

## The Oregonian

### Why Portland wants to greenlight homeless shelter now, get details later

*By Brad Schmidt*

*August 10, 2016*

Portland officials haven't conducted due diligence on a high-wire proposal to open a massive temporary homeless shelter in a city warehouse because, so far, they've received nothing in writing from developer Homer Williams, the project's architect.

That lack of specificity isn't stopping the City Council from pushing forward, however.

On Wednesday, a divided City Council is expected to take the first step toward greenlighting the Northwest Portland shelter by securing land that could cost \$120,000 to nearly \$1.2 million a year to lease.

Officials say that'll be taxpayers' only direct expense for now.

That's because Williams, the get-it-done visionary who helped transform the Pearl and South Waterfront districts, has promised to raise private money to pay for shelter operations, staffing and upgrades. But that assurance comes even though city officials don't know how much the project might ultimately cost or where that funding will come from or whether the burden could fall on the city if Williams' shelter opens but money dries up.

Portland Commissioner Dan Saltzman, who oversees city housing programs and is championing the shelter concept, said Williams hasn't documented details in writing. City officials will eventually vet financial information, he said, but only after the City Council approves leasing the waterfront warehouse, currently owned by Portland's sewer bureau.

"We're trying to be as receptive as possible," said Saltzman, acknowledging that he's giving Williams the benefit of the doubt. "There's plenty of opportunity for us to get things in writing."

The temporary shelter could open in October and provide overnight sleeping for up to 400 people. It would be operated by the Union Gospel Mission with help from Ibrahim Mubarak, co-founder of homeless camps Right 2 Dream Too and Dignity Village. The lease would run six months but could be extended to 18 months.

If successful, the shelter would be a first step toward Williams' broader vision: a permanent shelter and homeless campus with dormitory-style housing and services dubbed "Oregon Trail of Hope." Cost estimates range from \$60 million to beyond \$100 million.

But, like the temporary shelter, no one has scrutinized those numbers or considered whether a similarly focused facility could be built more cheaply elsewhere such as Multnomah County's unused 525-bed Wapato jail. It's not clear how the larger project would be financed, either, with Williams now making overtures to the Oregon Legislature for construction cash.

The proposal has also kindled controversy beyond money.

Environmentalists and business leaders oppose the plan because converting a 14-acre warehouse property to a permanent shelter would reduce scarce industrial acreage.

Others object to the sheer volume of the proposal — it would become Portland's largest shelter, representing the literal warehousing of homeless residents. The property also hasn't been environmentally cleared for a shelter. And there's concern that leasing the property for anything less than market value would represent an inappropriate subsidy funded by sewer customers whose bills have increased year after year.

Commissioner Nick Fish, a former housing commissioner, is perhaps the shelter's most vocal critic.

"I don't remember the last time we took on something of this magnitude without any due diligence, without any roadmap, without any criteria, without any competition," said Fish, who oversees the city's sewer bureau.

"At the end of the day," Fish added, "people are saying: 'Homer has an idea and in the next two years he may be able to back it up.' That's how we make policy around here?"

## **Warehouse as big as a Home Depot**

### [An inside look at Portland's largest homeless shelter?](#)

Williams and Saltzman are targeting a warehouse just north of the Pearl District's newest apartments for their temporary homeless shelter.

Located at 2400 NW Front Ave., the property had been part of the Port of Portland's Terminal 1 until 2004. That's when Portland's Bureau of Environmental Services bought it for \$6.3 million, allowing assembly crews to help build the city's \$1.4 billion Big Pipe project to reduce sewage spills into the Willamette River.

The waterfront property provides splendid views of the downtown skyline, the Fremont Bridge and even Mt. Hood. And since 2014, city officials have been planning to sell the surplus property and return profits back into the sewer system.

But Williams and Saltzman now believe the on-site warehouse could be converted into a hangar for the homeless. At 96,000 square feet, it's about the size of a typical Home Depot — but it lacks drinking water, a sewer connection, insulation and a heating and cooling system.

"A lot of things need to get done and paid for," Williams said. "You've just got to chip away at it. We've made a lot of good progress."

Williams said he's working on a long list of potential improvements: insulation, gas heaters, water access and combination bathroom/showers to be rolled on site via 18 wheelers. Williams said he's also lining up security, a medical group to provide on-site services, a group to operate a kennel and a company to donate lockers.

Williams declined to identify costs for necessary improvements but said he expects business leaders will contribute resources.

"We'll get it built out for no cost," he said. "This is not a big cost."

As for operations, Williams said he's working with Union Gospel Mission and the co-founder of two prominent outdoor campsites.

Williams declined to say how much it'll cost to operate. But an unrelated estimate by Multnomah County pegged shelter costs at about \$700,000 a year for 100 beds, or about \$2.8 million for 400 beds.

Williams said it would cost far less, and he's not asking the city or county for money.

"We're still refining those and I don't want to throw out numbers until we get everything in, frankly," he said. "We've got foundations that are going to be willing to step up."

Bill Russell, executive director of the Union Gospel Mission, said operation costs could run about \$1.4 million a year at full capacity. Russell acknowledged some trepidation about operating a shelter that would be more than four times larger any other run by his organization.

"I am absolutely concerned about volume and safety," said Russell, who plans to visit the San Antonio, Texas, facility, Haven for Hope, that Williams' vision is based on.

The city's only upfront contribution would be providing the property, which Saltzman wants to lease from Fish's sewer bureau for \$120,000 a year, about one-tenth what an outside broker said is fair market value.

Mayor Charlie Hales and Commissioner Steve Novick are poised to support Saltzman's plan. But Fish has pushed back and is trying to secure more rental income for his bureau. Meanwhile, attorney John DiLorenzo, who has successfully sued the city for misspending water and sewer money, warned officials to tread carefully.

If the City Council approves lease terms at a cut-rate, "then they're cheating the ratepayers and I think they'd be in violation" of past judicial rulings, DiLorenzo said.

Despite the challenges, Saltzman said Williams deserves the opportunity to deliver. If the temporary facility proves successful, he said, then perhaps it could be funded after 18 months through the city and Multnomah County's newly created Joint Office for Homeless Services.

"We're providing them with an avenue to deliver," Saltzman said. "And if they can't deliver, we're in it for six months. If they can, then we keep the success going ... and then maybe the larger vision ... becomes a reality."

### **What about Wapato?**

Costs for that larger vision have morphed since June. Williams said he still envisions a major campus serving more than 1,000 people, but at a much lower price.

"We're not going to spend anywhere near \$100 million," he said. "I think we can build it for \$60 million."

Williams said he wants more than half to come from the private sector. But Williams said he's also begun conversations with unidentified lawmakers about capital funding.

"If the private side does this, what are you willing to do?" he said of his conversations. "And it was meaningful."

But discussion of Williams' proposed \$60 million permanent facility isn't being accompanied by studies of other options, such as Wapato jail in North Portland.

A county analysis in January found the jail could be opened as a temporary shelter for an estimated \$953,500, although officials stress that's the bare minimum, and doesn't include the

\$5 million needed to bring it up to jail standards. Monthly costs for a temporary shelter would run the county an estimated \$136,200, not including contract fees with a shelter operator.

Any permanent changes could cost substantially more but it's not known how much or how that would compare to Williams' long-term proposal.

Multnomah County Chairwoman Deborah Kafoury said she understands the desire to consider Wapato but believes it's not practical.

Officials are now considering selling the property, with a June appraisal suggesting it's worth \$8 million for industrial uses or \$20 million as a jail. Kafoury said Multnomah County never should have built it but using it as a homeless shelter now isn't the solution.

"I'm not willing to throw good money after bad," she said.

Williams, however, said it would be cheaper to renovate the jail than build at the city's warehouse site. But he agreed with Kafoury that the jail 12 to 14 miles from downtown is too distant to be ideal.

Either way, Williams said he'll soon have financial plans for public vetting.

First he'll offer up concrete details on the temporary shelter, to be followed with a design, project budget, operating budget and funding plan for the permanent facility.

"It's like the role of a developer. I'm not an architect. I'm not an engineer," Williams said. "We do know how to organize and get things built."

## **The Portland Tribune**

### **City cuts ribbon on new Ankeny Plaza space - with doughnuts**

*By Pamplin Media Group*

*August 9, 2016*

Say hello to Portland's newest public space: Ankeny Plaza.

Oh, yeah, and don't forget the doughnuts.

Portland City Commissioner Steve Novick, Transportation Director Leah Treat and representatives from Old Town Chinatown and the Ankeny Alley associations cut a ribbon Tuesday on the new public space on Southwest Third Avenue between Voodoo Doughnut and the Keep Portland Weird mural. The 20,000-square-foot alleyway is also just west of Portland's Saturday Market.

The public space is part of the city's "Portland in the Streets" series. The project was funded with \$20,000 from the city's Bureau of Transportation and an \$82,000 PDC Community Livability Grant.

The Ankeny Alley Association will maintain the new plaza.

"Back in May, City Council proclaimed the summer of 2016 to be Portland in the Streets season," Novick told the crowd gathered for doughnuts and the opening ceremony. "We made that proclamation because we wanted to highlight what a valuable resource our streets are not

just for getting around, but for beloved community events like Sunday Parkways, block parties, street fairs, farmers' markets and now, Ankeny Plaza."

"In Portland, streets are the most abundant type of public space, occupying nearly 20 percent of land area in our city," Treat said. "This plaza is setting an example for the rest of the city as we embark on our Livable Streets Strategy that will support new innovation in the public rights of way."

## **Utility board urges City Council to delay action on Terminal 1 homeless shelter proposal**

*By Jim Redden*

*August 9, 2016*

The Portland Utility Board is encouraging the City Council to postpone any decision on turning Terminal 1 into a homeless shelter until the fair market value of the property is established through the surplus sale process that is currently underway.

The PUB was established to advise the council on issues related to water and sewer rates. Terminal 1 is owned by the Bureau of Environmental Services, which operates the city's sewer system and stormwater management programs. The 12-member board wrote the council on Aug. 8, two days before it is scheduled to consider a proposal by Commissioner Dan Saltzman to open a homeless shelter in a 96,000 square foot warehouse on the property, which is zoned for industrial uses.

"BES no longer needs Terminal 1 North to service its customers, and has followed proper disposal processes according to the City's surplus property policy. Any proceeds from the immediate sale would be returned to the BES Construction Fund, to comply with bond requirements and best practices. These added construction fund resources will allow BES to delay or decrease future bond sales for construction projects and address much needed investment in aging infrastructure, helping to delay or slightly reduce rate increases," the letter says.

Under the surplus sales process, BES is scheduled to receive bids for Terminal 1 through Aug. 15, just five days after Wednesday's hearing on Salesman's proposal. The PUB letter says the council should take no action on the proposal before then.

"The PUB therefore encourages the City Council delay any action regarding Commissioner Saltzman's proposal to allow the fair market value of the property to be determined by the sale process. This will set a baseline for future negotiations while respecting the disposition process and prior commitments to BES customers. Failing to meet these prior commitments is detrimental to improving trust between City bureaus and the citizens of Portland. Disrupting the process at this late junction erodes the trust of the business community with regard to the disposition of property by the utilities; it could impact the value of City property by increasing perceived risks and transaction costs," the letter says.

Saltzman is proposing that BES lease Terminal 1 to the Portland Housing Bureau, which he oversees, for \$10,000 a month. In its letter, the PUB says that amount is well below market

rates for such properties, although its actual value needs to be set through the surplus sale process.

Commissioner Nick Fish, who oversees BES, opposes Saltzman's proposal. He says it should be sold to a private employer who will create good-paying industrial jobs, a position the PUB supports.

"As a large piece of industrial land on the river, Terminal 1 North holds the potential for job creation, economic growth, and increasing the tax base. Taking the site out of industrial use, even temporarily, means the potential loss of this alternative," says the letter.

If the council approves the proposal, the PUB recommends a series of steps to reduce BES's potential liability on the property. It also believes a cost-benefit analysis should be done comparing Terminal 1 to other options for homeless shelters.

You can read the PUB letter [here](#).

Saltzman's proposal is also opposed by the Northwest Industrial Neighborhood Association, the official city neighborhood association representing the area that includes Terminal 1. It also sent a letter to the council arguing against using the warehouse for a homeless shelter on Aug. 8.

Among other things, the letter notes Terminal 1 is located in the Guilds Lake Industrial Sanctuary, which the council established to maintain industrial land and jobs.

"The Guilds Lake Industrial Sanctuary is meant to be just that — protected lands zoned for industrial use. Changing this will have adverse impacts on our business owners, our employees, Portland's economy as a whole and the future of industry in our city," reads the letter.

You can read the NINA letter [here](#).

You can read an earlier Portland Tribune story on the issue at [www.pamplinmedia.com/pt/9-news/317870-197367-city-needs-to-work-with-deq-on-terminal-1-homeless-shelter](http://www.pamplinmedia.com/pt/9-news/317870-197367-city-needs-to-work-with-deq-on-terminal-1-homeless-shelter).

## **Willamette Week**

### **Homer Williams In Talks With Ibrahim Mubarak to Run Portland's \$100 Million Homeless Campus**

*By Julia Comnes  
August 9, 2016*

Portland City Council is scheduled to vote Wednesday on the early stages of developer Homer Williams' proposed 400-bed, \$100 million homeless shelter on the Northwest industrial waterfront.

Williams' proposal has faced criticism from both the business lobby and homeless advocates. But on Monday, Williams announced some high-profile allies: Right 2 Dream Too co-founder Ibrahim Mubarak and Union Gospel Mission executive director Bill Russell.

"Russell and Mubarak will actually run [the shelter]," Williams told WW on Monday evening.

Mubarak is perhaps the city's most prominent champion of self-run homeless services. More than a decade ago, he founded the city's first authorized homeless camp, Dignity Village. He turned Right 2 Dream Too from a gravel lot in Chinatown into "a high-functioning commune run by those without housing."

**UPDATE**, 1:20 pm: Mubarak tells WW he hasn't agreed to anything.

"We are in discussions, but no agreement has been made," Mubarak says. "I'll be interested if it gets passed and the houseless community has at least 70 percent say in running the intake facility—with pay."

Mubarak and Williams have a somewhat complicated past: in 2013, Williams, along with his business partner Dike Dame, blocked Right 2 Dream Too's move to a city-owned parking lot located near their \$49.5 million Marriott Hotel in the Pearl District.

But in a Portland Mercury article last month, Williams said meeting Mubarak was the spark for his decision to focus on helping the homeless.

"These people don't want to be there. Everyone thinks they're lazy, they're drug addicts. These people can be helped," Williams was quoted as saying in the Mercury article.

Williams and his supporters still have some hoops to jump through before the shelter becomes a possibility, starting with a City Council vote scheduled for Wednesday that will determine whether the shelter can be built on city-owned industrial lot Terminal 1.

"I think we have the votes," Williams said Monday.

## The Portland Mercury

### Hall Monitor: The Sweeps Didn't Stop

*By Dirk VanderHart*

*August 10, 2016*

DID YOU HEAR? Homeless camping is illegal again.

At least, that's what I've heard over and over since August 2, the day Mayor Charlie Hales announced he was snatching his controversial, six-month-old "safe-sleep" policy off the books.

This sentiment cropped up in a meeting of the homelessness-fighting A Home for Everyone coalition last Wednesday, when developer Brad Malsin made an impassioned (if a bit hypocritical) speech in favor of a new Northwest Portland shelter.

"The mayor has just decided that camping will be illegal again," Malsin told a packed conference room. "Where are [the homeless] going to go?"

The same gross oversimplification popped up in online forums, and was convenient shorthand for Huffington Post coverage of the mayor's decision.

So I looked into it. Did the numbers bear out what people seemed to believe? Had enforcement of the city's anti-camping ordinance gone completely by the wayside during Hales' experiment (which allowed people to camp overnight in small groups without fear of being swept)?

Surprise! It hadn't.

The data yielded by a request for public records on camp cleanups (invoices, quarterly reports, property logs) show Portland's many-tentacled anti-camping apparatus continued on while the "safe-sleep" policy was in effect.

- From July 1, 2015, to June 30, 2016, the city carried out 279 cleanup efforts, and was billed for about \$73,870 of work by its primary contractor (which also included invoices for writing reports and lots of ambiguous "administrative" billings), along with many more thousands for Multnomah County inmate work crews.
- In the seven months before the safe-sleep policy went into effect, records show contractors working for private security firm Pacific Patrol Services carried out a monthly average of 25.1 cleanups (or at least posting notice that a cleanup was on its way), including a particularly robust 43 in November 2015.
- In the five months between February 2016 (when the policy was announced) and June 2016, there were an average of 20.6 cleanup efforts a month.

That amounts to an 18 percent reduction, on average. It's not an insignificant decrease, but it can hardly be said the policy ended enforcement that will suddenly come roaring back now that it's gone. Records show cleanups were carried out all over the city from February to June, from Slabtown, to the Central Eastside, to East Portland.

Here's what Hales' effort didn't do: live up to its promise.

The policy was supposed to set expectations, offering needy Portlanders a way to bed down safely, while breaking up encampments that got unwieldy and flouted the new rules. It couldn't do that, because Portland had nowhere near the resources to bring every errant encampment into line.

It still doesn't have those resources, regardless of the new rhetorical position coming from the mayor's office. The city's struggling to attract new police recruits as seasoned officers flee to the comfort of their pensions. There's still nowhere near enough shelter space or affordable housing. Rising rents are making people newly homeless all the time.

So it'll be interesting to see how quickly this new proclamation—camping is illegal again!—fizzles into the realization that nothing has changed.

The sweeps will continue, and they'll never be enough to fix the real problem.

## **A Rodent-Infested Lake Oswego House Could Slow Demolitions in Portland**

*By Dirk VanderHart  
August 10, 2016*

THE OLD FIRE STATION passed out of existence without much fanfare, but with stunning speed.

It was late 2013, and the 89-year-old building near NE MLK and Alberta was at the end of its utility to a booming market. It was time, its owner had decided, for demolition.

Less than three months later, a proposal to build a Trader Joe's nearby would spark a citywide crisis of conscience as to how Portland should grow and change ["Hall Monitor," News, Feb 5, 2014]. But the 1924 firehouse garnered little notice when the backhoe came.

On November 15, 2013, the building's owner, James Adamson, informed city officials he no longer wanted the property at 4867 NE MLK listed on the city's Historic Resource Inventory (HRI), a guiding document that holds some of Portland's best old buildings. And by virtue of that de-listing, the city could issue a demolition permit the same day, rather than waiting 120 days as required for most HRI properties.

By November 27, the Portland Observer had run a four-paragraph item about the demolition, under a photograph of the building in ruins. Today, nearly three years later, a gravel lot is all that remains.

Nothing's special or especially tragic about the loss of the squat fire station, admired for its Tuscan columns and pedimented gables. Scant protections for old buildings have been a gripe of the city's historically minded advocates for a long while.

More than any big city in the country, advocates say Portland's historic structures are susceptible to developers looking to swap them out. That's because of a quirky law the state passed in 1995, giving owners unprecedented sway in whether their properties are considered historically significant.

"Every other state in the country and every other major city in the country designates historic buildings and protects them whether the owner agrees or not," says Brandon Spencer-Hartle, a city planner with the Portland Bureau of Planning and Sustainability (BPS). "As far as big cities go, we are handicapped."

That might be about to change.

Last week, the Oregon Supreme Court took a bite out of the "owner-consent" law that history buffs say causes trouble in Portland and beyond. The court ruled that a Lake Oswego ownership trust couldn't lift the historical designation from that city's oldest home—a large 1857 farmhouse known as the Carman House that's given way to rodents and disrepair.

Instead, in a ruling that advocates expect will have ramifications around the state, justices found that only an owner who controlled a property at the time it was designated as historic can opt to reverse that designation. Subsequent owners are powerless.

In the case of the Carman House, that means demolition is prohibited. The Mary Cadwell Wilmot Trust, which owns the property and had sought to have historical protections removed, will have to find another option.

What it might mean for places like that old Portland firehouse—or the thousands of potentially historic Portland properties subject to their owners' whims—remains to be seen.

"People are mulling through the consequences, particularly in our city attorney's office," says Al Burns, a senior city planner with BPS. "It's just too soon to come to conclusions that would change city instructions."

One big question the city's lawyers will want to ask: Whether or not the ruling has bearing on the HRI, the list of roughly 5,000 properties city officials began cataloguing in 1984 as a guidepost for buildings that might have historical import.

Properties on the inventory are ranked by order of perceived significance (with some left unranked). But though many of the higher-ranked sites carry federal or local protections, lots of lower-ranked buildings do not. That's a problem for some advocates, because the HRI itself provides scant safeguards.

While owners of a ranked HRI-listed property face at least a mandatory 120-day delay before getting a demolition permit—a period designed to foster discussion about possibilities besides demolition—that 1995 state law mentioned above means property owners can easily get their building snatched off the list.

What happens next is a matter of heated contention in Portland.

For months now, city officials have said local laws include a “loophole” that allows demolition permits to be issued right away once a property is taken off the HRI [“Say Goodbye to Two Pieces of Portland History,” *News*, Dec 2, 2015]—the same thing that happened with the old firehouse.

Others say that shouldn't be the case. A group calling itself the Close the Loophole Coalition sent out a release last week, pointing out that state administrative rules actually require a 120-day delay for demolition of properties if an owner has recently removed a “historic resource designation.” They say the city's illegally flouted those rules again and again over the years.

The difference of opinion comes down to semantics. The city maintains simply being listed on the HRI doesn't amount to a “designation” as required in the law, so the four-month wait isn't required.

“The city's position is that the HRI is a document that tells people when things are suitable for designation and not that they are designated,” says Carrie Richter, a Portland land-use attorney.

Richter's in a position to know. She filed a brief in the recent Supreme Court case on behalf of the advocacy group Restore Oregon, the City of Portland, and six other entities (including the cities of Pendleton and the Dalles). Now that the group's opinion has prevailed, and properties statewide are less susceptible to having their protections removed, Richter says Oregon's far better off.

“It's not just about Portland,” she says. “There are thousands of resources statewide that are designated.”

But it's also true that Portland's resources are under greater pressure. Peggy Moretti, executive director of Restore Oregon, talks about the “huge economic forces that are definitely weighing toward demolition” in the city. It's not that every demolition is bad, Moretti says, but it rankles her to see some of the city's most unique old buildings on the chopping block.

There are at least three salient (and contentious) examples of this playing out right now:

Downtown's 124-year-old Ancient Order of United Workmen Temple and the adjacent Hotel Albion (home to the Lotus Cardroom and Café, at SW 2nd and Taylor) are slated to be torn down to make way for a new boutique hotel.

Northeast Portland's stately, moldering Ocobock Mansion, at 5128 NE Rodney, might face demolition at the hands of developer Vic Remmers. The building's HRI designation was removed in May, and Remmers reportedly has plans to build at least five new homes in its place.

And in Southeast Portland, Sunnyside neighborhood groups have been railing against the planned demolition of a storefront property at SE 34th and Belmont.

“Not all historic buildings need to be preserved, certainly,” Moretti says. “But our unique character is in large part due to the historic buildings that populate our city.”

Here’s the thing, though: It’s unclear whether the state Supreme Court’s decision will have much effect on any of that. At most, advocates say, it could spur the city to make it difficult (or impossible) for owners to have their properties taken off the HRI. Those properties would still be eligible for demolition after a four-month delay.

The 120-day window “allows for a dialogue and for considering demolition of historic properties as a last resort rather than a first resort,” says Close the Loophole Coalition’s Meg Hanson.

But more often than not, the delay doesn’t change anything.

As BPS’ Spencer-Hartle puts it: “In today’s super-hot real estate market, a 120-day waiting period is oftentimes not enough to save a building.”

Which is why people are pushing for bigger change.

Moretti, for instance, advocates new financial incentives for developers to leave old buildings in place. And in June, members of Portland’s Historic Landmarks Commission, which advises the city on maintaining historic properties, wrote a letter [PDF] pushing for something far stronger. They want city officials to make revoking the 1995 owner-consent law part of its lobbying agenda in Salem.

“The ease and frequency in which historic properties are being ‘de-listed’ and demolished,” the letter said, “has never been greater.”

## **Commissioner Nick Fish Wants the State to Weigh In On a Homeless Shelter He Opposes**

*By Dirk VanderHart  
August 9, 2016*

If Portland Housing Commissioner Dan Saltzman succeeds in winning the go-ahead for a temporary homeless shelter at the city-owned Terminal 1 on Wednesday, he might be forced to share his every move with the state's Department of Environmental Quality.

And that could be an issue.

Commissioner Nick Fish has released a number of amendments (here and here) he plans to introduce tomorrow, when City Council is slated to vote on a resolution that would lay the groundwork for a 400-person shelter at the property, 2400 NW Front.

Fish both controls Terminal 1 (through his Bureau of Environmental Services) and opposes the shelter idea. And as the Mercury first reported last week, he's intent on making sure any deal to lease Terminal 1's 96,000-square-foot warehouse to the Portland Housing Bureau is set at current market rates of roughly \$33,600 per month.

Saltzman's office has argued that the rent should be \$10,000 per month, which is well under market rate, but which BES nonetheless recently leased the space for (the bureau is currently leasing portions of the warehouse space and a parking lot on the property for \$26,200 per month).

The bulk of Fish's amendments address that question. He wants an "independent real estate brokerage professional" to be brought in to find a fair price. (His bureau, BES, recently consulted one.)

But Fish is also going to suggest a tweak to the proposed lease [PDF] between BES and the Housing Bureau that would explicitly require the bureau to "notify the Oregon Department of Environmental Quality of the proposed change to residential use of the Premises..."

That could be a game-changer. As the Portland Tribune reported recently, DEQ has voiced worries about putting people at the Terminal 1 site, which prominent Portland developer Homer Williams is hoping to turn into an enormous campus for the homeless called the Oregon Trail of Hope.

The DEQ's concern stems from the fact that the property has only been approved as environmentally suitable for industrial uses. It's unclear what kind of work would be needed to turn it into a place where people could live—and also how potent the DEQ's opinion is while the city's declared a housing "state of emergency."

Jim Blackwood, a senior policy director for Fish, says that's a determination the state will have to make.

"The current DEQ ruling is all we need for BES purposes," he says. "Anyone using the site for a non-conforming use will have to notify DEQ and deal with their ruling."

We've reached out to Saltzman's office for its take, and will update when we hear back.

**Update, 5 pm:** Brendan Finn, Saltzman's chief of staff, says Williams and other proponents of a shelter at Terminal 1 are conferring with DEQ about its concerns.

"The Trail of Hope organization has contacted DEQ and wants to discuss with them what the issues may be," Finn says. "We're not trying to use the state of emergency to get around any concerns that might be generated regarding a temporary shelter."

### **Original post:**

Tomorrow's city council hearing is sure to be interesting and fraught. As is always the case with homeless shelter proposals, neighbors, businesses, and other groups are expected to testify against the plan. What's interesting, this time around, is that other influential business types—like Williams—are expected to argue for the shelter. And council appears ready to line up behind the move. Both Mayor Charlie Hales and Commissioner Steve Novick have signaled they're leaning toward joining Saltzman in moving toward a temporary 400-person shelter.

Williams has said he'll seek private funds to pay for that shelter's operating budget. The larger homeless campus Williams has proposed—which he says would cost as little as \$60 million—would be dependent on whether he can find meaningful private-sector resources to help pay for the property.