

## The Oregonian

### Charlie Hales advocates for less density in Eastmoreland

*By Brad Schmidt*

*March 14, 2016*

Eastmoreland residents rallying against density in their affluent enclave have found an ally in one of their own: Portland Mayor Charlie Hales.

Hales this month recommended that the city reduce allowable density in the Eastmoreland neighborhood, an area he's called home since 2007.

"This is good news," said Robert McCullough, president of the Eastmoreland neighborhood association. "It's nice to know one isn't punished for participation in the comprehensive plan."

But others, who are concerned about the rising tide of housing prices, have long argued that Portland planners should not decrease density in Eastmoreland.

The fate of Eastmoreland has been one of the most controversial aspects of Portland's new 20-year growth blueprint – called the comprehensive plan – and it could be a precursor of more fights involving other prominent neighborhoods. The City Council this year is expected to approve changes that, when fully implemented, will reinforce development patterns by encouraging growth in the central city and along key transit routes.

Back in July 2014, city planners rolled out a proposal that would decrease allowable density in Eastmoreland. But by March 2015, planners backed away from that blueprint and residents have been fighting ever since.

The battle reached its crescendo when McCullough filed a public records request in November, and a subsequent request Jan. 21, for city documents about zoning for his Southeast Portland neighborhood. At one point McCullough threatened a lawsuit over delays.

The records were made available Feb. 26 at a cost of \$871.

McCullough said he met with Hales around the same time, although the meeting isn't listed on Hales' calendar. Hales told McCullough he "could see the logic" in their position to downzone the neighborhood, McCullough said.

And now, as of a March 4 proposal from Hales, Eastmoreland residents may get their way.

Hales has proposed downzoning the neighborhood from its existing "R5" designation to "R7." The change, if approved, would decrease allowable density in the neighborhood by requiring minimum lots of at least 4,200 square feet instead of the current 3,000-square-foot requirement.

That distinction is especially important in Eastmoreland, where savvy homebuilders have been scooping up homes on large lots, demolishing them and then replacing the old home with two. Residents have rallied against those projects, especially when large trees are threatened to be chopped.

Neighborhood leaders say the average lot size in Eastmoreland is about 6,925 square feet. Therefore, an R7 designation – which traditionally has included 7,000-square-foot lot development patterns – is most appropriate, they say, and could squelch demolitions.

Hales was on a plane late Friday and unavailable for comment, said his spokeswoman, Sara Hottman.

McCullough said he spent little time diving into the city's records after meeting with Hales. But he shared several documents with The Oregonian/OregonLive. In one, planners said their deliberations about zoning in Eastmoreland were verbal. In another, Hales confided to an aide in May 2015 that he agreed with McCullough's position about downzoning.

Some housing advocates have fought against reducing allowable density in Eastmoreland, which is a short walk from a new \$1.5 billion light-rail line to downtown.

Last year, Housing Land Advocates said it makes sense to decrease zoning in some areas within the city – such as east Portland, where the school system is bursting at the seams, or on hillsides because of environmental concerns.

But not in Eastmoreland.

"Reducing housing capacity in one neighborhood results in price increases and redevelopment pressure on other neighborhoods, and as a result perpetuates gentrification and displacement," the group's president, Jennifer Bragar, wrote in a letter to the city last year opposing the downzoning.

"Many other neighborhoods in Portland have been similarly faced with rising land values and redevelopment pressure, but they do not receive special treatment that guarantees their preservation at current densities," she added.

McCullough scoffed at the notion of special treatment. Other neighborhoods, from South Burlingame to Irvington, may also try to score "R7" zoning to limit infill.

"It's been very arduous and very adversarial and very unfriendly," McCullough said. "If this is a silver spoon, frankly, I'd like to go back to regular silverware."

## **Portland in running for \$50 million to build smarter street grid**

*By Brad Schmidt*

*March 12, 2016*

Portland is in the running for \$50 million to build smarter streets that can talk to connected and self-driving cars and develop an app to promote alternatives to driving.

U.S. Transportation Secretary Anthony Foxx announced at the South by Southwest Interactive technology conference in Austin, Texas, that proposals from Portland and six other cities had won out in the department's Smart Cities Challenge among a field of 78 applicants. The finalist cities will each get \$100,000 to refine their plans to compete for the larger grant.

The Transportation Department has pledged up to \$40 million in grant money, while Paul Allen's Vulcan Inc. has promised up to \$10 million to promote electric car deployment.

Portland had proposed building connected street grids, with sensors and data transmitters to communicate with connected vehicles, along Columbia Boulevard in North and Northeast Portland. It's also looking at a pilot for using autonomous technology on Tilikum Crossing, which could allow buses and light rail vehicles to cross the private car-free bridge at higher speeds.

The city also proposed creating hardware to collect data from connected vehicles through their onboard computers and and transmit it anonymously to a virtual repository. There it would be available to city engineers, but also to third parties.

Portland's proposal also included an app that would promote alternatives to driving based on the data collected and facilitate payment for various forms of transport, including public transit and private transportation companies.

The other finalists include Austin; Columbus, Ohio; Denver; Kansas City, Missouri; Pittsburgh; and San Francisco.

## **Portland gets call from EPA to review lead-prevention efforts**

*By Brad Schmidt*

*March 11, 2016*

With a renewed sense of vigilance in the wake of the water crisis in Flint, Michigan, federal regulators are reaching out to water providers nationwide – including in Portland – to review safeguards to prevent lead poisoning.

On Monday, Portland Commissioner Nick Fish received a phone call from Dennis McLerran, the EPA's regional administrator. On Tuesday, Michael Stuhr, director of the Portland Water Bureau, participated in a conference call with federal regulators.

The purpose of the call: Portland told regulators about its efforts to monitor lead as the bureau embarks on major changes within its water-delivery system, Stuhr said in an interview Thursday.

Stuhr stressed that Portland is in compliance with federal regulations for lead and copper. Stuhr said the city hasn't received any official written notice from regulators and there's no reason for concern locally.

"We are absolutely compliant," he said. "Flint prompted the call. There's heightened concern everywhere about lead and copper."

Fish, who oversees the Water Bureau, said Friday that McLerran wanted to talk about "optimizing our compliance" as the city shuts down its open-air reservoirs.

"We are deeply committed to having safe water and meeting our regulatory requirements," he said. "It was in that spirit that we talked about next steps."

The regional office of the EPA has not responded to questions this week from The Oregonian/OregonLive about its contact with Portland.

Portland's water-delivery system does not include lead pipes, and city officials in recent weeks have gone on a public-relations blitz to insist Portland isn't like Flint. But officials have noted that some plumbing for homes built between 1970 and 1985 have lead solder that is susceptible to corrosion.

Officials test for lead twice a year at a sampling of at least 100 high-risk homes. Since the spring of 2007, officials have reported just one instance – fall of 2013 – when results exceeded the 15

parts per billion standard for more public outreach. Results of that testing were released in February 2014.

Stuhr said city officials told regulators about their efforts to monitor lead as the Water Bureau makes major changes to its system. Last year, officials shut down open-air reservoirs at Mt. Tabor and this year they'll disconnect open-air reservoirs at Washington Park. The Water Bureau also has a new intake system at the Bull Run watershed that may impact water temperature.

As a result of those changes, officials may need to control the acidity of water by tweaking the amount of sodium hydroxide that's injected.

Portland contracted with an outside consultant in 2014 to study the system and make recommendations. Work was supposed to wrap up at the end of 2015 but, Stuhr said, it's not complete and a report won't be available until this summer.

Stuhr said Portland will invite regulators to review findings. A letter should go out within two weeks.

Together, he said, they'll decide if next steps are needed.

"What do we need to do, if we need to do anything more?" he said. "Or can we do less?"

## **Portland quietly reimburses utility: Editorial Peak**

*By The Oregonian Editorial Board*

*March 11, 2016*

Portland utility customers have attorney John DiLorenzo to thank for the return last month of nearly \$1 million in sewer funds used in 2000 to buy a redevelopment site in the Pearl District. The reimbursement, as The Oregonian/OregonLive's Brad Schmidt reported this week, was made with a conspicuous, but understandable, lack of fanfare.

In his long-running lawsuit against the city, DiLorenzo has cast a useful light upon the city's habit of using utility funds for purposes that have little or no connection to the provision of water, sewer or stormwater services. That's a no-no, as a Multnomah County judge pointed out in a 2014 ruling faulting the use of utility funds for political campaigns and Portland Loos. Since then, the city has returned millions of dollars to ratepayers.

The latest installment in the legal saga involves the Centennial Mills property, which DiLorenzo identified in his lawsuit back in 2011. In December, Schmidt reported, DiLorenzo asked the city to repay \$950,000 in sewer funds used for the purchase — with interest. He bolstered his argument by quoting a 2000 memo in which Commissioner Dan Saltzman explained to Mayor Vera Katz that utility funds were used "so that the bureau (of environmental services) could develop an innovative stormwater management facility at the site. Absent such a facility, there is no rationale to justify allowing ratepayer money for this property acquisition."

Years later, there isn't an innovative stormwater facility at the site. Nor, DiLorenzo argued in December, is there any evidence the city plans to use the site in such a fashion. He asked the city to pay back the money — with interest.

The Portland Development Commission wrote the sewer bureau a check in February. It was for \$950,000 and did not include interest, which could roughly double the repayment sum. DiLorenzo said he'll bring the question of interest before a judge. We — and, no doubt, ratepayers — wish him luck.

## **The Portland Tribune**

### **City Council asked to increase homeless spending**

*By Jim Redden*

*March 14, 2016*

The City Council is poised to more than double the amount of money spent on homeless services this fiscal year under the Housing State of Emergency it declared last October.

This Wednesday the council will consider increasing the spending to just over \$5 million in the fiscal year that ends on June 30.

The council originally approved \$2.26 million for emergency shelters and other homeless services during its annual fall budget adjustment process. It used the money to open two temporary shelters and provide toilet and garbage service to a North Portland homeless camp, among other things.

This Wednesday the council will consider spending an additional \$2.75 million on the shelters, camp and other services.

An ordinance prepared by the City Budget Office and introduced by Mayor Charlie Hales asks the council to transfer the funds to two city agencies. They are the Portland Housing Bureau, which is paying for temporary emergency shelters in a former armory in Southwest Portland a vacant downtown office building, and the Office of Management and Finance, which also providing trash collection and temporary toilets to homeless campsites.

The funds will come from a recent legal settlement with online travel companies over the collection of hotel and motel taxes, and payments owed the Portland Development Commission on several properties.

"The housing emergency requires additional funding in the current year for various property purchases, shelter costs, and other programmatic expenses totaling \$2.75 million," reads the ordinance authorizing the transfer submitted by the City Budget Office. Housing emergency costs were previously estimated at \$2.26 million.

Hales has promised the council will spend an additional \$20 million on homeless serviced and affordable housing projects next year. The council has approved \$10 million and Hales is asking city general fund agencies to proposed 5 percent budget to help raise the money.

You can read the Wednesday ordinance at [www.portlandoregon.gov/auditor/article/567637](http://www.portlandoregon.gov/auditor/article/567637).

# The Portland Mercury

## Some City Pot Licenses Might Nearly Double In Cost Next Week

By Dirk VanderHart  
March 11, 2016

Months after Portland city commissioners (with the exception of Dan Saltzman) were insistent pot shops shouldn't be allowed to cluster in Portland, they're about to hear about the fallout of that decision: The city's not making enough money from pot licenses.

An ordinance [pdf] Commissioner Amanda Fritz has filed for consideration next week would nearly double the already steep costs of purchasing and renewing licenses to run medical dispensaries, pot growing and processing operations, and marijuana wholesale businesses in the city of Portland. Fritz's Office of Neighborhood Involvement, which is responsible for regulating weed, also wants to kick up application fees.

Here's what the proposed increases look like:

Office of Neighborhood Involvement Marijuana Regulatory License Fees As amended on January 20th, 2016-March 16, 2016			
Marijuana Regulatory License Fees			
Initial-Application Fees	Initial		Renewal
Marijuana Dispensary	\$975		<u>\$750</u>
Marijuana Processor	\$500	<u>\$750</u>	<u>\$500</u>
Marijuana Producer	\$500	<u>\$750</u>	<u>\$500</u>
Marijuana Retailer	\$975		<u>\$750</u>
Marijuana Wholesaler	\$500	<u>\$750</u>	<u>\$500</u>
<b>License and Renewal Fees</b>			
Marijuana Dispensary	\$2,000	<u>\$3,500</u>	<u>\$3,500</u>
Marijuana Processor	\$2,000	<u>\$3,500</u>	<u>\$3,500</u>
Marijuana Producer	\$2,000	<u>\$3,500</u>	<u>\$3,500</u>
Marijuana Retailer	\$4,175	<u>\$4,975</u>	<u>\$4,975</u>
Marijuana Wholesaler	\$2,000	<u>\$3,500</u>	<u>\$3,500</u>
<b>Land Use Compatibility Statement Review</b> (Not Associated with a License Application)			
Research Certificate Holder	\$250		<u>\$250</u>
Laboratory	\$250		<u>\$250</u>
Medical Processor	<u>\$250</u>		<u>\$250</u>
<b>Additional Fees</b>			
Administrative Review Fee	\$250		

Those are steep raises—especially for something that already costs way more than a liquor license, and which some worry (again, Dan Saltzman) simply pays city workers to perform regulation that already exists on the state level. But ONI says the hikes are absolutely necessary.

And a big reason they're necessary, the

ordinance says, is that Portland's not allowing enough pot businesses. Under rules the city adopted last year, marijuana shops need to be at least 1,000 feet from one another. The problem with that is those rules came online when the city was already beginning to burst with

medical dispensaries, and those dispensaries successfully argued for favorable treatment—if they were abiding by the law, the city gave them preference in their 1,000-foot circle.

ONI says it's currently processing 96 license applications for existing marijuana dispensaries, and 80 applications for new businesses. It could be reaping hefty license fees from nearly twice that many without the 1,000-foot rule.

"There are approximately 148 additional applications in queue for appointments to submit applications, a large percentage of which will be denied based on the distance requirements established in City code," the ordinance says.

This was the obvious outcome of the distance rules, as we reported in September—but ONI was argued there was plenty of untapped room for new commerce. The bureau now concedes the city laws have "limited the available real estate for new retailers" and that "retail license applications will be significantly lower than originally anticipated."

But ONI says there's more at play here. The city set up its pot license fees to put most of the burden on marijuana retailers (as opposed to medical dispensaries, growers, etc.). But the OLCC's slow rollout of a retail system means that the city can't issue retail licenses until some point later this year. Also, not as many people have applied to set up pot grows, processing operations, or wholesale businesses.

Bottom line, the ordinance says: "The current fee schedule will not cover the cost of administering the program." Since it's been filed as an emergency, the new fees would go into effect right away if city council agrees.

We've left a message with ONI to get a sense of just how deep in the hole the Marijuana Policy Program is. We'll update when we hear back.