

## Willamette Week

# Here's Who Got Handed the Biggest Problems in Portland Government

*By Rachel Monahan*

*January 4, 2017*

On Jan. 3, Portland Mayor Ted Wheeler made the first big decision of his young administration: He divvied up the city bureaus.

Portland's "weak mayor" form of government means the assignment of bureaus is the chief power the mayor has over city commissioners. Wheeler's announcement is giving his new colleagues both a potential base of support and new challenges.

Political missteps in posting commissioners to bureaus can end a mayor's prospects before they begin. (In a vivid recent example, Mayor Charlie Hales tossed Commissioner Nick Fish the unwanted water and sewer bureaus in 2012, and their relationship never recovered from the move.)

Even more importantly, assigning the bureaus is an opportunity for fresh eyes to examine what is and isn't working in Portland. It's the earliest opportunity to change the direction of city government.

Here are six bureaus that present their leaders with the biggest challenges.

### **Housing**

Assigned to: Himself

The challenge: This bureau will receive a lot of attention during the next couple of years. The shortage of affordable housing in Portland, the decision by voters in November to give the city \$258 million to build more homes, and the promise that Wheeler made during the campaign to build units less expensively than have previous housing Commissioners Nick Fish and Dan Saltzman ("Roofless," WW, Sept. 28, 2016), mean that the new mayor had little choice but to keep this bureau. Wheeler's key housing policy proposal—to protect tenants from no-cause evictions—will require action from the Oregon Legislature. "It will test whether he is a good mayor," says Portland Tenants United organizer Margot Black, "a test I hope that he passes with honors, and not by memorizing last year's answers."

### **Office of Neighborhood Involvement**

Assigned to: Chloe Eudaly

The challenge: This office (which does everything from regulate cannabis to license bars) received poor grades in a recent city audit, and in a WW interview, Wheeler himself pointed to it as the bureau most in need of reform (in a tie with the Police Bureau). Wheeler is taking the office away from its champion, Commissioner Amanda Fritz, and handing it to a political novice, Eudaly. Wheeler spokesman Michael Cox says handing Eudaly a "tough, complicated" office is a vote of confidence. "With regard to both outreach and neighborhood involvement, Commissioner Eudaly demonstrated during the campaign that she excels at both."

### **Transportation**

Assigned to: Dan Saltzman

The challenge: This bureau had been the responsibility of Commissioner Steve Novick, who lost his bid for re-election in November, in part because of his ham-handed attempt to pass a "street fee" two years ago. Voters eventually supported a 10-cents-per-gallon gas tax in May. The bureau will now have an estimated \$64 million in funding over the next four years to make street repairs as well as install upgrades for pedestrians and cyclists. Someone must watchdog that money if the city expects voters to renew the tax in 2020. There's mounting pressure from advocates for a bolder plan to prevent deaths on city streets. With no obvious leader on transportation, Wheeler viewed Saltzman's experience as an asset.

### **Emergency Communications**

Assigned to: Amanda Fritz

The challenge: The Bureau of Emergency Communications—which handles the city's 911 calls—is among the city's most troubled departments. Wait times for 911 callers have increased by at least one key measure. Just last month, a report from the Ombudsman's Office said the city had no way of returning more than 18,000 cellphone calls to 911 that were dropped or hang-ups. Fritz is a puzzling choice to handle reforms—she led the bureau before and drew criticism during her 2012 re-election campaign for her leadership of it. Fritz declined to comment to WW. Rob Wheaton, a representative for American Federation of State, County and Municipal Employees Council 75, the BEOC workers' union, says Fritz is ready to run 911 again. "She's a lot more savvy than she used to be," Wheaton says. (Disclosure: This reporter's husband works for AFSCME.)

### **Water/Environmental Services**

Assigned to: Nick Fish

The challenge: Four years ago, the city's water and sewer ratepayers were in revolt, and no hot button sizzled more than the fate of open-air reservoirs on Mount Tabor. That's why Fish bristled at being saddled with the utilities. But Fish steered the city through the water wars, increasing transparency and cutting big-ticket projects. One huge cost remains, however: The Bureau of Environmental Services also runs the city's share of the Superfund cleanup in Portland Harbor, a project that could cost upward of \$746 million. A judge's decision whether sewer ratepayers will be on the hook for the cleanup is expected to be announced this week. The ruling could affect the city's general fund budget, as could a Jan. 6 announcement expected from the U.S. Environmental Protection Agency on its cleanup plan. (So too could the Trump administration's efforts to dismantle environmental rules.)

### **Police Bureau**

Assigned to: Himself

The challenge: Even as Portland remains a relatively safe city, the assignment is likely to prove complicated. Last fall, City Hall approved a new police contract that will last three years, giving Wheeler little leverage for any reforms he wants to make. Mayor Hales faced repeated protests this fall after he negotiated a contract with significant raises for police but failed to expand authority for the Independent Police Review. "[The contract] gave the police chief and the police union the tools that they said they needed to improve recruitment and retention," Wheeler told WW last month. "And now I'm going to hold them accountable for it."

## **Portland Lags in Licensing Recreational Weed Stores**

Here's one problem Chloe Eudaly will have to tackle when she takes over city cannabis regulation.

*By Rachel Monahan*

*January 4, 2017*

Portland's cannabis businesses have been complaining for months about the bureaucratic red tape they've faced at City Hall after Oregon voters legalized recreational weed.

Business owners have argued that the city duplicated the state's licensing process, charged them double what businesses in other cities pay—and have moved slowly in issuing permits. Those complaints factored into Mayor Ted Wheeler deciding this week to assign the Office of Neighborhood Involvement, and its marijuana program, to rookie City Commissioner Chloe Eudaly.

The statewide deadline was Dec. 31 for medical marijuana businesses to get an Oregon Liquor Control Commission license to sell pot in the recreational market. And the numbers show that state regulators have so far granted far more cannabis permits than City Hall.

73: Recreational licenses issued by the state to Portland cannabis shops.

27: Recreational licenses issued by the city to Portland cannabis shops.

## **City Hall Shuts Down Short-Term Rentals in a Portland Luxury High-Rise**

*By Rachel Monahan*

*January 3, 2017*

The most extravagant short-term rental in Portland—an entire floor of apartments in a waterfront high-rise—is being shut down by city officials.

WW reported in September that the entire 11th floor of the 21-story apartment tower Yard was available for rent by the night. Located on the east end of the Burnside Bridge, the 18 units, when rented together, cost up to \$7,215 a night, not including taxes and fees.

But after WW reported on the short-term rentals at Yard, the Portland Housing Bureau threatened to yank the tax credits for the building. The 284-unit complex includes 57 affordable apartments, qualifying its owners for an estimated \$771,079 in tax breaks in 2017.

Guardian Real Estate Services, which owned a stake in the building, agreed to remove the short-term rentals to keep the tax credits. Guardian just sold the building for \$126 million to Land and Houses, a Bangkok-based real estate company.

Housing Bureau director Kurt Creager says the building's tax credits were based on Yard apartments being used only as full-time residences.

"We are delighted we still have 57 affordable units in the building," Creager says. "We will be monitoring the compliance. It's a good case in how inclusionary zoning could work in this town."

Vacasa, the company responsible for renting out the 11th floor, says it is leaving Yard by the end of April.

"We were helping to subsidize the affordable units," says Cliff Johnson of Vacasa. He blamed WW's stories for driving out the short-term rentals, calling the coverage "nitpicking" and "sensational news stories." He called the city's decision "a disincentive to developers to provide affordable units."

## The Portland Mercury

### Ted Wheeler's First Act as Mayor: A Bureau Shakeup

*By Dirk VanderHart*

*January 3, 2017*

The first big test of Ted Wheeler's mayoral tenure began this morning, as Wheeler's office unveiled some fairly large changes in the bureaus council members will oversee.

Among the biggest changes in Wheeler's reshuffle:

- The mayor, who ran largely on an affordable housing/homelessness platform, is taking the Portland Housing Bureau (PHB) from Commissioner Dan Saltzman.
- Saltzman, in return, is getting the large, challenging Bureau of Transportation. PBOT will see increased revenues from a gas tax that's just gone into effect, but it still has funding challenges and is sort of reeling after nearly 50 traffic-related deaths in 2016.
- New commissioner Chloe Eudaly is taking on two somewhat troubled bureaus in the Office of Neighborhood Involvement (long a favorite of Commissioner Amanda Fritz, whom it was plucked from) and the Bureau of Development Services (formerly Saltzman's), responsible for much of the city's development permits and zoning enforcement. The latter is a way for Eudaly—who won her seat partly owing to her experience as a renters' rights and housing activist—to influence the housing conversation without directly controlling the PHB.

ONI, meanwhile, just got a weighty new task. It's going to administer a new public elections system in the city, beginning next year.

- Fritz will keep the parks bureau, which she's championed since 2013, and take on the tricky Bureau of Emergency Communications (which runs the city's 911 dispatch), formerly the province of former Commissioner Steve Novick.
- And Wheeler's taking on a lot. He'll oversee two bureaus—emergency management and housing—that former Mayor Charlie Hales had delegated out, and give only one Hales bureau away (the police/fire disability and retirement fund).

"My goal in assigning bureaus is to rely on the experience and interests of each commissioner to achieve real results on behalf of Portlanders," Wheeler's quoted as saying in the press release. "Portland government can be siloed. That prevents teamwork. I want to get commissioners and bureaus to work together like never before."

The only office left untouched in the exchange? That of Commissioner Nick Fish, an ally of Wheeler's who'll still oversee the Portland Water Bureau and Bureau of Environmental Services (he's got one additional duty, acting as liaison to the Rose Festival Foundation).

It's not totally clear how the rest of the building has reacted to the changes, but Fish is cheery this morning.

"We're thrilled with the assignments," he tells the Mercury. "Obviously we look forward to hitting the ground running."

It's not just his own assignments Fish is pleased with. He thinks Wheeler did a fine job doling out bureaus that match his colleagues' interests—for instance, keeping parks with Fritz, and giving Saltzman, the council's most tenured member, the big workload of PBOT.

He also called Wheeler's decision to make Eudaly a co-liaison to the homelessness-fighting A Home For Everyone task force "inspired." That change means that Saltzman, who's been at the forefront of pushing for new funds for affordable housing, suddenly has little direct authority over housing in the city.

"Chloe's getting a full lift," Fish says. "She may be the newest member of council but she's going to be one of the busiest."

**Update, 1:43 pm:** Saltzman tells the Mercury he's happy to take on a new challenge. PBOT's one bureau the commissioner hasn't tackled in his 18 years on city council.

"I feel we had a really good three-and-a-half years as housing commissioner and got a hell of a lot done," Saltzman says. "I also know that Mayor Wheeler campaigned on housing and homelessness. He'll be a capable successor."

During his time in office, Saltzman helped pass a \$258.4 million bond for affordable housing, and increase the amount of urban renewal and tax money filtered into housing projects. Now, Wheeler will be able to use that progress to shape his agenda, and Saltzman's got to wrangle a chronically underfunded PBOT.

He says his priorities for the bureau aren't "any different than what people expect. That's to focus on maintenance and focus on safety."

Saltzman also says he doesn't plan to ask voters to approve new funding sources for the bureau—a task which Novick accomplished at some peril to his reputation with voters.

"I'm not going to spend a lot of time bemoaning our funding situation," he tells the Mercury. "It would be great if we had something at the state level. I'm not looking to bring any new funding initiatives to the public."

## Daily Journal of Commerce

### Portland's new mayor to take on Housing Bureau, PDC

*By Chuck Slothower  
January 3, 2017*

Portland Mayor Ted Wheeler on Tuesday unveiled the City Council's bureau assignments, with some of the highest-profile, industry-connected bureaus going to himself.

Wheeler will oversee the Portland Housing Bureau, the Portland Development Commission and the Bureau of Planning and Sustainability.

The mayor assigned the Bureau of Development Services, which oversees proposed projects through design review and permitting, to newly elected Commissioner Chloe Eudaly. She has vocally favored tenant protections and rent control.

Commissioner Dan Saltzman, who had overseen the Housing Bureau through Portland's declared housing emergency, was assigned the Portland Bureau of Transportation and Portland Fire & Rescue.

The mayor's communications director, Michael Cox, did not immediately respond to a message seeking comment.

"My goal in assigning bureaus is to rely on the experience and interests of each commissioner to achieve real results on behalf of Portlanders," Wheeler stated in a news release. "Portland government can be siloed. That prevents teamwork. I want to get commissioners and bureaus to work together like never before."

## The Portland Business Journal

### 5 things to know today, including an early look at Ted Wheeler's vision

*By The Portland Business Journal  
January 4, 2017*

We're four days into 2017, Portland. How're those resolutions coming along?

We, at the Five Things desk, hereby resolve to bring you five things to know each day we're manning the spot. And, regarding today's lineup, well, away we go ...

#### **Another strike in the coal war**

Another year, another big blow for a proposed Northwest coal facility.

This time, it's the Millennium Bulk Terminals-Longview proposal, which, as Pete Danko reports, Washington's Department of Natural Resources nixed on Tuesday.

Developers say the decision is actually a blip on the screen for what would be North America's largest coal export facility.

## **A Day to remember**

Nike had quite a Day yesterday. You could even call it a Jason Day, as the company revealed it has signed the world's top golfer to a deal.

The PBJ's Matthew Kish has details on the deal's implications here.

## **From the desks desk:**

A Portland office furniture mainstay has a new owner.

SmithCFI is known for distributing the sleek Steelcase lines in Oregon. Its new owners are a pair of execs from Nike and JLL.

## **Electric disposal avenues**

Recycling used electronics is usually, well, it's usually a hassle. Some places take certain items but not others, the hours are spotty, yes, there are usually lots of things that can turn a simple trip into a day-long search for a spot to take your old broken VCR.

The city of Portland issued a note today steering people who've found similar issues (can you tell it's been, very subjectively, to be sure, a problem in the past?) to this very handy Oregon E-Cycles site. It has addresses, hours and acceptable items.

For what it's worth, there are about 40 locations in the Portland area.

## **Who's in charge?**

If his temporary bureau assignments are any indication, Portland Mayor Ted Wheeler plans to follow through on plans to reform Portland's housing programs.

Wheeler, in announcing bureau assignments on Tuesday, took the housing bureau for himself, along with nine other departments. Wheeler plans to revisit the assignments in the spring.

He'll also oversee the police bureau, typically part of the mayor's oversight list, along with the planning and sustainability bureau.

In Portland's form of government, the mayor and commissioners oversee the city's various departments.

Here's the full list of assignments:

- Wheeler: Police, Housing, Planning and Sustainability, Equity and Human Rights, Emergency Management, the City Budget Office, the City Attorney, Government Relations, Management & Finance and the Portland Development Commission.
- Commissioner Chloe Eudaly: Neighborhood Involvement and Development Services.
- Commissioner Nick Fish: Environmental Services and Water.
- Commissioner Amanda Fritz: Parks & Recreation and Emergency Communications.
- Commissioner Dan Saltzman: Portland Fire & Rescue, Transportation and Fire & Police Disability & Retirement.