areas is a community-led solution."

Commissioner Nick Fish and Mayor Charlie Hales say they'll vote in favor of the increase, which means the proposed ordinance should make it through council with three votes.

Despite the jubilation, though, history suggests there's a hiccup in the announced funding increase: There's no guarantee Portland will meet that 45 percent requirement.

Since 2006, Portland's required that at least 30 percent of the tax increment financing (TIF) money generated by urban renewal districts be dedicated to affordable housing. But the city hasn't always achieved that goal. According to data provided by Saltzman's office, in 2006—the very first year of the requirement—the city only set aside 21 percent of its TIF funds for affordable housing. It wasn't until 2009 that the city got up to 30 percent.

Since officials started hitting the 30 percent citywide goal in fiscal year 2009-10, the city's spent slightly more than the 30 percent baseline amount much of the time.

So what's to say officials will start consistently hitting a 45 percent goal?

Saltzman's policy director, Shannon Callahan, says the Portland Housing Bureau will report on the URA goals and present them annually to city council in a State of Housing Report.

And Fish, who formerly ran the housing bureau, says it's important not to look at TIF spending as a moment-in-time snapshot. He recommends looking at progress over a five-year timespan.

The latest State of Housing Report produced by the housing bureau shows the city meeting or exceeding its housing funding goals for TIF money in each of the affected URAs and in the city overall. But it has largely failed to maintain or replace affordable housing rental units in those districts, falling behind on target numbers.

New money from the increased housing pot could make a real difference in the number of regulated units in the city, where 20,000 families are living below the poverty line, Fish says.

"The community, and particularly housing advocates, have been pushing city council to do more," he tells the Mercury. "This new money will allow us to do as many as four substantial new developments. That's 800 new units, to put it in context."

Advocates had initially pushed Saltzman for more.

The original proposal for increased housing money, made by civic group Metropolitan Alliance for Common Good (MACG), suggested Portland City Council raise the housing set aside to 50 percent of collected TIF money. Folks from MACG teamed up with Greenwood, the former PDC policy adviser, to come up with the proposal. She scoured the city's budget and found \$55 million that could be reallocated to address Portland's lack of affordable housing ["The Common Good," News, Sept 9].

"I was ready to vote for the 50 percent," Fish says. "The reason why I can accept the 45 is that it's going to generate more money than Leah Greenwood had asked for in the first place, so this is a huge win for low-income families."

The PDC's board recently expressed reservations about putting more of its money toward affordable housing, warning that doing so cuts into the amount of money the city has to dedicate to revenue-generating projects. Commissioners Amanda Fritz and Steve Novick also have not lent their full support to the plan, fearing it could eat away at money promised for parks (Fritz's bureau) and transportation (Novick's).

City council is scheduled to discuss the ordinance on Wednesday, October 28.

Hall Monitor

Getting Charlie's Best Shot

*By Dirk VanderHart
October 28, 2015*

AS I WRITE THIS, it's been less than 24 hours since Mayor Charlie Hales shocked (most of) Portland's political establishment.

In a blindsiding, 500-word announcement Monday afternoon, Hales upended conventional wisdom about the city's future by revealing that he'd end his mayoralty at a single term. On Monday morning, it was a certainty that either the mayor or State Treasurer Ted Wheeler would be at the helm of Portland City Hall when 2017 dawns. Now it's Wheeler's race, while the city waits and hopes for credible candidates to make it interesting.

The reverberations will calm down in coming weeks. We may even get more clarity into Hales' motives. For now, let's focus on the mayor's narrative: that he'd prefer to do his actual job rather than spend 40 hours a week slugging it out against Wheeler.

"There may be times in the life of a city where a mayor can pull that off because things are pretty stable and there aren't huge issues afoot," Hales told me in his office Monday. "Well, right now there are huge issues."

Sure, maybe it's a smokescreen. Maybe Hales, as some have speculated, has seen polling numbers that suggest he's got too far to climb (the mayor denies this). Maybe there's something else afoot. But there's also no doubt Hales is correct.

Look at the last month alone.

The mayor (in somewhat typical, somewhat frustrating Hales fashion) surprised the rest of city council by pulling out a housing "state of emergency" like a top-hat rabbit—then he put together a still-vague \$30 million proposal to back it up.

Hales pushed a \$25,000 demolition tax he hoped might slow the razing of Portland houses—catching flak from all sides.

And the mayor, pressed at a labor-friendly forum on October 21, said he'd reverse earlier tactics by voluntarily recognizing that some of the city's lowest-paid workers should be compensated at union rates.

It's perhaps the most dynamic four-week stretch of Hales' tenure, and it takes on a new light now that Hales—like Sam Adams and Tom Potter before him—has decided against running again.

Faced with an unending stream of criticism from Wheeler, Hales' dynamism could too easily be seen as a ploy. Now, his efforts can't be read quite so cynically. Now, Hales is just being a mayor, unencumbered by political considerations and free to pursue his agenda.

For some of his city council colleagues, the mayor's surprise announcement is reason for optimism. Commissioner Nick Fish remembers "a very good run" once Adams had become a lame duck, and says he looks forward to the mayor's "increased bandwidth" around housing.

Hales, meanwhile, looks forward to the freedom.

"I won't have people politically triangulating—I don't know if I can help Hales on that or not, because he's running for office," the mayor said Monday. "I have a limited number of asks. Now they can all be for the agenda and not the marketing campaign."

Much has to be sorted out, but for now, it's nice to expect we'll get the mayor's best shot for the next 14 months—not political grasping.

The City's Finally Unveiled Permanent Rules For Uber and Lyft. Here's What's Interesting

By Dirk VanderHart

October 29, 2015

It might not seem like it now, but it was less than a year ago that Uber pounced on Portland, setting up shop here despite officials' warnings over lawlessness and sparking the briefest of lawsuits. Today, after unceasing debate in the last year about how Portland will regulate Uber, and its competitor Lyft—and a months'-long pilot period that allowed them into town—we've got a sense of what those final rules will be.

Transportation Commissioner Steve Novick this morning unveiled a copy of proposed changes to the city's rules around Private For-Hire Transportation. The regulations will be formally

unveiled at a November 5 Portland City Council meeting, but they won't shock anyone who's paid attention to the process.

If you'd hoped the city's cab companies would be placated by the final rules after months of debate, prepare to be disappointed. Cabbies have railed against Uber and Lyft all year (and rapidly lost market share once the companies got up and running). Their biggest gripe has been that the city doesn't hold the so-called "transportation network companies" (TNCs) to the same standards, and they'll almost certainly still have concerns around insurance requirements. They aren't offering formal comment, just yet.

For now, here's are a few of the more interesting morsels from the new proposed rules. A full version is here [pdf].

- The city's formally casting aside its requirement that cab companies dedicate a certain percentage of their fleet to vehicles that can transport wheelchairs. For the past several months, cab companies and TNCs have instead been trying to hit benchmarks for timely service to disabled passengers. That'll continue, but the city's looking for a way to recoup cab companies for the cost of maintaining their existing wheelchair fleets. Expect a "mandated, minimal fare fee" to be tacked onto your cab and TNC rides to pay for that.
- And that won't be the only tacked-on fee. The city's talking about a 40-to-50-cent surcharge on all rides to pay for enforcing its new rules. Bryan Hockaday, a policy adviser in Novick's office says the surcharge is expected to make around \$2 million a year, and will be used in part to hire "two to three" new enforcement staffers at the Portland Bureau of Transportation (PBOT).

Update, 5 pm: It's this provision cab drivers are attacking most. They say the surcharge is actually a tax, and that Novick wants to force the public to pay for companies' permitting fees. "Like the proposed street fee, the Novick proposal would pass all public agency costs directly onto the public," Kelliann Amico, a spokeswoman for the Transportation Fairness Alliance, which represents most Portland cab companies, said in a statement this afternoon. "The proposal contains no limit on these new taxes, increases costs, and decreases government efficiency." In a subsequent conversation, Amico said it's unfair customers would have to pay the cost of permits. Under the old system, though, poorly paid cabbies paid out \$600 a year for permits.

- The pioneering data sharing agreements that the city made with Uber and Lyft aren't going anywhere. The agreements had been billed as a means for the city to craft better rules for cabs and TNCs, but now that they're up and running, PBOT sees no reason to discontinue them. "We found the data to be incredibly helpful in really giving us a clear understanding of what's going on," Hockaday says.
- Background checks have been another sticking point for cabbies—who claim Uber's system misses red flags. And Portland's requirements are set to change under the new rules—though not because of cabbies protestations. It's because the Oregon State Police have decided the city has no business snooping around in its database, as it has for years. Now, instead of asking the city to do snooping, both cabbies and TNCs will have to contract with an accredited background-check service. Or, they can use an accredited background-check service PBOT plans to partner with.

- PBOT's proposing new tests drivers have to pass if they want to be permitted. That's not all that interesting except for the list now includes quizzing on "Vision Zero principles of traffic safety."
- As was the case in the months-long pilot program, cabs and TNCs can set their fares at whatever they like, and put an unlimited amount of drivers out on the streets. They can also charge more during peak demand times.
- As noted above, the city's insurance requirements for TNCs hasn't changed. Because of the companies' business model, the city requires different levels of coverage depending on whether, say, an Uber driver is sitting around waiting for a fare to pop up, or is actively en route to pick up a passenger. Cabbies have said this is a recipe for disaster, but Hockaday says it's the best option. "We spent a lot of time researching the insurance issues," he says, adding that the requirements may change in the future.
- Surprisingly, no rules prevent Uber from bringing you kittens (a practice which I'm told the Mercury solidly opposes).

\$67 Million More for Affordable Housing and a New Idea: Linkage Fees

*By Shelby R. King
October 29, 2015*

Portland City Council is taking this housing emergency seriously.

Last week, as we reported, Housing Commissioner Dan Saltzman was able to win Mayor Charlie Hales' vote on a proposal to increase the amount of urban renewal dollars spent on affordable housing from 30 percent to 45 percent. Commissioner Nick Fish was also on board with the plan, but Commissioners Amanda Fritz and Steve Novick had expressed reservations.

The council was set to hear testimony on Wednesday, but didn't plan on voting until next week. After hours of testimony from a plethora of advocates—from developer Dike Dame, who sits on the Portland Housing Advisory Commission; to Habitat for Humanity President and CEO Steve Messinetti; to Proud Ground Executive Director Diane Linn—the commissioners decided not to delay the vote when it became clear all five council members would approve the increase. Getting unanimous approval also allowed the commissioners to declare emergency status on the ordinance. While the emergency status doesn't change the dates the increase will go into effect, Commissioner Nick Fish today said it gets things going in the right direction.

Council is also looking into other ways to generate new sources for dedicated affordable housing funds, and this time they're going after developers' money instead of setting aside property tax revenue.

READ MORE AFTER THE JUMP

The commissioners also unanimously approved a resolution allowing the Portland Housing Bureau (PHB) to begin a nexus study into the economic feasibility of assessing a "linkage fee" on new commercial developments.

What's a linkage fee, you ask? It's a cost leveled on developers of commercial projects under the assumption that a portion of jobs created by the new developments—hotel, restaurant, retail, office, etc.—are relatively low-paying, meaning that the employees won't be able to afford market-rate housing. The linkage fee is there to offset some of the housing impacts created by these new developments.

"It's a bit of insider baseball, if you will, with regard to housing policy," PHB Director Kurt Creager testified at Wednesday's hearing. "Affordable housing linkage fees capture revenue from new developments in a manner that doesn't render the development economically unfeasible and provides municipal governments resources to produce and manage the affordable housing demanded as a result of the new jobs created."

Creager offered an example of a hypothetical new office building in the Central City that includes a ground floor deli. Assuming wages in that deli are \$9.25 per hour (Oregon's minimum wage), the annual wages for a full-time employee would be less than \$20,000. On the other hand, the average rent for an apartment in the Central City could cost around \$1,400 per month based on current rates. This would mean that to live near their jobs, those deli employees would be spending about 87 percent of their annual wages on housing. By charging developers a linkage fee, the city would be able to use the revenue to create housing within the Central City that those deli workers could afford.

Other cities already have linkage fee policies in place. For example, San Diego charges developers up to \$2.12 per square foot on new construction. New developments in San Francisco are tagged with linkage fees of up to \$24 per square foot, Creager says. In Seattle, which is also experiencing a housing crisis, City Council is considering implementing a linkage fee of up to \$28 per square foot.

Seattle's proposed linkage fee got developers all riled up. They challenged the plan's constitutionality and eventually got Council Member Mike O'Brien to shelve the idea. Creager says the city attorneys don't believe implementing a linkage fee in Portland would run into the same road block.

The results of the study are expected in April 2016.

Fish says though any new money dedicated toward affordable housing—whether it's generated by assessing linkage fees or revamping the city's density bonus program for developers to prioritize affordable housing creation—he worries that by the time those options are on the menu for Portland, the housing boom will be over.

With the addition of the \$67 million officially added to the coffers on Wednesday, Portland now has \$269 million socked away to address the housing crisis over the course of the next decade.

Daily Journal of Commerce

City becoming desperate for more affordable housing

By Garrett Andrews

October 29, 2015

With affordable housing now the city's top priority, the Portland City Council is asking developers to do more. But some stakeholders in the building community say there's ample bureaucracy already as well as insufficient incentives to forgo profits.

"We are talking about a moral obligation," Commissioner Nick Fish said. "With these changes, the burden is now on the development community to step up and use these programs ... You can still make a terrific profit while providing some affordable housing."

In the weeks since Mayor Charlie Hales declared a housing state of emergency, City Council has passed several policies targeting home affordability and rapidly rising rents. Now, some of the neighborhoods most affected by the housing crisis are due to receive relief, after the council on Wednesday approved \$67 million in funding over the next decade.

Two resolutions were passed unanimously. One approved a study of "linkage" fees on commercial development, due next spring. The other raised the number of affordable housing "set-asides" in urban renewal areas from 30 percent to 45. Combined, they could represent 650 to 670 new affordable units, primarily in the glowing-hot North and Northeast Portland real estate markets.

So-called linkage fees are charged to developers under the idea that private business help pay for affordable housing. Similar cities have raised as much as \$30 million via their fees, according to data provided to City Council by the Housing Bureau. The Seattle City Council approved one like it last year.

"They are a common tool that is used broadly across the country – a very effective tool," said Martha McLennan, executive director of Northwest Housing Alternatives. "The nexus study is the step we need to take to understand how that tool could be applied in our community."

Several other housing policies have been passed since Hales announced Oct. 7 that with winter coming, time couldn't be wasted. The notification period for no-cause evictions was raised from 30 days to 90. A council majority of Hales, housing Commissioner Dan Saltzman and Fish (a former housing commissioner) has discussed waiving zoning codes and converting city buildings to homeless shelters.

The rental set-asides are planned for four urban renewal areas: Interstate (\$32 million), River District (\$20 million), Lents (\$7.5 million) and Gateway (\$2 million). That money joins \$202 million budgeted for housing across Portland through 2025. The money will go to rental programs for families earning up to 60 percent of the area's median family income, and homeownership programs for other income categories.

Developers like Vanessa Sturgeon of TMT Development believe that real estate is fundamentally risky.

"Right now, there is so much red tape and bureaucracy," she said.

Changing the law was necessary, said Aaron Wigod of Marathon Acquisition & Development, because the city's 10-year tax exemption for affordable housing hasn't enticed developers. Only

2 percent of the 11,000 apartment units built in the past three years have been affordable, he said.

Another change – a rolling application period for affordable projects – should have a positive impact, Wigod noted.

“Most developers don’t want to wait around,” he said.

Fish said it’s the issue that first drew him to public service. Now he’s using the moral argument that developers profiting from the influx should contribute to meeting housing goals. Fish said he has taken some heat for a recent column he wrote in *The Oregonian*, saying in effect that developers should step up to the plate.

“I think the argument that somehow people allowed this to happen is a bad case of Monday morning quarterbacking,” he said.

Fish says more can be done, including changing state law to allow inclusionary zoning, a common affordable housing tool in other states.

Read more: <http://djcoregon.com/news/2015/10/29/city-becoming-desperate-for-more-affordable-housing/#ixzz3q4kDK1YL>

City’s ADU rules may change soon

By Garrett Andrews

October 28, 2015

Though the city of Portland will consider updating its rules regarding accessory dwelling units, advocates of backyard construction say far larger issues remain.

Draft amendments to the Portland Zoning Code loosening restrictions on ADUs and other accessory structures will be heard by the City Council on Nov. 12. Existing rules governing ADUs are an aggregation of revisions, some going back to when Portland first experimented with residential outbuildings 25 years ago.

The update process, which began in January, has been relatively low-drama given current feelings about the high cost of living in Portland, ADU advocate Kol Peterson said. And the proposed changes are good enough, he said, that many property owners are holding onto permit applications until they are passed by the City Council.

“I’d say about half the homeowners I interact with are waiting because the rules are so good,” said Peterson, who runs accessorydwellings.org as well as the ADU-inspired Tiny House Hotel in the Alberta Arts District. “It changes the possibilities of what we do.”

An overarching goal of the code revision project has been to plan based on an accessory structure’s “form” over its “function,” said planner Phil Nameny, the project manager. In particular, the project’s focus group looked at the rules that owners have most often asked to be adjusted, he said.

Under the changes, accessory structures would be considered more like garages. And with the elimination of many site-specific requirements, owners could save on design costs by going with “stock” ADU plans, Nameny said.

Among the proposed changes, a one-story accessory structure could be built closer to setbacks and property lines. In another, the uniform height maximum for all detached accessory structures would be raised from 18 feet to 20.

“Some of the changes will streamline things dramatically,” said Bryan Danger, owner of zenbox design, which specializes in ADUs.

“For the smaller ADUs, things will be remarkably easier.”

But two big issues remain, and Peterson says they’re significant enough that they could cause the fledgling housing option to fizzle out.

For one, a waiver on system development charges is scheduled to expire in July 2016. The number of ADUs in Portland has risen sharply since the waiver was enacted in 2010, from 262 to more than 1,200 today. Peterson said that he is meeting with council members to gauge their feelings about a possible renewal of the waiver.

The other issue is a change in how Multnomah County calculates property taxes. New tax bills for owners of detached ADUs have come in as much as 600 percent higher than previously, according to statements by property owners who commented on Peterson’s blog post “The Death of Detached ADUs in Portland and What To Do About It” on accessorydwellings.org.

One thing that Peterson said is working against his efforts to tout ADUs is the popular feeling that they have been a smashing success. However, 1,200 still isn’t many, he noted.

“We had a huge spike,” he said, “but it’s still insignificant.”