

The Oregonian

Pot tax for clean air? Portland's heady plan moves to November ballot

By Brad Schmidt

June 23, 2016

Portland Commissioner Amanda Fritz wore a special outfit to Wednesday's public hearing to send a marijuana tax to voters this fall.

Her green shirt represented weed.

The gold jacket? Money.

And in a haze of hope, the Portland City Council voted unanimously to place a pot tax on the Nov. 8 ballot – already with some heady ideas about how to spend tax dollars.

If approved by voters, the ballot measure would establish a 3 percent tax on recreational marijuana sales that could conservatively raise an estimated \$3 million to \$5 million a year for Portland, according to the city budget office.

"I believe that we've allocated its uses to good uses that the people of Portland will hopefully support," Fritz said of a broad spending plan.

If approved, the 3 percent tax would come on top of a 17 percent state tax. Money would be steered to a segregated city fund, although the city has been light on specifics about spending.

Tax dollars would go toward broad efforts such as: drug and alcohol treatment and education programs; public safety staffing and transportation projects linked to unsafe drivers; business incubators, management and job training – none of which need to be tied to marijuana; and "economic opportunity and education" to communities "disproportionately impacted by cannabis prohibition."

Given those broad parameters, the City Council could end up tapping tax money to backfill existing efforts, freeing up discretionary general fund money for new priorities.

"The current language gives us broad latitude to allocate the funds into sort of general categories, and then makes the council, through the budget process, the final decider," Commissioner Nick Fish noted.

But Commissioner Dan Saltzman said he's concerned about not having stronger boundaries while turning spending recommendations to a city budget advisory group.

"To be quite blunt," he said, no pun apparently intended, "we're going to get recommendations that count as everything under the sun as eligible for funding under this."

And already, one constituency has its hand out.

Mary Peveto, board president of Neighbors for Clean Air, was among several clean-air advocates who called on the city to use pot-tax money to help curb exposure to diesel pollution.

She acknowledged that air quality "may seem a little off topic" but said the city needs to be "incredibly creative" to help minority-owned businesses pay to replace outdated diesel trucks.

"I see this as an excellent opportunity with the new tax proposal at the city to do just that," she said.

Mayor Charlie Hales voiced objection to earmarking money for the effort, suggesting advocates were being opportunistic. But at least two members of the City Council offered support, with Fritz saying the money could be used for clean-air efforts.

Commissioner Steve Novick was the most forceful. He said there is a "nexus" because many marijuana users smoke it, and smoking is bad for an individual's lungs.

"So to use some of the money to protect people's lungs from other pollutants," he said, "I think is reasonable."

In other news, the City Council delayed its Wednesday vote on a construction-excise tax for procedural reasons.

Commissioner Nick Fish pushed an amendment asking city officials to study options to exempt brownfield redevelopment from the tax. Because the proposal was amended, the City Council had to delay its vote until after a second public reading next week.

Portland police consider eliminating certain investigative units to fill patrol vacancies

By Maxine Bernstein

June 23, 2016

Portland police are considering eliminating certain specialty enforcement units in order to shift officers to fill patrol vacancies as the bureau struggles with a staffing shortage.

Acting Chief Donna Henderson informed bureau members that she met with police command staff and unit managers on Tuesday for a four-hour brainstorming session to figure out where to find officers to fill the patrol shifts.

"We want to get to 400 positions on the street and fully staff detectives," Henderson wrote to bureau members.

That means finding 75 officers to move into patrol, according to Henderson's memo.

Talk of specialty units being discontinued already has sent ripples through the community. It's certainly not the first time, however, the bureau has floated the idea of eliminating full police units (consider the Mounted Patrol Unit) in the midst of efforts to drum up financial support, for example, during budget seasons.

The city currently is continuing to negotiate a new contract with the Portland Police Association, which would increase officers salaries and offer signing bonuses to new recruits in an attempt to attract more applicants and retain current officers. Funding for the increases, though, hasn't been established yet, but a proposed tax on pot has been suggested as a source for the dollars.

Rosemary Brewer, executive director of the Oregon Crime Victims Law Center, said Wednesday she's extremely concerned about any proposed cuts to the bureau's Family Services Division, including its Domestic Violence Reduction Unit, Elder Crimes Unit and a new team of officers dedicated to ensuring guns are removed from people facing domestic violence restraining orders.

One proposal circulated calls for the elimination of these units, meaning all officers and sergeants assigned to them would be moved to patrol. Domestic violence felony cases that these units now investigate would instead be assigned to the downtown detective division at Central Precinct.

"The units are greatly needed, and I think the community should be aware of the possible cuts," Brewer said. "Portland has had several high-profile domestic violence homicides in the last few years. Cutting these divisions would be a disaster."

Brewer and the Oregon Attorney General's Office, seeking to hire an elder crimes prosecutor for the state, are among the advocates who have expressed concerns about potential cuts.

In a memo to staff this week, Henderson cautioned that no decisions have been finalized.

"We made many proposals and scenarios of what positions would be moved back to the street," she wrote. "At this time, things are really fluid. We are still taking in feedback in each branch about the repercussions of proposed cuts and reassignments."

Any changes will be presented to the mayor, who serves as police commissioner, and City Council, Henderson told officers.

"First, let me be clear that none of this is easy—each assignment we talked about brings value and makes significant contributions to the community—that's why we do it!" Henderson wrote in her Tuesday memo. "In the end, we have to staff our core services and that's what today was about."

Henderson was named acting chief after Chief Larry O'Dea was placed on administrative paid leave in late May, about one month after he shot a friend in the back while camping in Harney County yet claimed to a Harney County sheriff's deputy that his friend's wound appeared to result from a self-inflicted accident. The state police and the Oregon Department of Justice are conducting a criminal investigation.

Aside from retirements, Portland police officers have been jumping to other agencies, such as Gresham police, Clackamas County Sheriff's Office and Port of Portland police.

There are now 65 vacancies in the bureau, which has an authorized strength of 948 officers, bureau spokesman Sgt. Pete Simpson said.

Officer Daryl Turner, president of the Portland Police Association, said the changes the Police Bureau is considering making - beefing up patrol by cutting out some police specialty units - will "only postpone the unacceptable, inevitable outcome which is fewer resources to protect the communities we serve."

Portland auditor says revolving-door lobbying rules 'all but unenforceable'

By Brad Schmidt

June 22, 2016

Portland's elected watchdog says the city needs to narrow a prohibition against revolving-door lobbying by former employees because existing rules are "all but unenforceable."

As a result, Auditor Mary Hull Caballero has proposed targeting new rules so they apply only in select cases — instead of the more sweeping regulations that seemingly exist on paper today.

Hull Caballero said she's not concerned the changes will lead to more lobbying by former city employees.

"Yes, the number of employees covered by the changes is smaller," she said in an interview Wednesday. "But it's more focused on people who have the most information, the most influence, and have the most valuable asset that a third party or the private sector would want to tap into.

"And so that's a trade-off."

City Hall lobbying came under scrutiny in the fallout over Mayor Charlie Hales' 2014 efforts to reach a compromise with ride-hailing company Uber, which wasn't initially welcomed to Portland with open arms. The issue caught fire because Uber didn't disclose its lobbying efforts, and Hales and Commissioner Steve Novick didn't disclose a key meeting with company executives.

In April, Hull Caballero released a proposal that she said "broadens the revolving-door prohibition." But that plan didn't move forward when Hales and Commissioner Dan Saltzman vehemently voiced opposition about proposed restrictions on at-will political staff.

There's been little scrutiny, however, about the details of some key changes.

Under existing rules, all former city employees — including elected officials — are prohibited for one year from lobbying a "city official" on "any subject matter on which the employee participated personally and substantially."

A "city official" is defined broadly to include dozens of people who cannot be lobbied: all elected officials, all at-will staff for elected officials, all bureau directors, and all members of the Portland Development Commission, the Planning and Sustainability Commission, the Design Commission and the Fire and Police Disability and Retirement Board.

The new rules wipe away virtually all of that.

A former elected official, for instance, would be prohibited from lobbying only another elected official or that person's salaried at-will staff. Lobbying bureau directors, city employees or appointed members of city commissions would be fair game.

A former bureau director, on the other hand, would be prohibited from lobbying only their replacement and the elected official who oversees that specific bureau. There would be no prohibition on lobbying other elected officials, at-will political staff, other bureau directors, city employees or appointed members of city commissions.

In both cases, the prohibition would be extended to two years instead of the current one-year restriction.

As for salaried at-will political staff, they'd be prohibited from lobbying any elected official or salaried at-will political staff. They would still be allowed to lobby bureau directors, city employees and appointed members of city commissions. That prohibition would last one year instead of the two that Hull Caballero pitched in April.

What about former employees who worked in bureaus?

They could turn around and lobby virtually anyone in the city, under the proposed rules. The only prohibition: instances where that former employee "exercised contract management authority" on the specific contract tied to the lobbying.

Hull Caballero said the revolving-door rules need to be tailored to ensure enforcement. Current rules make it challenging to prove whether someone "personally and substantially" participated in an issue when working for the city.

Several past employees, for instance, have left the city only to quickly begin lobbying former colleagues, arguing that they weren't promoting issues that they'd been "personally and substantially" involved with.

Instead of investigating or trying to define a level of participation on a given topic, Hull Caballero said, the auditor's office decided to shift prohibitions to specific relationships.

"What we have on the books today is all but unenforceable," said Hull Caballero, Portland's auditor since 2015.

Hull Caballero conceded that she would like to extend the prohibitions to more relationships. But she received legal advice that there must be a nexus to a former job, and a broader prohibition might run afoul of political free speech, she said.

Other details of Hull Caballero's proposal have received far more attention.

Notably, the auditor could levy fines of up to \$3,000 — six times higher than the existing penalty. It also would give the auditor explicit authority to investigate potential violations, request documentation and attempt to recover legal fees.

Beyond bigger penalties, the new rules would require any group that spends more than \$1,000 lobbying in a quarter to disclose a detailed list of each contact with city officials. Right now, that level of transparency is required only for groups that spend at least eight hours lobbying in a quarter, a provision that would continue.

The latest proposal received a muted response Wednesday from the City Council. That could be a good sign for Hull Caballero considering the full-scale clash that resulted from her earlier proposal in April.

A vote is scheduled next Wednesday.

Portland OKs \$30 million deal for new office for homelessness

By Brad Schmidt

June 22, 2016

Portland and Multnomah County will join forces to combat homelessness as part of a new \$30 million annual commitment to be formally approved this week.

On Wednesday, the Portland City Council voted unanimously for a new Joint Office for Homeless Services. The Multnomah County Board of Commissioners is expected to approve the deal Thursday.

City and county officials say they'll more effectively serve the homeless by putting government employees and finances under one roof.

"How we organize the work that we do at the governmental level profoundly affects our ability to achieve the best possible outcomes for people experiencing homelessness," said Marc Jolin, who will serve as the interim director of the joint office.

Under the deal, Portland will transfer four employees and shift current contracts with homeless providers to Multnomah County. The new office, to be run out of Multnomah County, would launch July 1.

Portland will pledge at least \$15 million a year for five years to Multnomah County to help cover costs. County officials would also pledge at least \$15 million a year. And both agencies would increase funding by at least 2 percent each year.

Officials have talked on and off about combining city and county homelessness efforts for about three decades, with conversations gaining traction earlier this year. County Chairwoman Deborah Kafoury, a sometimes-critic to Mayor Charlie Hales, praised Hales for his cooperation and decision to move forward.

"This would not have happened without your leadership," she said.

But several key details haven't been hammered out.

As it stands, there's no money in the agreement for one of Portland's top priorities: operating the Right 2 Dream Too homeless camp at a new location on the Central Eastside. Also, no money has been identified for a new complaint-tracking service currently run from Hales' office.

And, most importantly, the city will need to find additional money. Right now, officials have budgeted just \$11.5 million in ongoing money for homelessness, meaning the City Council will need to dedicate at least \$3.5 million more in the 2017-18 fiscal year.

"This is the kind of idea that sounds really simple," Commissioner Steve Novick said. "But it's the kind of thing that in practice is incredibly difficult.... It is really impressive that the city and county have managed to work together to come to this commitment, and I think it'll be really good for the people of Portland."

Portland loses 'Smart City Challenge' to Columbus, Ohio

By Talia Richman

June 21, 2016

Portland's hopes of winning \$40 million to help build a high-tech street grid were dashed Tuesday after the U.S. Department of Transportation chose Columbus, Ohio, as the winner of its "Smart City Challenge" grant.

U.S. Sen. Rob Portman, R-Ohio, released a statement congratulating Columbus on its win. The federal transportation department has not yet formally announced a winner.

Portland was among seven finalists, including Denver and San Francisco, vying for the grant money. The federal cash is expected to come with an additional \$10 million from Paul Allen's Vulcan Inc. Portland had been named a finalist in March.

Portland officials including Mayor Charlie Hales traveled to Washington, D.C., to make their final pitch for the grant. The city wanted the money for an app that would help Portlanders compare transportation options – for example, taking public transit vs. using a ride service – and pay for their chosen option without leaving the app.

The city's application also envisioned WiFi-enabled kiosks at transit stops, electric neighborhood shuttle buses that one day could run autonomously, and outfitting fleet vehicles such as TriMet buses with sensors for collecting traffic data.

The Portland Bureau of Transportation will be looking toward Ohio to learn from what they do with the grant, said spokesman John Brady.

"We're very happy that though this challenge, we were able to move the ball forward in terms of public awareness of these new technologies," Brady said. "We're confident this experience will serve as the foundation for eventually achieving the things we set out to do in our application."

The Portland Tribune

Portland forecloses on first 'zombie homes' with unpaid liens

By Bianca Pahl

June 23, 2016

The abandoned house at 8515-8517 N. Portsmouth Ave. has sparked complaints from neighbors for 24 years. Its owner has violated multiple city codes over the past five years and racked up more than \$66,000 in liens. But its days as a nuisance are coming to an end.

Last week, the Portland City Council unanimously voted to start foreclosing on five abandoned homes and approved new codes to make it easier to force sales of homes with mounting unpaid liens. The five that made the cut were considered "the worst of the worst" of the city's more than 400 abandoned homes, says Sarah Landis, the chief deputy city auditor.

Along with the Portsmouth house, the city plans to foreclose on homes at 4112-4118 S.E. 91st Ave., 15803 S.E. Powell Blvd., 7101 N.E. Prescott St. and 9120 N. Tioga St.

All five are part of the Bureau of Development Services' Extremely Distressed Properties Enforcement Program. Together, these five properties carry a total of 37 liens worth \$378,291, Landis says. Much of that owed money is the result of unpaid nuisance violations.

The code changes should help the city get a handle on a longstanding problem that has distressed neighbors and confounded city officials for years. Many owners are neglecting their homes, attracting squatters and other illegal activities, at a time when Portland faces a severe housing shortage. By using its powers of foreclosure, the city can sell the homes, earning funds to pay off unpaid liens and get the homes back into productive use.

"The foreclosure process will not be a quick fix nor will it be appropriate for every blighted property with delinquent liens," Landis says.

However, it's a start. The city has been reluctant to use the foreclosure process since the last foreclosure was bungled in 1965.

"It's an outrage that houses are unoccupied and falling apart in a city where the housing prices went up faster than anywhere in the country last year — 11 percent — and where people are desperate to find housing," says Portland Mayor Charlie Hales.

Until now, city code allowed the property to be sold for no more than the total of liens and collection costs. That means a property potentially would sell for a tiny fraction of its value, Landis says. The new code allows the city to sell the home for its true market value.

A second code change will allow the city treasurer to recoup city costs of conducting the sale.

In order for a property to have these new laws applied, it will have to be vacant, abandoned and have a long list of violations and unresponsive owners, Hales says.

The City Auditor's Office will select the homes for foreclosure. The list is then approved by the City Council and given to the city treasurer to start conducting a foreclosure sale.

Even after the foreclosure process has begun, property owners will have a grace period in which they can pay off their liens and reclaim their properties.

"We want the property owners to get the message and fix them before we foreclose," Hales says.

Perhaps the most puzzling thing about these homes and their conditions has been the city's inability to deal with their owners.

Two of the five properties, on Portsmouth and Tioga, belong to Norman Tung Yee, who was highlighted in a recent Portland Tribune article.

Yee, who owns 12 properties in Portland, faces outstanding liens of more than half a million dollars. His properties have sparked 127 complaints, and the Bureau of Development Services has gone in 29 times to address nuisances, says Mike Liefeld, the agency's enforcement program manager.

Both of Yee's properties designated for foreclosure are valued at more than \$300,000 on Trulia, an online residential real estate site.

This despite the fact that the house on Portsmouth has structural damage due to a fire and the one on Tioga has a hole in the roof.

The fourplex on 91st Avenue has a long track record of complaints as well. Property owners Trang Nguyen, Trong Nguyen and Van Tran owe \$105,000 in liens. There are 53 violations, including fire, life, safety and health sanitation violations that “remain uncorrected,” Liefeld says.

The city has not had contact with any of the three since 2011. Liefeld says the fourplex might be owned by a bank, but there has been no title transfer to indicate that the Nguyens and Tran are not the owners.

This property has been a home to squatters, and police officers have been called out repeatedly to remove them and secure the property. A 27-year-old woman reportedly died at the property from a heroin overdose, Hales says.

The Prescott house has the second-highest total of outstanding liens owed — \$99,000.

At the time the foreclosure list was prepared, the owner was listed as David Tiff LLC. Tiff is a real estate broker. Recently the ownership was changed to the Federal National Mortgage Association, Landis says.

This property had a swimming pool, which provided a unique set of problems. Liefeld says the pool was full of garbage and the city had to eventually pump out all the water, remove the garbage and board up the pool so it wouldn't happen again.

“These homes are occupied without basic utilities, water and electricity, which causes significant hazards to occupants and surrounding property owners,” Liefeld says.

The last property on the list, on Powell, actually was foreclosed on Feb. 1 by U.S. National Bank. But the property's title has not yet been legally changed, so as of now the owner on file is Trevor Brown.

This property had a series of occupants. After removing nine squatters, BDS ordered repairs on the home because the health sanitation violations were considered a concern to neighbors.

“We find, with many of these properties, after we secure it up, the problems don't go away,” Liefeld says. “It reoccurs and homes become attractive for folks because they know there's not a responsible party present.”

Hales says new positions in BDS and in the City Attorney's Office have been funded to deal with the extremely distressed properties.

Plans also are in the works for weekly meetings about vacant properties between the auditor's office, BDS and the city treasurer, Landis says. A Tribune series revealed that a lack of communication and cooperation between agencies was holding back action on the homes.

Hales says the city has the Oregon Banker's Association helping them hunt down the owners of a number of these vacant properties.

Abandoned properties to be sold off by city

- Triplex at 8515-8517 N. Portsmouth Ave.: Twelve liens totaling \$66,000, issued July 2009 to February 2016; estimated value \$302,400.
- 4112-4118 S.E. 91st Ave.: Eight liens totaling \$105,000, issued June 2011 to March 2016; 53 code violations cited; estimated value \$334,000.

- 15803 S.E. Powell Blvd.: Eight liens totaling \$96,241, issued December 2009 to June 2014; 34 code violations; estimated value \$214,000.
- 7101 N.E. Prescott St.: Eight liens totaling \$99,000 issued December 2012 to June 2015; over 75 code violations; estimated value is \$348,000.
- 9120 N. Tioga St.: One lien in January 2014 for \$11,000; estimated value \$307,000.

Portland marijuana tax headed for November ballot

By Jim Redden

June 22, 2016

Portland voters will be asked to approve a 3 percent tax on recreational marijuana sales in the city limits at the November general election.

The ballot measure unanimously approved by the City Council on Wednesday would direct the money toward drug and alcohol treatment, public safety, and support for small businesses.

Commissioner Amanda Fritz, who introduced the measure, estimated it would raise \$3 million a year.

The current state tax on recreational marijuana sales is 17 percent. Cities and counties have the option of enacting an additional 3 percent local tax.

City transfers most homeless programs to county, buys Joyce Hotel for \$4.2 million

By Jim Redden

June 22, 2016

The Portland City Council voted unanimously Wednesday morning to transfer most of its homeless programs to Multnomah County and create a new Joint Office of Homeless Services.

The Multnomah County Commissioner is expected to reassign its homeless programs to the new office on Thursday.

The merger is one of many steps the city and county have taken together in recent years to better address homelessness as the lack of affordable housing has become a prominent issue.

The vote came on the same day the Portland Housing Bureau announced it was buying the Joyce Hotel, the last remaining inexpensive weekly occupancy hotel in the city for \$4.2 million. Located at Southwest 11th and Stark, the Joyce has 69 single and hostel-style rooms that rent for \$19 to \$50 a night. It's owners had been evicting tenants ahead of a planned sale.

"There has been an unprecedented level of cooperation between the city and county," Multnomah County Chair Deborah Kafoury testified before the council in support of the merger.

Mayor Charlie Hales said that homeless services have been illogically divided between the city and county for many year, reducing the effectiveness of their delivery.

“The city has been responsible for homeless adults, and the county has been responsible for families, children and survivors of domestic violence. That just doesn’t make any sense,” Hales said.

Under the Intergovernmental Agreement approved by the council, the new office is guaranteed a base budget of \$15 million from each government, with a two percent increase every year. The proposed budget for the first year is actually \$47 million, however.

Although most of the city’s homeless services will transfer to the new office, the housing bureau will remain in the city. It is the single largest provider of public funds for affordable housing projects in the region. The council has significantly increased its funding over the past year by increasing the percent of urban renewal funds dedicated to affordable housing from 30 to 45 percent, and by creating a new \$20 million program to mitigate the effects of gentrification in North and Northeast Portland.

“Today’s action is a piece of our larger effort on housing and homelessness,” Hales said.

In the announcement of the purchase of the Joyce Hotel, Commissioner Dan Salesman, who is in charge of the housing bureau, said, “I am very pleased that the Joyce Hotel will remain open so that some of the most vulnerable people in our community will have a safe place to go, rather than being out on the street. As a compassionate city, we must continue to prioritize our resources to invest in the social safety net for Portlanders who are most vulnerable and at risk.”

According to the announcement, the remaining 20 tenants at the hotel will be moved to other housing while the city renovates it.

Willamette Week

Murmurs: Who Wants to Pay a Tax on Miles Driven? No? How About a Weed Tax?

*By WW Staff
June 22, 2016*

Mileage Tax Recruits Few Guinea Pigs

Last July, the Oregon Department of Transportation started a pilot program called OReGO to test the idea of a state tax on miles driven—a tax in which Oregonians driving fuel-efficient vehicles would pay more than they do in gas tax while those driving fuel-inefficient vehicles would pay less (“Paying by the Mile,” WW, June 30, 2015). The idea was to replace the state gas tax, which is in long-term decline. Jim Whitty, who spent more than a decade researching and marketing OReGO around the world on ODOT money, told WW at the time that “guilt” might be the sole incentive for owners of fuel-efficient cars to sign up for OReGO. He hoped 5,000 Oregonians would sign up for a trial run of the program, paying per mile traveled and receiving a credit for gas taxes paid. But apparently, guilt hasn't been enough. As of June 1, only 891 people were enrolled in OReGO, according to ODOT's Michelle Godfrey, and all four businesses

that enrolled also happen to be registered as contractors with ODOT. "Our current numbers are more than adequate to fully test the OReGO system," Godfrey says. Meanwhile, Whitty retired from ODOT to join D'Artagnan Consulting, an ODOT contractor. Agency rules bar him from doing business with ODOT for 12 months.

Portland City Hall Imagines Weed Windfall

The Portland City Council is likely June 22 to refer a 3 percent sales tax on recreational marijuana to the November ballot. But commissioners and the mayor do not yet agree how they'll spend the estimated \$3 million to \$5 million a year the tax would generate. Commissioner Amanda Fritz, who's leading the effort, would like the money to go to several projects, including drug and alcohol treatment services, DUII police training and enforcement, street infrastructure, and programs to help people held back financially and professionally by past pot convictions. Her colleagues have other ideas. Mayor Charlie Hales would like more money to pay for raises for police officers to improve recruitment and retention. Commissioner Steve Novick says he'd like to spend some of the money addressing air toxins. "My argument would be that whatever the benefits of marijuana, smoking isn't great for your lungs, so we should spend some of the money on lung protection," Novick says. "Although I guess edibles sellers would then say they have nothing to do with lungs."

City of Portland to Buy Joyce Hotel for \$4.22 Million

*By Julia Comnes
June 22, 2016*

The Portland Housing Bureau announced Wednesday that it is purchasing the Joyce Hotel, a downtown building that's long served as a low-cost housing option for Portland's homeless and low-income population.

The City will pay \$4.22 million for the hotel, which the city says is the last weekly-stay hotel of its kind in Portland.

The future of the hotel, whose 69 rooms are priced from \$19 to \$50 a night, has been uncertain since December, when tenants received 90-day eviction notices.

The city's purchase of the building is part of an effort to fulfill its promise to maintain 8,286 affordable rental units in Central City.

"The Joyce has long provided transitional housing and a last resort for very vulnerable people with few other options," says Kurt Creager, director of the Portland Housing Bureau. "The loss of such units during a housing and homelessness emergency would create a real humanitarian crisis."

After the purchase, the 20 tenants who remain in the building will be temporarily relocated as the city "rehabilitates the hotel and addresses exigent health and safety issues," according to a PHB press release.

Portland Auditor Mary Hull Caballero Returns to City Council With Modified Ethics Reforms

*By Beth Slovic
June 22, 2016*

Portland Auditor Mary Hull Caballero is returning to City Council on Wednesday with a slightly reworked version of the ethics proposal Mayor Charlie Hales blasted in April as puzzling and unnecessary, and this time she has the backing of Commissioner Nick Fish and better odds of seeing her reforms enacted.

The biggest change to the auditor's proposal concerns the rule that prevents elected officials, bureau directors and at-will staff of elected officials from returning to City Hall as lobbyists for one year. The City Council approved that rule in 2005, but Caballero wanted to extend the ban to two years.

Hales and Commissioner Dan Saltzman balked, and now Caballero has backed down. Slightly.

"The political culture in Oregon is honorable," Hales claimed in the April discussion. "What's on the books since 2005 hasn't made a difference."

Caballero's new proposal keeps the two-year ban only for elected officials and bureau directors. At-will staff of elected officials, including current employees of the departing mayor, will continue to face only a one-year ban. At-will staff members who are paid by the hour (and tend to be low-level employees) will be exempt from the ban entirely.

Other aspects of Caballero's proposal remain the same. Right now, lobbying groups have to report their activity if they spend more than eight hours per quarter lobbying. That rule would change to require reporting if a group spends more than eight hours or \$1,000 per quarter.

Also, Caballero's proposal increases possible fines on violators, from \$500 to \$3,000 per violation.

The Portland Mercury

Portland Will Vote on a Pot Sales Tax in November. Here Are the Details.

*By Dirk VanderHart
June 22, 2016*

Add a pot sales tax to all the other taxes you're juggling these days, Portland.

The Portland City Council voted this afternoon to refer a 3 percent sales tax on recreational marijuana sales within city limits to the November ballot. That same ballot looks like it'll also contain a \$250 million local bond measure aimed at affordable housing, and a controversial statewide corporate sales tax. And remember, those will appear months after voters passed a 10-cent-per-gallon gas tax to help pay for city streets, and city council enacted a 1 percent tax on new construction (which will happen next week, barring a bizarre change in course).

Truly, these are tax heavy times.

But let's focus for now on the pot tax measure, which you can read in full here [pdf]. If enacted, it would result in Portland marijuana users being taxed a total of 20 percent on their recreational purchases beginning January 1. That's less than the current 25 percent tax (which is set to expire), but more than the 17 percent you'd pay if voters shoot down the local sales tax.

The city says the local tax would rake in about \$3 million every year. The measure council referred to the ballot today says that money has to go to one of three places:

- drug and alcohol treatment programs
- public safety efforts that reduce negative impacts of drugs and alcohol (that can include wide-ranging things like paramedics, police training, or even street improvements that make roads safer)
- support for "neighborhood small businesses," with a special focus on minority- and women-owned businesses

Commissioner Amanda Fritz—who brought the tax forward and will be campaigning for it this fall—says that mixture is flexible enough to have a range of uses, yet connected enough to the pot that's being taxed to make sense to voters.

But not everyone agreed with her priorities. The surprise of this afternoon's hearing was how little it contemplated marijuana. Instead, public testimony was dominated by Portland air quality advocates, who've been pushing for new local regulations in the wake of revelations about carcinogens issuing from glass factories (and other air quality issues).

The advocates pressed—hard—for council to consider putting some of the \$3 million revenue toward making Portland a better place to breathe.

"It's critical that we always look for funding opportunities to address this problem," said long-time air quality advocate Mary Peveto.

"This new source of revenue can help to address an urgent and persistent health threat in this city," said Chris Winter, an environmental law attorney and Portland's Crag Law Center. "It makes perfect sense for a portion of the cannabis tax to be dedicated to the intersection of environmental protection and human health."

At least one member of council was in their corner. Commissioner Steve Novick pressed his colleagues to consider earmarking some of the tax revenue for helping businesses convert older diesel engines to cleaner burning models. Diesel pollution is a central concern for Portland's air quality, but not everyone agreed that it should be intermingled with a marijuana tax.

"I am interested in the air quality issue, but frankly I see it as a completely severable matter from the tax," said Mayor Charlie Hales, who's said he'd like to put at least some of the pot revenue into paying police officers more.

Novick pressed. "A large amount of people consume marijuana by smoking," he said. "To use some of the money to protect people's lungs from other pollutants, I think, is reasonable."

The disagreement almost got a vote on the resolution delayed until next week—when council will be taking up the new construction tax and the \$250 million housing bond. But Novick notched a small victory, getting the verbiage of the ballot measure amended by a word

("innovative" was removed), which council members seemed to agree creates a potential opening for women- and minority-owned businesses to convert their diesel engines with pot tax money.

So now—after a unanimous vote—we'll be voting on a pot tax.

"It's with mixed feelings I vote on this," Fritz said before casting her vote. "I'm condemning myself to dozens of neighborhood meetings."

A New City-County Homelessness Office Is Officially Coming Next Month (Pending One Vote)

By Dirk VanderHart

June 22, 2016

Budget deficits have been a hot topic at Portland City Hall lately. But they took a backseat this morning, as Portland City Council elected to, in effect, create a \$3.5 million hole in its next budget by committing to pooling its resources for combatting homelessness with Multnomah County.

In an expected unanimous vote, the five-member council voted to create a Joint Office on Homelessness headquartered at that county. The county's Board of Commissioners will vote on the effort tomorrow.

The \$47 million office has an ambitious goal of slashing homelessness by at least half in coming years, via an increase in emergency shelter and housing placements, and assistance that keeps people from becoming homeless in the first place.

The move is a continuation of a commitment the city and county made last year, when Mayor Charlie Hales called for a housing "state of emergency" in the region, and promised to pour \$20 million in new funding to help stanch the bleeding. Under the agreement, Portland will send existing contracts for homelessness services to the county, along with four employees who'd worked at the Portland Housing Bureau.

The city has long controlled homeless services for single adults and couples, while the county has tackled services for juveniles, domestic violence victims, and families. Officials say that combining those efforts will make for more efficient services, and eliminate confusion for people who need help.

Under the agreement, the city and county are also committing to put at least \$15 million a year into the effort for the next five years—with that amount slated to rise by two percent every year. If one of the governments fails to put the money up, the other has the option of dissolving the joint office.

As we noted in this week's paper, the \$15 million is roughly \$3.5 million more than the city has identified as ongoing funding for the effort, meaning it'll need to find the money in coming budgets. Those types of unfunded mandates have been unpopular among council members of late, but it didn't raise enough alarm to jeopardize the deal this morning.

"If the city is having to cut our budget and this isn't having to be cut at all, that's going to have a huge impact," said Commissioner Amanda Fritz. Commissioner Steve Novick also raised it as an issue.

County Chair Deborah Kafoury, testifying in favor of the deal, downplayed the concerns, calling the \$15 million commitment the "absolute bare minimum" of what she expects the governments to contribute. The two governments are paying a combined \$47 million into the office this year.

"Ending homelessness...is the number one priority of the citizens we serve," Kafoury said. "We're going to have to do it again next year. That's the reality. I'm going to be talking about the \$47 million we put in this year, and adding to that next year."

That's in step with what Kafoury's been saying for months. She told the Mercury last year she'd push for a continued increased funding stream that can help meaningfully cut into the homelessness crisis.

The new agreement, all but guaranteed to be formally enshrined by the county commission tomorrow morning, doesn't answer a few pressing questions about how the city's been fighting homelessness. It doesn't contain a provision for funding operations for the homeless rest area Right 2 Dream Too, for instance. And it doesn't offer up a home for the suite of new services Mayor Charlie Hales has lodged in the city's Office of Management and Finance in the last six months or so.

"It has to be addressed," said Hales. "I suspect that neither I nor the mayor elect [Ted Wheeler] think that the functions that are now being performed in the mayors office by the mayor should stay there. We've done that because they needed to be done and we needed to step up."

Hall Monitor: In the Hole

*By Dirk VanderHart
June 22, 2016*

IT'S A TIME of fiscal unease in Portland City Hall.

City council may have passed a landmark \$500 million general fund budget earlier this month, but it hasn't kept our elected officials from their disagreements.

One biggie: Mayor Charlie Hales wants desperately to increase police pay, and has been trying to impress on city commissioners that a deal he's trying to strike with the city's main police union is a rare opportunity to solve a worsening officer shortage.

The problem is, Hales can't say where the millions would come from to pay for that deal. And while he assured me the city could tighten its belt in other ways to pay for cops if need be, his colleagues don't appear to be buying it.

"You can't just announce that there's a problem and it'll cost a certain amount to fix it, and the money will materialize," Commissioner Steve Novick said recently, reflecting on his own long effort to win new money to pay for roads.

That same sentiment could make an unrelated item that's coming up before the council this week pretty interesting.

The City of Portland is on the cusp of lumping many of its resources for fighting homelessness in with Multnomah County's. Under an agreement the council will vote on June 22, the Portland Housing Bureau will send four staffers, its contracts for social services, and at minimum \$15 million a year across the river, to help run a "joint office" on homelessness overseen by County Chair Deborah Kafoury. The county will also chip in \$15 million, meaning an investment of at least \$30 million toward the city's homelessness crisis for each of the next five years.

That's big money, and officials say a single office will be able to use it more efficiently.

Here's where it gets tricky, though. As it's currently structured, the agreement would create exactly the kind of unfunded mandate Novick and his colleagues have been so reticent about of late.

Of the minimum \$15 million per year the city's committing itself to contribute over the five years of the new agreement, Portland's only carved out \$11.5 million in ongoing funds in the latest budget.

There's plenty more where that came from—the city's kicking in more than \$25.3 million to the new homelessness office this year. But most of that is one-time cash, not built into future budgets. That means the city's on the verge of approving a deal that creates a nearly \$3.5 million deficit for next year.

And you know, it's very hard to envision the city rejecting that agreement. Officials are under the gun to get a deal in place before July, the start of the next fiscal year.

So the question becomes: How will the city pay for the new homelessness effort going forward? If revenues continue to rise, they may dig the city out of its hole. If not, out come the budget knives.

"I'll certainly be interested," Novick tells me, "in hearing ideas about how to pay for those additional ongoing costs."

The Daily Journal of Commerce

Local firms chosen for Portland Building project

By Garrett Andrews

June 21, 2016

The city intends to award and negotiate the contract for the \$195 million renovation of the Portland Building with general contractor Howard S. Wright, a Balfour Beatty Co., and architecture firm DLR Group, according to a notice dated this past Friday.

Two other teams proposed bids for the highly technical design-build-relocation project – Yost Grube Hall Architecture and JE Dunn; and FFA Architecture and Interiors, Perkins & Co. and Andersen Construction.

“It’s an honor that I don’t think any of us are taking lightly,” said Justin Stranzl, senior associate with DLR. “We’ll treat the building with the care and respect it deserves. There’s certainly a pressure there, but I think we’re up for it.”

The Portland Building contract commits HSW to complete the project by 2020 and to a maximum cost of \$195 million. During construction, some city services will be relocated in an effort to save money.

The Michael Graves-designed Portland Building has proven divisive since it was finished in 1982. The 15-story office building has drawn criticism for its unconventional post-modernist design, as well as engineering issues, including a leaking building envelope and seismic vulnerability. More than 1,300 primarily city employees work there.

The \$195 million cost includes relocation of some of those employees to a still undetermined location while work is being done on the building.

Next up on the council-approved project timeline, HSW is to provide options regarding employee relocation, with a decision expected in the fall. Also, the target budget, scope, and schedule is expected to be set by the end of the 2016 calendar year.

The Portland Business Journal

Portland commissioners send \$3M pot tax to voters

By Andy Giegerich

June 23, 2016

Cannabis buyers in Portland may have to pony up a bit more for their purchases.

As Oregon Public Broadcasting reports, Portland's City Council has referred a 3 percent tax to the November ballot. The Council voted on Wednesday to use the strategy as a way to raise \$3 million.

Commissioner Amanda Fritz proposed the plan as a way to fund drug and alcohol treatment and education programs, public safety investments, and support for "innovative neighborhood small businesses."

The current state tax on recreational marijuana sales is 25 percent, a figure that's set to shrink to 17 percent starting Jan. 1, 2017.

The sales of recreational marijuana in Oregon became legal last October. Cannabis is frequently used medicinally as a way to treat pain or reduce anxiety.