

## **The Oregonian**

### **With eye on housing, homelessness crises, Charlie Hales asks bureaus to prepare 5 percent cuts**

*By Andrew Theen*

*November 20, 2015*

Portland Mayor Charlie Hales asked the city's parks, police, fire and other key bureaus Thursday to prepare for possible 5 percent budget cuts heading into the next fiscal year.

In a memo sent to the city's 23 top administrators and other City Hall staffers, Hales said the foundation of Portland's economy remains strong, but the City Council has to find more money to pay for more pressing needs – mainly the affordable-housing and homelessness crises.

"While this is good news for the city as a whole," Hales wrote of the economic outlook, "there are significant areas of concern."

The request comes as the city needs to find at least \$10 million for the recently declared housing emergency; a potential cost in the millions of dollars to bring dozens of temporary parks workers into the Laborers Local 483 union; and money to keep 13 firefighter positions.

In short, Portland's record \$49 million budget surplus during the current fiscal year is already a distant memory.

Hales is asking the heads of bureaus paid for out of the general fund, over which the City Council has the most discretion, to propose the 5 percent cuts from their fiscal 2017 budgets. Portland's general fund budget is \$484.5 million in the current fiscal year.

In the memo, Hales said the Housing Bureau will not have to make cuts. "I will call on every bureau to help us find solutions to the housing crisis," he said.

Hales said the entire city has to make tough choices. "I will look to preserve core public-safety functions so that we can respond to the epidemic of gun-related violence and proactively engage with the community," he said, "and I will continue to ensure that City resources are allocated to programs that have a direct impact on the lives of our citizens and that we focus on maintaining our assets and infrastructure."

Andrew Scott, Portland's City Budget Office director, said the next financial forecast predicting how much money the City Council will have to spend in fiscal 2017 -- which will run from July 1, 2016, to June 30, 2017 -- should be released in December.

Scott said some one-time funds will probably be available, but not a lot of ongoing new money.

### **Portland's housing authority received 'unprecedented' number of rent increases**

*By Andrew Theen*

*November 19, 2015*

New rules intended to protect renters in Portland's red-hot housing market led to an unprecedented number of rent increases for low-income tenants, according to housing authority officials.

The Portland City Council approved new renter protections last month in response to the city's record-high rent increases and record-low vacancy rates. Tenants must now receive 90 days' notice of an increase of 5 percent or more, or for a no-cause eviction.

The new rules took effect Nov. 13, 30 days after the City Council vote. Housing advocates openly worried that landlords would rush to raise rents and evict tenants in the interim.

Now numbers from Home Forward, Multnomah County's housing authority, show that may have happened in some cases, and to people who can least afford it.

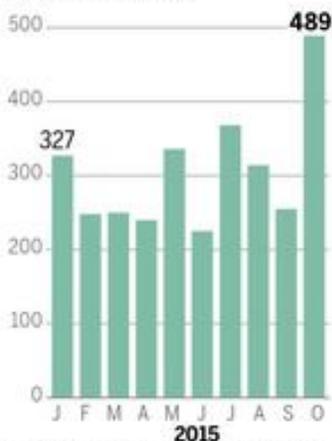
The agency manages thousands of its own apartments, but nearly two-thirds of its clients – 6,500 households – live in privately owned units and pay some or all the rent with Section 8 vouchers.

Landlords in the program need to get approval from Home Forward to raise rents. The agency approves requests as long as rents are in line with others in the area.

Since Oct. 15, two days after the City Council vote, Home Forward has received 489 such requests. According to Home Forward figures, the next highest monthly total was April 2012, with 389.

### Section 8 rent increase requests

Multnomah County's housing authority, which oversees Section 8 voucher-holders, has seen an unprecedented spike in landlord requests for rent increases in 2015.



Note: Figures are calculated from the 15th of each month  
DAN AGUAYO/STAFF

Michael Buonocore, Home Forward's executive director, called the flood of requests unprecedented, but he also noted a three-year trend of rising rents for low-income Portlanders.

Still, "this year is higher," he said, with more than 3,000 requests so far this year. That means most Section 8 voucher-holders will see rent increases this year.

"I've never seen where we've had the majority of our owners raise the rent," said Dena Ford-Avery, Home Forward's director of housing choice vouchers, who's worked for the agency for nearly 28 years.

Home Forward receives \$70.8 million from the federal government to pay for the voucher program.

Voucher recipients typically pay about 30 percent of their income toward rent, based on the fair market value set by the U.S. Department of Housing and Urban Development.

When a landlord raises the rent on a Section 8 tenant, federal subsidies cover the increase, typically up to the federal cap. But those caps are three years behind actual values, Ford-Avery said.

Tenants then have to make up the difference -- or move. But "even if they wanted to move," she said, "the availability of other rentals is very limited."

Buonocore said Home Forward is teaming with Washington State University and regional governments to get better rent data. Then it will ask federal officials to raise rent caps.

Buonocore said that doesn't mean Home Forward will get more money: "As some point, you tip into the realm of serving fewer people in order to pay higher rents."

Portland recently approved \$425,000 for a "Section 8 Success Fund," to help with security deposits and other costs to help people stay in their rental units. Home Forward will match that money, Buonocore said.

Meanwhile, about 300 voucher-holders can't find anywhere to rent. An additional 700 have been waiting three years for a voucher.

The agency's success rate in helping voucher-holders find housing is 74 percent, the lowest in more than a decade, and going down, according to Home Forward documents.

People can keep a voucher for six months, and some extensions are available, agency spokeswoman Shelley Marchesi said.

The agency conducts a lottery to place people on the waiting list. Nearly 22,000 applied for the last lottery, in 2012.

Ford-Avery said Home Forward is considering opening a new waiting list in 2016, and adding roughly 2,300 to the existing list.

Update: Home Forward hasn't definitively settled on a wait list of 3,000 people, officials said. They could add more, or fewer people depending on the need.

## **Charlie Hales wants to close rebate loophole on demolition tax proposal**

*By Brad Schmidt  
November 19, 2015*

Portland's proposed demolition tax is back -- and it looks much like it did two months ago.

Mayor Charlie Hales now wants the \$25,000 tax to apply to nearly all home demolitions, including situations in which one home is torn down and replaced with two.

That's the concept Hales pitched in September. But when his office rolled out details in October, it included a \$25,000 rebate if a developer added density. Hales' staff said that change was needed to get political support.

But the rebate idea riled some neighborhood activists, and Hales shelved his proposal Oct. 14, saying it needed more work.

Now, it returns to City Council next Wednesday -- with just one change: Hales will propose eliminating the rebate for demolitions that increase density.

"After visiting neighborhood groups, talking with other stakeholders, and public testimony, Mayor Hales was persuaded that the tax will be less effective if there is a rebate for increased density," spokeswoman Sara Hottman said in an email.

Hales' stance isn't really surprising. After last month's meeting, he said the tax should apply across the board -- for demolitions that add density and those that don't -- without rebates.

It's not clear how the City Council will respond to the change or whether other amendments will be offered. The City Council won't vote until Dec. 2 at the earliest, Hottman said.

Money from the tax would be dedicated to affordable-housing efforts. The tax would not apply to homes demolished outside single-family neighborhoods, and rebates would still be offered to demolitions that prompt construction of affordable housing.

In 2013, the city recorded 225 demolitions that resulted in new housing in single-family neighborhoods. Of those, 54 percent were one-to-one demolitions, and 46 percent added density.

In 2014, officials tallied 201 similar demolitions. Of those, 40 percent were one-to-one demolitions, and 60 percent added density.

## **Willamette Week**

### **Mayor Charlie Hales Calls for Budget Cuts, So City Can Send “Record” Revenue to Housing**

Money would also be redirected to fighting gun violence.

*By Beth Slovic  
November 20, 2015*

Portland Mayor Charlie Hales on Thursday asked city bureaus to prepare budget proposals for next year with 5 percent cuts.

But that's not because city revenue is down. In fact, it's up.

Instead, Hales wants to redirect funds to other priorities, including Portland's housing situation and gun violence.

"Portland is in the grips of an affordable housing and homelessness crisis that requires additional resources to invest in the most effective approaches," Hales wrote in his Nov. 19 budget memo to Portland commissioners. "We are experiencing an increase in gun-related violence that requires a robust response."

A full picture of Portland's expected revenue for 2016-17 won't be available until December. But an October presentation from the city budget office noted Portland had "record revenue."

This week, Hales is asking all bureaus that get money from the city's general fund— i.e. parks, police, fire—to prepare 5 percent cuts. He's exempting the Housing Bureau.

"The City's fiscal condition is good," Hales writes. "However, in FY 2016-17 we may need to make some difficult budget decisions in order to ensure that resources are available to address the most pressing issues that our city is facing."