

The Oregonian

Portland quietly returns nearly \$1 million in sewer money earmarked for Centennial Mills

By Brad Schmidt

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Staring down another legal fight, Portland officials last month quietly returned nearly \$1 million of utility ratepayer money used in 2000 to help buy a Pearl District redevelopment site along the Willamette River.

The reimbursement came six weeks after attorney John DiLorenzo called attention to the spending by unearthing an old memo questioning the rationale of spending utility money -- absent stormwater improvements -- to buy the Centennial Mills property.

DiLorenzo said it's another victory in his five-year-old lawsuit against the city over questionable utility spending.

"I asked that they give the money back, and they gave it back," he said Tuesday. "So, yeah."

At issue was the city's decision to use \$950,000 in money from the Bureau of Environmental Services to buy the Centennial Mills property. DiLorenzo identified the project in his 2011 lawsuit against the city. But it wasn't until December that he asked city officials to voluntarily repay the money to avoid an adverse ruling from a Multnomah County judge.

DiLorenzo found ammunition to bolster his case. In 2000, Commissioner Dan Saltzman wrote a memo to then-Mayor Vera Katz saying the \$950,000 contribution was made so the Bureau of Environmental Services could build an innovative stormwater facility on the site.

"Absent such a facility, there is no rationale to justify allocating ratepayer money for this property acquisition," Saltzman wrote in the Dec. 2000 memo.

Terry Thatcher, the city attorney handling the utility lawsuit, said Tuesday that city officials reviewed the status of the project and decided to repay the money.

Thatcher stressed that there was nothing wrong with the initial contribution. But because no redevelopment project has moved forward in the ensuing years, he said, it's not clear if a stormwater facility will ever be built there and officials decided it was time to cut bait.

On Jan. 21, the Bureau of Environmental Services invoiced the city's urban renewal agency, the Portland Development Commission, for the money. On Feb. 2, the Portland Development Commission cut a \$950,000 check to the sewer bureau.

Beyond that, the city has no documentation explaining the transfer.

This isn't the first time that city officials have changed course because of legal pressure. In 2012, the City Council tapped nearly \$1.6 million from the general fund to reimburse the Water Bureau for money already spent fixing up a building for the Portland Rose Festival Foundation.

The reimbursement eliminated the need for a judge to weigh in on that project.

But in 2014, a Multnomah County judge hearing DiLorenzo's case ruled that Portland utility spending must be "reasonably related" to providing water, sewer or stormwater services. So far, the judge has ruled that \$4.5 million worth of projects crossed the line.

Despite the Centennial Mills repayment, the dispute isn't over.

DiLorenzo wanted the city to pay interest, which, after 15 years, could double the amount repaid. Thatcher said officials don't think it's appropriate to pay interest because the money wasn't a loan.

DiLorenzo said he'll ask a judge to decide.

Even with \$20 million surplus, Portland's wish list too long

By Brad Schmidt

March 8, 2016

Despite a \$20.3 million budget surplus, members of the Portland City Council face some tough decisions heading into the upcoming fiscal year.

The biggest challenge: how to pay for affordable housing and homelessness programs while cutting elsewhere.

On Tuesday, Portland budget officials released their recommendations about how to balance the 2016-17 budget. Under current projections -- which could still grow -- Portland will have \$15.9 million in new, one-time spending plus \$4.4 million that can be spent not only next year but on an ongoing basis.

But those rosy numbers mask the challenges. Mayor Charlie Hales has also asked for cuts from bureaus, hoping to help shift more money toward housing.

And this year, everyone has their hands out. Bureaus asked for nearly \$100 million in budget requests, roughly five times the amount of new money that's available.

"The City is at a key moment financially," Andrew Scott, the city's budget director wrote in a memo. "We are experiencing record-breaking revenue growth, yet we do not have enough money to pay for this year's budget priorities: housing and homelessness services, public safety staffing, employee wage increases in Parks, and infrastructure repair and replacement."

To read the budget office's recommendations, by bureau, [click here](#).

The recommendations are simply that: recommendations. Hales will propose a budget later this spring, and the City Council will vote on it in June.

The Portland Tribune

Shelter in bind over city fees

By Jim Redden

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A small North Portland nonprofit organization that is planning to expand its shelter for homeless women and children may have to scale back its project due to construction requirements imposed by multiple city bureaus.

This spring, the Community of Hope intends to more than double the capacity of the only transitional shelter in St. Johns. It also plans to install showers. Tenants now take showers once or twice a week in a portable unit that visits the parking lot.

Program director Linda Jo Devlaeminck says some of the requirements make sense, such as installing a fire-suppressing sprinkler system in the building. Others are harder to understand — like widening a sidewalk behind the building from 5 to 6 feet.

However, the city also is imposing application and permitting fees, along with system development charges (SDCs) that help finance citywide services. Although some have been waived, they still total tens of thousands of dollars.

“Some of the money could be better spent expanding the shelter,” says Devlaeminck, who nevertheless praises the city for trying to work with the organization.

However, the city’s unwillingness to drop all nonessential requirements and waive all of the fees and SDCs appears to fly in the face of the housing state of emergency declared by the City Council last October. At the time, Mayor Charlie Hales said the declaration would allow the city to waive code requirements to open more homeless shelters quickly.

The city subsequently opened a temporary shelter for women and couples in a former armory in Southwest Portland and one for men in a vacant downtown office building a few months later. For the Community of Hope, some of the requirements do not seem essential, such as paying the cost of a traffic study for the relatively few additional tenants.

Ken Cowdery, executive director of the Home Builders Foundation, also credits the city with trying to help, but thinks it should do even more.

“I thought we were in a state of emergency and the goal is to create as much new shelter space and housing as fast as possible. Small nonprofits like the Community of Hope can’t afford these costs,” says Cowdery, whose foundation is assisting the Community of Hope with the project.

Commissioner Dan Saltzman, who is in charge of the Portland Housing Bureau, understands some of the problems. He will ask the council on Wednesday to approve a resolution directing the housing bureau, Bureau of Development Services, and the Bureau of Planning and Sustainability to develop a proposal to “simplify regulations, remove regulatory obstacles, and expedite processes for land-use reviews and permits for affordable housing projects, mass shelters, and short-term housing.”

Red tape

But, even if the council approves Saltzman's resolution, the proposal will take months to draft. In the meantime, Josh Alpert, Hales' chief of staff, insists the city is trying to help the Community of Hope with its project, although he says the situation is not so simple. The organization wants to change its existing shelter from a temporary one to a permanent one, a request that calls a formal change of occupancy for the building and requires it to be brought up to existing state and city codes.

"Some of what's happening is governed by state building codes, and we're still trying figure out what the city is allowed to do. We knew there would be a learning curve on what the city could do when we declared the state of emergency. We can't just a wave a magic wand and make all the requirements go away," says Alpert, who insists the city is trying to be flexible.

Alpert confirms that some fees associated with the project already have been reduced, and says the city also has scaled back some of its requirements, like reducing the number of sidewalks that need to be widened from three to one. PBOT also has installed an accessibility ramp at one intersection at its own expense, instead of charging the Community of Hope.

After the Community of Hope requested a waiver because it is providing a community benefit, BDS cut its fee in half and PF&R waived its fee entirely. But that still left \$3,065.50 in pre-application fees, including \$1,015 owed the Portland Bureau of Transportation.

The SDCs are even more. The Bureau of Environmental Services alone is asking for more than \$12,000.

Alper's says some city bureaus are still adjusting to the housing state of emergency and discussions over waiving more of the fees are ongoing.

Community needs on rise

The Community of Hope is a part of AllOne Community Services, a nonprofit organization founded by the Church of North Portland, a coalition of dozens of churches in the area.

They also coordinate the gleaning of food at the St. Johns and Village Gardens Farmers Markets, and work with The Backpack Project, the Good Samaritan Food Bank, Golden Harvesters, Hereford House, and numerous church pantries to coordinate food distribution services.

The idea of opening the Community of Hope shelter came about a few years ago after a survey conducted by the organization revealed there were no transitional shelters in St. Johns, despite a growing number of people being displaced from their homes because of increasing housing costs.

"Some Portlanders may think of St. Johns as a low-income area, but it is rapidly gentrifying," Devlaeminck says.

The shelter originally opened as an overnight refuge in a larger church, which owns the building, across the street. But it quickly became apparent that only offering a place to sleep was not meeting the area's needs, Devlaeminck says. That's when it moved across the street as

a 24-hour shelter with separate bedrooms, a kitchen and pantry, an indoor recreation area, and an office for Devlaeminck, the sole employee.

According to city records, the two-story building originally was built as a church in 1953. It was subsequently used as a Sunday school and small business cooperative. Two years ago, the Community of Hope requested and received a temporary permit from the city to house up to 15 people. Now the organization has applied to permanently house up to 32 people

When the organization thought about expanding the shelter last year, they connected with the Home Builders Foundation. Started in 1997, the foundation has a shelter development program that helps nonprofit organizations maintain and upgrade their facilities. It already has contributed well over \$1 million in donated supplies and services to numerous projects in the region.

According to Cowdery, the Community of Hope is typical of many nonprofit shelter providers in the region. They usually operate on small budgets with limited staff out of converted buildings, including houses. The populations they serve include homeless singles, families with children, unaccompanied youth, and women and children experiencing domestic violence.

The foundation recently completed the first-ever survey of such facilities in the region to better understand their maintenance and repair needs. It received information from 43 facilities operated by 22 organizations. The majority are less than 5,000 square feet and have fewer than 50 beds. Many need some upgrades — especially repaired exterior walls and roofs, and expanded kitchens. Few have money set aside for such work, however, because simply raising sufficient operating funds is a constant challenge.

The foundation helped the Community of Hope draw up its remodeling plans and navigate the permitting process. Cowdery says he hopes the city will reduce the costs it is imposing on the organization even more so that its limited funds will go further.

“I believe the city is starting to understand the challenges facing small nonprofit organizations, which are essential to meeting the needs of the homeless,” Cowdery says.

Fundraising underway

The total budget for expanding the Community of Hope shelter is estimated at around \$380,000, including such nonessential work as replacing the roof and all the siding. The cost of just meeting all city requirements is still being determined.

The Community of Hope, so far, has raised \$55,000 for the project, including a \$25,000 grant from the Collins Foundation.

Other fundraising efforts include an online account at: gofundme.com/cohrenovationfund

A fundraising event also is scheduled at 7 p.m. Friday, April 8, at the North Star Ballroom, 635 N. Killingsworth Court. Oregon House Speaker Tina Kotek will give the keynote address.

More information can be found at: communityofhopepdx.org