

The Oregonian

Portland gives massive homeless shelter green light, but lawsuit looms

*By Brad Schmidt
August 10, 2016*

A divided Portland City Council approved a controversial plan Wednesday to secure land for a 400-bed temporary homeless shelter that could open as soon as October -- provided it survives legal scrutiny.

The 3-2 vote prompted an immediate warning from a high-profile attorney who promised to sue in as soon as 10 days, arguing officials have agreed to inappropriately subsidize the massive shelter on the backs of Portlanders who pay sewer bills.

The uncharacteristically contentious decision marks the City Council's most aggressive move to help homeless Portlanders since declaring a housing emergency last fall. The Northwest Portland riverfront shelter would instantly become the city's largest and increase capacity across Multnomah County by nearly 40 percent.

But the moment was anything but a feel-good photo opportunity, with dozens of neighbors, business leaders, environmentalists and even a minority of the City Council taking sharp stabs at the unvetted concept proposed two months ago by marquee developer Homer Williams.

City leaders spent about three hours Wednesday mostly hearing from opponents who blasted the proposal as inhumane to the homeless, unfair to nearby residents, irresponsible because of the city's lack of due diligence and misguided for tying up valuable industrial property.

"Yeah, there's a lot of anxiety and some division now because we are moving quickly, because we are trying things and because we are spending real money," said Mayor Charlie Hales, who joined Commissioners Dan Saltzman and Steve Novick in voting yes. Commissioners Nick Fish and Amanda Fritz voted no.

"We need to take good faith from each other, so when you hear us say we're doing something as an experiment -- if it doesn't work, we'll stop -- I hope you'll count on those words being true because I mean them," added Hales, who leaves office at year's end.

Portlanders who live in apartments and condos along the Willamette River turned out en masse to criticize the shelter concept. One woman even had her 3½ year old daughter register an official objection.

"High concentrations of mentally unstable and houseless citizens is not a proven formula," said Kimberly Eng, who lives one block from the proposed shelter, at 2400 N.W. Front Ave.

But a small minority praised city and business leaders for trying something, even if support was provisional. Nearly 1,900 people sleep on the streets each night, according to the most recent tally.

"I think it's easy to get to no. I think it's really hard to get to yes on something like this," said Rich Rodgers, a former City Hall political aide who handled housing issues. "I commend the private sector folks for stepping up."

But the most worrisome words didn't come from anyone who testified. They came instead from attorney John DiLorenzo, who has successfully sued Portland for misspending water and sewer money on projects not reasonably related to utility services.

DiLorenzo took issue with the City Council's decision to lease the building, owned by the city's sewer bureau, to the city's housing division for no less than \$10,000 per month. The property has a market value that's 10 times higher, according to city estimates compiled by a broker.

After the vote, DiLorenzo told The Oregonian/OregonLive he will give Portland 10 days to rescind its vote or agree to pay full price. Otherwise, he'll sue.

"This action shows that certain members of the City Council have learned nothing" from a Multnomah County judge's 2014 ruling as part of an ongoing lawsuit, DiLorenzo said. "I'm disappointed by that. And I want to make sure this lawsuit isn't out of sight and out of mind."

Hales, in defending the lease decision during Wednesday's meeting, said the sewer bureau won't be spending any money on the project. But Hales said that doesn't mean the sewer bureau "is entitled to the maximum possible rate of return" from the housing bureau, which receives its money from the Portland's discretionary general fund.

"We're going to stay clean on that issue and not spend ratepayer money on housing and homelessness," Hales said.

Williams and the city's housing director, Kurt Creager, spent little time Wednesday offering details about the temporary shelter concept. But, if successful over the next six to 18 months, Williams hopes to build a \$60 million to \$100 million permanent homeless campus on the city-owned site.

Williams has promised to raise private money to pay for the temporary shelter and plans to work with Union Gospel Mission and Ibrahim Mubarak, co-founder of two Portland homeless camps, to operate it. Williams has downplayed improvement costs while Union Gospel's executive director said operational expenses could run up to \$1.4 million a year.

Saltzman, who acknowledged that housing officials haven't yet conducted due diligence on Williams' temporary shelter proposal, opened the hearing by saying the city would not commit any general fund money beyond the cost of leasing land.

But Saltzman later persuaded the City Council not to put that pledge in writing, as Fritz wanted. He said Williams' proposal represents a "big vision" and Saltzman didn't want to unnecessarily "lock us in and tie our hands."

Fish offered the most devastating critique of the proposal, calling it "ill-conceived" and "half-baked" and suggesting only Williams, a well-connected developer, could waltz into City Hall and secure land without providing specifics.

"Here's what I learned about the plan," Fish said, pausing in silence for five seconds.

"Here's what I learned about the funding, both public and private" he said, again allowing quietness to linger.

"Here's what I learned about the city's role in the short term and the long term," he continued. "Here's what I learned about benchmarks for success and how we can judge this experiment."

"As you can see," he finally summarized, "I didn't learn much because very little was shared with us."

Saltzman conceded much work remains, including a formal agreement with Williams' non-profit, Oregon Trail of Hope, for use of the warehouse.

"It will be done in the full light of day, and the public will have the chance to see each step," said Saltzman, adding that the new shelter capacity "will get us through the winter."

After the vote, outside the City Council's chambers, Williams acknowledged the decision was difficult for city leaders.

"But if we do the right job," he said, "we'll win 'em all over."

The Portland Tribune

Lawyer threatens lawsuit over Terminal 1 homeless shelter lease

By Jim Redden

August 11, 2016

Less than one hour after the City Council authorized Terminal 1 to be leased for a homeless shelter, Portland attorney John DiLorenzo notified the city he will sue to invalidate the lease if monthly price is not significantly increased.

After a lengthy Wednesday hearing, the council voted 3 to 2 to authorize the Portland Housing Bureau to lease Terminal 1 from the Bureau of Environmental Services for \$10,000 a month, plus any additional expenses incurred by BES.

But in a Wednesday email to City Attorney Tracy Reeve, DiLorenzo says the lease must be at market rates. During the hearing and in written documents, BES estimated the market value at up to \$1.2 million a year, which would make the monthly payments closer to \$100,000.

DiLorenzo is representing BES and Portland Water Bureau ratepayers in a long running lawsuit which accuses the council of illegally spending ratepayer funds on numerous occasions. Multnomah County Circuit Court Judge Stephen Bushong has ruled that ratepayer spending must be reasonably related to the primary missions of the bureaus.

"It is obvious that the arrangement outlined in the ordinance deprives the sewer ratepayers of significant value. We believe the action is tantamount to commanding the Sewer Fund to deprive itself of value to perform a service which has no reasonable relation to the provision of sewer services, in blatant violation of the orders which have so far been issued in the Anderson

v. City of Portland case which is still pending in the Circuit Court,” wrote DiLorenzo, referring to the case.

“If the City Council does not within the next 10 days rescind the ordinance or increase the rental rates to match current market rents, we will file a supplemental complaint and ask Judge Bushong for a declaratory judgment or injunction declaring the arrangement as a violation of the charter,” he continued.

Commissioner Nick Fish, who is in charge of BES, repeatedly made the same point during Wednesday’s hearing. He was supported by representatives of the Portland Utility Board and the Citizens Utility Board, who said the interests of BES ratepayers must be protected.

BES bought the 14-acre property from the Port of Portland to be used as a staging ground for the Big Pipe project. It is currently being sold by BES through a surplus sales process approved by the council.

The property is zoned industrial. Fish believes good-paying industrial jobs should be created on it, and the proceeds of the sale should be used to hold down future BES rate increases. Bids are due Monday.

The idea of using Terminal 1 as a homeless shelter was first proposed by developer Homer Williams, who envisions it ultimately being converted to a multi-service center for the homeless. The proposal was presented to the council by Commissioner Dan Saltzman, who in charge of the housing bureau.

Saltzman says the monthly payment should be \$10,000 because that is what BES charged Nike to build an indoor running track and hold track meets in the warehouse earlier this year. Fish said that amount was chosen to cover the bureau’s costs before the market value of the property was set by two subsequent partial leases on the property and the real estate broker who is helping to sell it.

For a Portland Tribune story on the hearing and vote, go to portlandtribune.com/pt/9-news/318249-197754-terminal-1-homeless-shelter-approved-on-3-2-vote.

Talk of 'Portland creep' comes home

By Jim Redden

August 11, 2016

Four years ago, anti-light rail activists in Clackamas County coined the term Portland Creep to describe the high density redevelopment they feared would accompany the Portland-to-Milwaukie MAX line.

Last week, Metro President Tom Hughes said some Portlanders are now beginning to push back against Portland Creep in their own neighborhoods as the city grows.

“There are two things Oregonians hate, sprawl and density,” Hughes told hundreds of transportation planners and consultants attending the 2016 International Conference of the Association for Commuter Transportation at the downtown Hilton Hotel.

Portland City Commissioner Steve Novick, who spoke with Hughes at the Wednesday morning opening session, agreed. He relayed personal stories about how his Multnomah Village neighbors in Southwest Portland are complaining to him about the density increases the City Council believes are required to help accommodate the additional 123,000 households expected by 2035.

“A lot of people say, we like things just the way they are,” Novick said.

As Novick explained it, he believes increased density will have multiple benefits for Multnomah Village, including better transit service and the kind of full-service grocery store it now lacks, all supported by the critical mass of people that will be reached over the next 20 years. But Novick conceded that a lot of the people he talks to aren’t buying it.

“These are tough conversations to have,” Novick told members and supporters of the association, which backs alternatives to single- occupancy vehicle commuting.

Also speaking to the gathering was TriMet General Manager Neil McFarlane, who talked about the greatest obstacle to providing the greater transit service that Novick thinks will help overcome the opposition to increased density — the lack of additional revenue. Although the TriMet Board of Directors increased the payroll tax that finances much of the agency’s operations last year, McFarlane said that Oregon does not have any state or local sales taxes, an important source of transit funding in much of the rest of the country.

Metro needs to do more

“We are cobbling the financing together for projects,” McFarlane said.

Hughes admitted that Metro, the elected regional government, has dropped the ball. Metro has long said the region needs an additional source of transportation and transit funding. But even though Metro convened a study group to propose alternatives several years ago, the effort lapsed without making any recommendations, and no new initiative is in the works.

“That’s a conversation we have to have,” Hughes said.

This leaves local governments struggling to finance their own alternative transportation projects. Novick was applauded when he said Portland voters approved his 10-cents per gallon gas tax for maintenance and safety projects at the May primary election. But Novick quickly conceded that was not nearly enough to meet the need, and said he is considering a fee on new development projects.

“We’re not there yet,” Novick said.

Lovefest for Portland planning

Despite the concerns, much of the opening session was spent praising the region’s commitment to alternative transportation, including its light rail, streetcar, bicycle and pedestrian systems.

Novick said that Portland leads the nation in the percentage of bicycle commuters and children who either bike or walk to school, and boasts the highest percentage of transit commuters after such cities with well-established subway systems like San Francisco and New York.

Hughes said since the Great Recession ended, developers have built much of the new housing in the region along transit lines.

And McFarlane said 78 percent of TriMet riders choose to ride the agency's buses and trains instead of driving their own cars.

Growth challenges

But all three leaders admitted challenges to meeting the needs of the 400,000 additional people expected to move to the region by 2035.

Novick said to achieve the city's climate change goals, far more people will need to rely on alternative transportation in the future. He said that by 2045, the number of residents routinely driving their own cars must be cut by more than half, from the current 57 percent to just 25 percent.

Hughes said Metro must do more to persuade people to live closer to where they work, a change he said is necessary to achieve a better jobs/housing balance.

"I don't get it," Hughes said of people who commute long distances — before admitting he lives in Hillsboro but works at the Metro headquarters building in inner Northeast Portland.

McFarlane said TriMet must balance the cost of maintaining an aging transit system with the investments required to expand it.

He said the first MAX line between Portland and Gresham is now 30 years old and it's requiring repairs that occasionally disrupt service.

At the same time, he said planning for new and improved transit corridor service is underway.

Projects on the drawing boards that will require funding include the new MAX line being considered between Portland and Tualatin as part of the Southwest Corridor Project and the agency's first Bus Rapid Transit line on Division Street between Portland and Gresham.

Terminal 1 homeless shelter approved on 3-2 vote

By Jim Redden

August 10, 2016

The City Council brushed aside neighborhood opposition and legal questions Wednesday to authorize opening a homeless shelter in an vacant warehouse at Terminal 1 for six months — and possibly permanently if developer Homer Williams can raise between \$60 million and \$100 million to expand it into a homeless multi-service center.

The council voted 3 to 2 to authorize the Portland Housing Bureau to lease the 14-acre property at 2400 N.W. Front Ave. from the Bureau of Environmental Service, which owns it. The environmental services bureau is selling the property through a surplus sale process approved by the council. Bids are due on Monday, Aug. 15.

Voting for the lease were Mayor Charlie Hales and Commissioners Steve Novick and Dan Saltzman, who proposed the project. Voting against it were Commissioners Nick Fish and Amanda Fritz.

“Let’s keep trying to work together as a community, even if this is a divided vote,” said Hales.

Saltzman oversees the Portland Housing Bureau and said the shelter needs to be opened in response to the city’s affordable housing and homeless crisis. Fish oversees BES and wants the property to sold to create good-paying industrial jobs, with the proceeds used to reduce future BES rate increases.

The council did not approve a specific lease rate. Saltzman has proposed \$10,000 a month, but Fish says the market value is up to \$1.2 million a year. Novick said the council should set the rate after the bids for Terminal 1 are received and opened. Fish argues that because the property is owned by BES, it must be leased at market rates, otherwise ratepayers are illegally subsidizing it.

Fish’s position was supported by the Portland Utility Board and the Citizens Utility Board. Their representatives said the interests of BES ratepayers should be protected.

Residential standards

The Oregon Department of Environmental Quality has notified the city that Terminal 1 was only cleaned up to environmental standard when the Port of Portland sold it to BES to be used as a staging ground for the Big Pipe project. Residential standards are much higher. The notification said the city must involve DEQ in reevaluating the property if the use is changed.

The vote followed more than three hours of public testimony. Prominent supporters included: Williams, who proposed the idea; consultant Don Mazziotti, a former Portland Development Commission director working with Williams on the project; and former City Hall staffer Rich Rodgers, who is working on homeless issues, among other things.

Prominent opponents included: Bob Sallinger, conservation director of the Portland Audubon Society; John Jensen, political director of the International Brotherhood of Electrical Workers Local 48; Stuart Emmons, a Portland architect and former council candidate; and Andrew Baugh, the chair of the Portland Planning and Sustainability Commission, who testified as a private citizen.

Notably absent was anyone from Multnomah County or either of city-county organization working on homeless and affordable housing issues, The Joint Office of Homeless Services and A Home for Everyone.

Most oppose project

Wednesday's hearing was the first time the proposal had been discussed publicly. The council also considered a \$100,000 Equitable Housing and Planning Development grant from Metro to evaluate the feasibility of Williams' idea for the site. The vote on it is scheduled for next week.

Many details of the temporary shelter emerged at the hearing publicly for the first time. Saltzman said the temporary shelter would be operated without making any permanent changes to the 96,000 square foot warehouse or surrounding property. He said portable toilets, sinks and showers would be moved onto the site, and the warehouse would be heated with portable propane heaters.

Around 50 people testified before the vote. Most either opposed the proposal entirely or urged the council to delay its vote until after the bids had been received and opened for the sale of Terminal 1.

Those most opposed included residents of Riverscape, a large condominium and apartment complex just south of the Terminal 1. Most said they felt blindsided by the proposal because no one from the city had contacted them before it became public. Many said they feared for their safety or the safety of their children if hundreds of homeless people were going to be housed at Terminal 1, either temporarily or permanently.

Also opposing even the temporary shelter was Bob Sallinger, conservation director of the Portland Audubon Society. He said it violated policies to preserve industrial lands recently approved by the council in the Comprehensive Plan update, and warned it might prevent the plan from being approved by state land use regulators, as required by law.

Several of those who testified against the proposal suggested opening the unused Wapato Jail owned by Multnomah County in North Portland for the homeless instead. The idea is opposed by Multnomah County Chair Deborah Kafoury.

Even most of those who supported the proposal said they wanted more information about it. Some supported opening a shelter in the warehouse only over the winter but not making it permanent.

Gateway urban renewal plan due for makeover

By Steve Law

August 9, 2016

Of all the city's urban renewal districts, few have been bigger disappointments than the Gateway Urban Renewal Area in outer Northeast Portland.

Long envisioned as a major employment and residential center — a mini-downtown akin to the Lloyd District — Gateway has failed to attract much of any commercial development, 15 years after the city created the urban renewal district. That's the case even as much of Portland is booming with new apartments and other developments.

“The market for private investment hasn’t quite been there yet” in Gateway, says Justin Douglas, PDC policy manager.

Now, with the clock ticking on the urban renewal district and Mayor Charlie Hales’ term in office, Hales has directed the Portland Development Commission to devise an “action plan” to jumpstart development in Gateway, much as he did earlier — quite successfully — for Old Town/Chinatown and Lents.

The City Council will take up the proposed Gateway Action Plan on Wednesday, at a session slated to begin at 2 p.m.

PDC figures it has \$35 million to spend on reshaping and spurring projects in Gateway, says Leila Aman, the urban renewal agency’s senior project coordinator. The action plan spells out ideas for deploying that money in the next five years, along with \$13 million in urban renewal funds to be sent to the Portland Housing Bureau. In addition, the action plan involves efforts by the Portland Bureau of Transportation and Bureau of Planning and Sustainability.

PDC now concedes the urban renewal district will run out of time and money before long-envisioned midrises are built in Gateway, Douglas says. The agency can’t sell new bonds after 2022, so PDC figures it will start winding down the district around that time. Some properties were zoned to allow 150-foot-high buildings, but there’s now a recognition the city needs to start smaller, with more “incremental” projects, Douglas says, to build more momentum in Gateway and sow the seeds for later, more intense development when PDC has closed down the urban renewal district.

Here are some of the major themes in the action plan:

This commercial couplet, extending from 102nd Avenue to 114th Avenue, was described by one city planner as “Portland’s only ‘American Graffiti’ Main Street,” Douglas says. It has a 1960s vibe, lacking some of the charm of closer-in retail strips built in the early days of the streetcar.

PDC recognizes it won’t resemble those vibrant closer-in retail strips. However, PDC wants to go “all-in” on improving the couplet, Aman says, deploying roughly \$20 million of the \$48 million available in urban renewal and housing funding.

Halsey traffic, often going to and from Interstate 84, tends to be too fast, treated by motorists as an “offramp” to the freeway, Douglas says.

The city is working on streetscape improvements to make the commercial strip more of a walkable area, where pedestrians feel safe to cross the busy streets. That means extending sidewalks so it’s not so far to cross the streets, and putting in flashing beacon lights to slow traffic. PDC staff also are working with merchants on both streets to improve their storefronts.

A protected bike lane, similar to the one on Broadway near Portland State University, is envisioned

Gerding Edlen development company and Human Solutions, a nonprofit that works with low-income clients, are teaming to develop a PDC-owned property on 106th and Halsey.

Tentatively, that might include 40 units of affordable housing, ground-floor retail and second-

story office space, and additional work force housing for those earning between 60 percent and 100 percent of the median family income, Douglas says.

The action plan calls for identifying two other sites where similar mixed-use, mixed-income apartments could get built in the next few years.

Other elements

The plan calls for setting aside \$5 million in flexible funding, to be used when specific development proposals arise. Community members wanted that to respond to unforeseen opportunities, Aman says.

The action plan also calls for creating new pedestrian- and bike-friendly connections from the Gateway Transit Center, a busy terminal where multiple light rail and bus lines drop off and pick up passengers, to the Halsey/Weidler Business District.

In addition, the Planning and Sustainability Bureau has committed to revisiting some of the city's ambitious zoning for the area. That might include scaling back some of the sizable floor-area ratios that pegged several properties for midrise construction.

For many years now, Metro and the city have planned for the Gateway area to accommodate an outsized share of the future growth expected in Portland. It could be, Douglas says, that the city no longer has to bank on Gateway carrying as much of the load, since other areas are growing faster than expected.

Willamette Week

“Do Something,” Says Portland Mayor Charlie Hales as Council Approves Homeless Campus Site

*By Beth Slovic
August 10, 2016*

The Portland City Council voted 3-2 Wednesday afternoon to approve a temporary lease for a homeless shelter on city-owned industrial property in Northwest Portland, but not before a lengthy and contentious discussion that prompted one commissioner to question his colleagues' common sense.

The vote means private developer Homer Williams can move forward with fundraising and planning for his proposed \$100 million homeless campus at Terminal 1, a former staging area for Portland's Big Pipe sewer repair project.

Wednesday's action gives Williams six months to show he can make the project work, with the possibility of additional six-month extensions.

Commissioners Amanda Fritz and Nick Fish objected vociferously to the plan, saying the city was moving to warehouse the homeless on contaminated land that would be better used for industry. The proposal is modeled after a 2010 center in San Antonio called Haven for Hope.

"The proposal before me today," Fish told colleagues, "fails my test of common sense and humanity."

Fritz sounded shaken in listing her objections. A former psychiatric nurse, she said vulnerable people should not be crammed into one big space with inadequate services such as temporary showers.

"I'm disappointed so much money is being put into a temporary thing, which puts people more at risk," she added.

Mayor Charlie Hales and commissioners Dan Saltzman and Steve Novick took the position that it's better to act than wait for the perfect solution to Portland's homeless crisis to come along.

Novick, for one, said he thought opponents made strong arguments against the so-called Oregon Trail of Hope. "There are better arguments," he said, "against allowing people to sleep on the streets."

Hales addressed another concern of colleagues and utility ratepayers, who purchased Terminal 1 for the Bureau of Environmental Services as it was completing the \$1.4 billion Big Pipe sewer project, which ended in 2011 under Saltzman.

Fish, who now oversees BES, is in the process of selling the 14-acre property to recoup money for ratepayers.

Wednesday's proposal puts a stop to that, but Hales argued that it does not jeopardize the city's commitment to using ratepayer money only for ratepayer projects. The Portland Housing Bureau would pay BES for a lease to the land.

That payment could be less than what private buyers would pay for the land. Hales contends the city would be protecting ratepayer money even if it doesn't get as much money for the land from the Housing Bureau as it would from the private sector because it's not spending any ratepayer money to do so.

In voting no, Fish said he didn't question his colleagues' commitment to ending homelessness or treating the homeless humanely. He said he had many unanswered questions about the city's plans for the shelter and its goals, though. "I question their judgment," he said.

Hales said he'd rather err on the side of action. "Above all," he said, "do something."

The Portland Mercury

Affordable Housing Boosters Are Raking in Money From All Over, New Filings Show

*By Dirk VanderHart
August 11, 2016*

As a November vote on a 20-year, \$258.4 million affordable housing bond approaches, its backers have had an air of calm. Their first round of campaign finance filings shows why.

The bond campaign, Yes for Affordable Homes, has swept up nearly \$170,000, the new filings show. It's got more than \$107,000 on hand, in a campaign that's not revealed a hint of organized opposition to-date.

The money, collected since March, has only just become public because the housing bond only recently received a formal measure number: 26-179. State law says a committee can't be formed in support of a measure until that happens, but requires campaigns to keep track of their donations and spending all the same. Yes for Affordable Homes is reporting nearly 120 individual contributions (some of which come in the form of pools of small donations from multiple people) from developers, politicians, philanthropists, social services, unions, and businesses.

By far the largest contribution, \$50,000, is from Eric Lemelson, a Portland vintner and philanthropist (profiled by Willamette Week in 2004). Leland Larson, local patron of efforts like Right 2 Dream Too, has kicked in \$10,000, the records show.

And quite a few folks have chipped in \$5,000 to the campaign. Among them:

- Commissioner Nick Fish's campaign committee
- Developer Al Solheim
- Investor Donald Washburn
- Jim Kelly, founder of Rejuvenation
- New Seasons co-founder Stan Amy
- Portland shelter operator Transitions Projects Inc.
- Affordable housing provider Central City Concern
- Service Employees International Union Local 49

You can check out the full list [here](#).

It's not surprising the bond campaign's got this much steam. One reason is all the attention and concern over Portland's housing crisis, which last fall spurred the city to declare a state of emergency, and which has already resulted in an array of new revenue streams for housing (a construction excise tax, for instance).

The second is that the campaign is backed by people who are really good at raising money. County Chair Deborah Kafoury and City Commissioner Dan Saltzman are "controlling" the committee. They've got more than three decades of experience in state, city, and county politics between them.

The housing bond you'll be voting on in November is Portland's first ever crack at this sort of thing. Other cities have done it for years—Seattle for instance, which just approved another housing bond last week.

If approved, the \$238.4 million bond will create or preserve 1,300 affordable units that can house 2,900 people, backers have promised. The city is short around 24,000 affordable units, according to the Portland Housing Bureau.

After A Fraught Hearing, Terminal 1 Might Be Portland's Largest Homeless Shelter Within Months

By Dirk VanderHart

August 10, 2016

For all the remarkable things about the debate over Northwest Portland's Terminal 1, the most striking may be how it's scrambled the long-drawn battle lines we're used to when it comes to Portland's homeless.

It's partly the lack of certitude or concrete specifics inherent in the proposal to put a 400-person temporary shelter on the 14.5-acre plot of city-owned land. And it's the immensity of a 1,000-plus person "campus" that could follow in coming years.

For some people, it's the provenance of the plan to begin with: big-time Portland developer Homer Williams, who just three years ago was cutting deals to get homeless people far away from his property.

Whatever the varied reasons, the debate this morning—as a sharply divided Portland City Council approved a resolution that sets the table for a temporary shelter and more at 2400 NW Front—was different than past ones.

Take a telling line from Joe Walsh, a council gadfly who never misses an opportunity to excoriate city council for its treatment of the homeless, but who adamantly opposes the notion of a shelter at Terminal 1.

"These neighborhood association people, they're on the side of me, but they're ugly," Walsh said. "What they said today is ugly, and I resent being on the same side as them."

Of course, you plan for the neighbors Walsh was talking about at hearings like this. Plenty Riverscape District neighbors showed up to talk about safety concerns. At least one trotted out an odious generalization about addicts and sex offenders. A lady brought her three-and-a-half-year-old daughter to the microphone and forced her to say: "I wanted you guys to not build the homeless thing." (The girl was booed.)

And businesses, as is typical, came to the table to fight. The Portland Business Alliance was the first entity to suggest using Terminal 1 as a shelter in the first place, but now opposes the idea because of "jobs."

Walsh's own critiques are different: He and others—including some of the city's most stalwart advocates—worry about huge numbers of people being callously "warehoused" on the property.

Terminal 1 is potentially the most meaningful injection of private cash into the fight to fund homelessness that Portland's ever seen, but today skepticism and uncertainty appeared to far outweigh any outright support.

"Is it the right thing? I don't know. We don't know," said Ibrahim Mubarak of the group Right 2 Survive and the homeless rest area Right 2 Dream Too. "But they want to do something."

"I do not want to live in a prison," said Desiree Rose, a resident of the organized homeless encampment Hazelnut Grove. "I won't go."

In the end it didn't much matter. Council had convened Wednesday morning with positions pretty clearly staked out.

Nick Fish, commissioner in charge of the Bureau of Environmental Services, which currently controls the property, is strongly against the shelter proposal. He's argued for weeks his bureau should be able to sell the rare industrial resource, bank a big profit for ratepayers, and create new jobs on the site.

Dan Saltzman, commissioner in charge of the Portland Housing Bureau (PHB), was the strongest champion for the idea, saying the opportunity at Terminal 1 was a minimal risk if it didn't work out, but was too big a chance to pass up because of the involvement of developer Williams.

As PHB Director Kurt Creager put it, bolstering his boss's argument: "This may be a moment in time—a singular opportunity."

As expected, Saltzman had the backing of Mayor Charlie Hales and Commissioner Steve Novick. After more than three hours of considering the matter, council voted 3-2 to approve a lease between Saltzman's PHB and Fish's BES to potentially establish a shelter, with Commissioner Amanda Fritz coming out forcibly against.

"Today we can take the first step to achieve what I believe could be an opportunity to change the landscape for people experiencing homelessness," Saltzman said early on in the hearing.

With the vote, BES is essentially being forced to lease its land to the housing bureau—and potentially on terms that Fish finds objectionable, to say the least.

As we reported he would yesterday, the commissioner floated a package of amendments that would have forced PHB to pay market rate for Terminal 1's 96,000-square-foot warehouse, and potentially some of its parking lot as well. Fish's amendment package also would have specifically forced the Housing Bureau to get blessing from the Oregon Department of Environmental Quality to house people on the industrial site, and required council approval before a six month lease was extended.

It all got shot down, along the lines of the same 3-2 vote.

That means that the Terminal 1 lease might be as low as \$10,000 per month, the same rent BES charged Nike in a deal for the space last year. But Fish argued today that times had changed, and that council "cannot bend" in charging fair market rate for the property, which he thinks could approach \$1.2 million a year for the full 14.5-acre plot. That argument has roots in the city's charter, which dictates ratepayer money spent by utility bureaus like BES must go toward furthering utility services. Fish—along with several groups that watch BES expenses—argued today forgoing market rate would be problematic to that requirement.

Most of council disagreed.

"We no longer spend utility money that's questionable," said Hales, referencing an ongoing lawsuit over BES and Portland Water Bureau spending. "That does not mean that a bureau is eligible for the maximum possible rate of return from a general fund bureau."

In their customary statements before votes, commissioner laid out a variety of arguments for and against.

Novick said he'd consulted Josh Alpert, Hales' former chief of staff and head of the mayor's homeless initiatives until he departed in June. Alpert spent a good portion of his last year in City Hall ferreting out potential sites for shelters.

"I called Josh Alpert and asked are there better sites than Terminal 1," Novick said. "He said, 'no.'"

Fritz described the painstaking process that had gone into figuring out how to move Right 2 Dream Too, and suggested this effort was slap-dash. "Vulnerable people should not be put all together in large warehouses," she said.

Fish, who seemed bolstered by the skepticism of the crowd, did a theatrical bit where he laid out what he'd learned from "sponsors" of the proposal during the meeting—including Saltzman, Williams, and former Portland Development Commission Director Don Mazziotti.

"Here's what I learned about the plan," Fish said, then paused for a small silence. "Here what I learned about the funding, both public and private. [silence] Here's what I learned about the city's role. [silence] Here's what I learned about benchmarks for success. [silence] As you can see I didn't learn much."

It's hyperbole, but Fish does have something of a point. It's not totally clear who exactly will run the temporary shelter, when it might be up and running, how much it will cost to operate, or what parameters it will operate under.

Kurt Creager, director of the PHB, said his staff would defer to developer Williams to select an operator. Williams has pledged to pay for the operating expenses of the shelter, which Creager estimated could be between \$1 million and \$2 million a year.

Williams told the Mercury after the hearing that those figures were way overblown. So did Bill Russell, executive director of Union Gospel Mission, who promised he'd convince his board of directors to staff the shelter.

"It's not going to cost that," Williams said, though he couldn't offer a more detailed estimate. In recent weeks the developers been building support—and soliciting donations—for the shelter proposal from his colleagues. He declined to say how much he'd raised.

"This is something that's never been done before," Russell cautioned, saying costs might vary wildly depending on choices about security.

This much is clear: Construction at Terminal 1 for the shelter will be kept to a minimum. Because the space is zoned for industrial uses, the shelter's backers will need to pipe in water and heat via temporary means, as opposed to making permanent changes. Military-style disaster response vehicles such as those used by the Federal Emergency Management Agency were raised in the hearing.

Amid all that uncertainty, one pressing question about Terminal 1 was answered today: The state's DEQ sent word to staffers for Saltzman and Hales that the state didn't have qualms with people staying at Terminal 1. The email, from DEQ Northwest Region Division Administrated

Nina DeConcini, said the agency had gone over 2005 data from the site. It found that "substances present in soil are below residential criteria," with the exception of one sample that was deemed "not representative."

"On this basis," DeConcini wrote, "DEQ has determined that there does not appear to [be] a cause for concern for direct contact exposure to soil considering a residential exposure scenario at the T1 site."

The Daily Journal of Commerce

Council narrowly supports Terminal 1 homeless shelter

By Garrett Andrews

August 10, 2016

Following a day of emotional public testimony, Portland city commissioners on Wednesday narrowly authorized a temporary lease of industrial property north of the Pearl District for use as a large and experimental homeless shelter.

With a 3-2 vote, the council took a first step toward allowing the Housing Bureau to rent the 14.5-acre parcel at 2400 N.W Front Ave. – the former site of the Port of Portland’s Terminal 1 – from the Bureau of Environmental Services, to operate a campus intended to serve up to 1,400 people.

Commissioners Nick Fish and Amanda Fritz were the dissenting votes.

“I’m not voting yes because I think the arguments against are bad arguments,” said Commissioner Steve Novick. “I’m voting yes because I think that we’re not in a position, in the homeless state of emergency, to do anything else.”

The proposal is the brainchild of developer Homer Williams and business partner Dike Dame, and based on San Antonio’s Haven for Hope campus. Williams proposed the idea in mid-June, inspired by a trip to Texas and Mayor Charlie Hales’ declaration late last year of a “homeless state of emergency” in Portland.

Williams said the idea is to get the private sphere to do its share in cracking the city’s historically high homeless rate.

(The Housing Bureau uses point-in-time data compiled by Kristina Smock Consulting, which counts 3,800 homeless people in Multnomah County on any given night.)

Under the plan approved Wednesday, the Housing Bureau will lease the waterfront land and 96,000-square foot warehouse for \$10,000 per month. The lease will run for six months, beginning Oct. 7. Officials say the shelter could be operational at that time. The final cost for the permanent facility could be between \$60 million and \$100 million, with some amount of that covered by private donations.

Much else about the plan is still up in the air.

Commissioners heard testimony from nearly 60 people, most of whom expressed some form of opposition to the plan, currently called Oregon Trail of Hope. They spoke of environmental concerns and criticisms of the San Antonio model. Commenters included sewer ratepayers who receive reimbursement because the land was once part of the Big Pipe sewer project. Many were neighbors worried about negative effects of the shelter, some anticipating an influx of “sex offenders” and “criminals.”

Commissioner Fritz, a registered nurse, spoke against “warehousing” homeless people.

Fish spoke passionately while ticking off criticisms with the proposal, including “breaking faith” with the city’s Comprehensive Plan, privileging one developer (Williams) over others, and a pending lawsuit against BES.

Fish had the city’s broker for the site, Scott MacLean, senior vice president at Colliers International, testify about recent efforts to find a buyer so the city could pay back sewer ratepayers. MacLean said he’s given numerous tours to potential buyers. He expects to receive around 16 serious offers, including six from developers.

When it came time to for him to vote, Fish called the proposal “half-baked” and said it fails his “test of common sense and humanity.”

“Today, by this action, we are making a very big statement, and it is that we are lost,” he said.

The commissioners who voted to approve said they did so because something had to be done. Hales said if the “experiment” begins to look like a failure, it will cease.

“My really earnest plea to everybody is, we really need to work together,” he said. “This is worth a try.”

The Portland Business Journal

Portland City Council votes to lease waterfront property for use as giant homeless shelter

By Jon Bell

August 10, 2016

The Portland City Council voted this afternoon to move forward with a lease of a prime piece of waterfront industrial property for use as a massive homeless shelter.

Commissioners Dan Saltzman and Steve Novick, along with Mayor Charlie Hales, voted to let the city's Bureau of Environmental Services lease the 14.5-acre Terminal 1 property to the Portland Housing Bureau, which will use the property as part of an ambitious plan that could eventually house up to 1,400 homeless people. The resolution passed today could pave the way for a "temporary mass shelter and services for approximately up to 400 people," while also authorizing a further look into an effort on a much larger scale.

The effort, which is still in its very early stages, stems from local developers Homer Williams, Dike Dame and other business partners, who have been inspired by the Haven for Hope program in San Antonio, Texas. That project, which cost an estimated \$103 million when it launched in 2010, is a 22-acre campus west of downtown San Antonio that offers safe outdoor sleeping for 700 people each night and long-term living quarters for about 800 people. It also offers a range of services, from health care and substance abuse treatment to job training and education.

If the plan comes to be here, it would be called the "Oregon Trail of Hope."

Williams initially proposed the Terminal 1 property for the idea, and Saltzman formally put it before the council.

Commissioner Nick Fish, who's actively sought other uses for the site, including selling it, has been skeptical of the plan, at least at the Terminal 1 location. The site's zoning, he has explained, doesn't allow for shelters or schools. An overlay zone also requires river-dependent uses.

In extensive testimony today, residents who live by the property voiced opposition to it being used for the homeless shelter. Some said they were concerned about crime, substance abuse and the mental illness that afflicts some members of the homeless population; others, including Bob Sallinger, conservation director for the Audobon Society of Portland, said they did not think the industrial property, which contains some pollutants, is the best location to house the homeless.

The 14.5-acre site at 2400 N.W. Front Ave. includes a 96,000-square-foot unheated warehouse.