

The Portland Tribune

PDC changes with new name, new mission

By Jim Redden

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For much of the past 59 years, the Portland Development Commission has been accused of driving minority and low-income communities out of their neighborhoods.

The accusations against the city's urban renewal and economic development agency started with its first redevelopment project, the South Auditorium District plan. It cleared 110 acres of largely ethnically owned homes and businesses to create the district now occupied by the Keller Auditorium, apartment towers and office buildings in lower Southwest Portland. Thriving Jewish and Italian communities were displaced by the demolitions. Among those forced out was future Mayor Bud Clark, whose Spatenhaus tavern was demolished, prompting him to relocate his business to the Goose Hollow neighborhood.

After that, the PDC was criticized for its role in leveling a 30-acre, mostly African-American neighborhood to make way first for the Memorial Coliseum and then Emanuel Hospital in Northeast Portland in the early 1960s. Many homes and businesses owned by African-Americans were razed, including clubs that housed a lively jazz scene.

Then PDC helped fund the Interstate MAX light rail line in North Portland 40 years later. Although relatively few homes and businesses were cleared for it, the project is being blamed for helping create the gentrification that has priced up to half the black residents out of their North and Northeast Portland homes.

All those projects undoubtedly brought some benefits to the city at large. And PDC deserves credit for other major accomplishments, such as transforming the former rail yards in Northwest Portland into the booming Pearl District. It also remade once-polluted industrial lands along the west bank of the Willamette River into the South Waterfront neighborhood, which is continuing to expand with Oregon Health & Science University's cancer research center and satellite campus.

But at this point, the PDC is so closely associated with gentrification that when the agency's director spoke at the City Club of Portland last Friday, the event was titled, "Development and Gentrification."

In response to numerous questions during her Friday Forum appearance, Kimberly Branam repeatedly apologized for her agency's role in displacing minority and low-income communities from their historic neighborhoods.

"The public sector has an enormous responsibility," Branam said.

New name, new focus

But the agency is far different today than it was then. It is much smaller, with fewer employees and less power. Renamed Prosper Portland in early May, the former PDC is now guided by a strategic plan adopted by the City Council in 2015 that directs it to increase economic opportunities for all Portlanders in every part of the city, with a special emphasis on minority and low-income residents.

"The goal is to create widely shared economic prosperity," Branam said.

The plan even calls on Prosper Portland to become an "anti-racist multicultural organization" where people of color prefer to work.

Tony Hopson Sr., the founder, CEO and president of Self Enhancement Inc., a prominent social service program in North and Northeast Portland, says there's nothing wrong with the PDC changing its name and mission. But he insists the city still has a long way to go to remedy the problems caused by much of Prosper Portland's previous work.

"There's a lot of room for growth and opportunities to prevent folks from leaving who are still here and need help, and to help those who were pushed out to come back," Hopson says.

Portland Business Alliance CEO and President Sandra McDonough says the changes makes sense, and Branam is the right person to lead the agency at this time. Branam was first hired by the city as a senior economic development aide to former Mayor Sam Adams, and served for five years as PDC's deputy director of strategy and operations before becoming executive director last August. Along the way, she earned a reputation for smarts and sensitivity to community concerns.

"Urban renewal will still be a part of the portfolio, but the agency needs to do more now for the entire city. Kimberly Branam is smart, has great perspective, and has the leadership skills for taking the agency to where it needs to be now," McDonough says.

Initially used federal money

For most of its existence, the PDC was little different from every other urban renewal agency around the country. Encouraged by federal redevelopment policies, it was created by the passage of a ballot measure to revitalize areas of the city declared "blighted" by the council — under a very loose definition of the term. The agency was overseen by a five-member board of directors appointed by the mayor and confirmed by the City Council.

As with similar agencies elsewhere, the first four projects were federally funded. They were the Albina Neighborhood Improvement Plan, Portland State Urban Renewal, Emanuel Hospital Urban Renewal, and the Model Cities/Neighborhood Development Program.

After that, the council created urban renewal districts that allowed the PDC to capture and reinvest local property tax dollars in them. Additional taxes generated by rising property values were invested in capital construction projects to encourage redevelopment. The funding process is called tax-increment financing, or TIF in policy-speak. Three urban renewal districts have expired — South Auditorium, N.W. Front Avenue and St. Johns — on top of 11 existing ones.

Although the agency continues to be criticized for the harmful results of its redevelopment projects, changing approaches have been common over the years. Even the Model Cities/Neighborhood Development Program, which was created by the federal government in the mid-1960s, had anti-poverty elements required by its Great Society-era federal legislation.

Decades before today's affordable housing crisis, the agency and City Council understood its work could drive up housing costs, and they encouraged affordable housing projects, even in parts of town that did not have much housing to begin with, such as the Pearl District. Today, over 35 percent of the units there are affordable to families making 80 percent or less than the median family income. But there was a growing recognition among city leaders that the PDC wasn't doing nearly enough for low-income and minority residents.

City Council asserts control

Changes accelerated under former Mayor Tom Potter. PDC had been largely run by its board, independent from the City Council and city auditor. But Potter appointed a citizen committee in 2005 to review PDC's operations and recommend changes. He sponsored a ballot measure that gave the council control over the PDC budget, required it to comply with all of the urban

renewal, economic development and affordable housing policies approved by the council, and authorized the auditor to conduct performance audits on its operations. Measure 26-92 was overwhelmingly approved at a May 2007 special election.

More reforms followed, including a requirement that 30 percent of urban renewal dollars be set aside for affordable housing. Control of that money was spun off in 2009 to the newly created Portland Housing Bureau, which now plays a greater role in offsetting gentrification. The affordable housing commitment was later increased to 45 percent.

Aiding startups

The council also pushed the former PDC to increase its economic development activities, including creation of a Portland Seed Fund to nurture startup businesses. PDC staff worked with business partnerships organized around the city's main industry clusters, such as software, clean technology, and athletic and outdoor apparel.

Today, Prosper Portland is the largest funder of technical assistance programs to small and minority-owned businesses in the city.

Another change occurred when former Mayor Charlie Hales announced he would allow some urban renewal areas to expire as scheduled. Previously, the council had repeatedly extended the deadlines for most urban renewal districts, to keep funding projects within them. But Hales said the city needed to allow the increased property values to go back on the tax rolls so that other local governments, such as Multnomah County and Portland Public Schools, could collect their share of additional property taxes.

New strategic plan

The policy shifts were formalized in the strategic plan adopted in 2015 and reinforced with last month's Prosper Portland rebranding campaign, which included a new website emphasizing the agency's citywide community orientation.

In a May 10, 2017, memo to the PDC board in support of the name change and rebranding campaign, Branam acknowledged the agency's controversial history.

"A key part of that history are the discriminatory practices that destabilized communities of color and people who were not landowners — especially in the first two phases from 1958 through the 1980s, exemplified in the Albina neighborhood," Branam wrote. "The community's painful memories of homes being bulldozed, families being displaced, and businesses lost proved to be a lasting challenge."

Although Prosper Portland no longer directly finances affordable housing projects, the City Council approved a five-year North/Northeast Community Development Initiative Action Plan in January that authorizes it to spend urban renewal funds to create economic opportunities for those who have not yet benefited from its investments in the Interstate urban renewal district.

Reversing the effects of gentrification will be hard, Hopson says.

"I've met young white families who moved into North and Northeast Portland thinking they were moving into a diverse community, and they're also upset about what's happened," he says.

Still doing urban renewal

Despite the change in emphasis, Prosper Portland is still deeply involved in urban renewal. Over 90 percent of its budget still comes from the urban renewal areas it oversees, and many major projects are in the works or on the drawing board. They include the redevelopment of the former

U.S. Post Office distribution center at the west end of the Broadway Bridge, which the agency bought from the federal government last year for \$88 million, and redevelopment of Centennial Mills, along the Willamette River in Northwest Portland.

The 13.4-acre post office project will be the agency's largest undertaking in many years. Branam says it will incorporate lessons learned from the past, creating opportunities to benefit minority communities.

Diversifying its revenues

The urban renewal areas, where the tax-increment money must be spent, cover only 13 percent of Portland. So funds for programs benefiting people throughout the city — such as minority communities the agency is now pledged to help — must be raised from other sources, such as general fund dollars that other city agencies compete for, as well as grants. Prosper Portland also hopes to generate ongoing revenue from its properties, such as the coming parking garage to support the Hyatt Regency Hotel adjacent to the Oregon Convention Center, where groundbreaking is scheduled later this year.

But no matter how much Prosper Portland differs from the former Portland Development Commission, it will long be remembered for its earlier mistakes and omissions.

"That's OK. They happened within the lifetimes of people who still live in the area. And newcomers need to learn how the community was affected before they got here," Branam says.

Portland's shrinking development agency

The Portland Development Commission (now Prosper Portland) had its largest budgets and staffing in the 2000s.

(The 2016-2017 budget was an exception, temporarily boosted to \$331 million because of \$88 million borrowed to purchase the U.S. Post Office site in Northwest Portland.)

- Peak operating budget, 2007-2008: \$248.5 million
- Peak staff, 2008-2009: 225 full-time equivalent employees
- Next year's budget: \$216 million
- Next year's staff: 87 FTEs

Wheeler: City must show progress to address homeless crisis

By Jim Redden

June 15, 2017

Mayor Ted Wheeler says his first six months in office have been more challenging than he expected, largely because of a series of unexpected crises.

"First we had incredible weather followed by incredible weather," Wheeler told the Portland Tribune editorial board during a Monday interview to highlight his accomplishments so far.

After Trump was elected president, Wheeler said, that "led to protests and counter-protests, followed by a rise in hate crimes, including the attack on the MAX train, that we are still responding to,"

Wheeler said he is proud of how the City Council reacted to the unpredictable events, even though some of the responses revealed additional issues that need to be addressed.

"We were right to reaffirm our role as a sanctuary city, even though much of the testimony showed that many immigrants and minorities are not sharing equally in Portland's economic recovery. That's something we need to work even harder on," Wheeler said.

At the same time, Wheeler said he has successfully worked to keep the council focused on the priority issues that fueled his winning campaign for mayor last year. They include addressing the related homeless and affordable housing crises, and reforming the Portland Police Bureau with a new chief from the outside, if necessary. Monday was the deadline for applications in the national search for a new chief that Wheeler promised during his campaign.

"We've had many applications and are aimed at making a choice in late July, after discussing the candidates with advisory committees of interested citizens. But the final decision is mine, and I will make it," Wheeler said.

Wheeler briefly reviewed his accomplishments since taking office. They included launching a 20-year, \$600 million infrastructure maintenance program in the coming fiscal year's budget and committing the city to 100 percent renewable energy by 2050. But he repeatedly returned to the homeless and affordable housing crises, saying the city must show progress on them soon.

"Portlanders are kind and generous and want to help the homeless. But they are also saying people camping outdoors in the city are creating health, safety and livability problems that need to be addressed before they take matters into their own hands, which would be the worst thing that could possibly happen," Wheeler said.

Asked about complaints that the police are too heavy-handed dealing with protesters, Wheeler reaffirmed that he has questions about some responses to the dueling demonstrations on Sunday, June 4. Wheeler said he was especially concerned that officers corralled protesters marching on Southwest Fourth Avenue in the afternoon and would not let any of them go without displaying and being photographed with identification. Those detained included several journalists, including a reporter and photographer with the Portland Tribune.

"I am sending a letter to (Portland Police Chief Mike) Marshman asking for the legal framework of the policy and the disposition of the information that was collected. As police commissioner, I don't make strategic decisions, but I need to understand the justification for what happened. As I understand it, only two people were arrested, which means the rest of them weren't doing anything that rise to the level (of being detained and photographed)," Wheeler said.

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

At the same time, Wheeler said he was proud of how the police handled the competing protests.

"Everyone had a chance to speak their minds and no one was seriously hurt. There were a lot of threats exchanged between the two sides before Sunday, and I was concerned it could have turned out much worse."

Wheeler was scheduled to reassign city bureaus to himself and the other members of the council on Thursday, after this story went to press. To read that and other city stories, visit portlandtribune.com.

Willamette Week

Battle Continues Over Permanent Taxing Districts for Children's Levies

By Nigel Jaquiss

June 15, 2017

Although most of the action in Salem now consists of jockeying around three large potential tax votes—the hospital provider tax; a corporate tax increase; and a package of increases to fund transportation—there are plenty of policy bills still alive.

One such piece of legislation is Senate Bill 123, which would allow the creation of permanent taxing districts for children's services.

Currently, the Portland Children's Levy must seek voter approval every five years to continue in existence. If SB 123 were to pass, the Children's Levy could become a permanent taxing district, as the Multnomah County Library did in 2012.

The bill, sponsored by state Sen. Chuck Riley (D-Hillsboro) and Sen. James Manning (D-Eugene), passed the Senate on May 22 by an 18-to-10 vote but faces significant [opposition](#) in the House.

Numerous groups, including the Association of Oregon Counties, the Oregon League of Cities, the Metropolitan Mayors' Consortium and the Oregon School Boards Association want to kill the bill.

Their opposition stems not from a dislike of children but from Oregon's property tax limitations, which restrict property taxes to \$5 per \$1,000 of assessed value for education and \$10 per \$1,000 of assessed value for general government purposes.

Nearly all school districts and most local governments are already at those caps so if permanent taxing districts for children's services were to be created, they would take funding away from existing services.

Portland Mayor Ted Wheeler is part of the mayors' group that filed testimony for a hearing today.

“Because [any new children’s taxing] district would levy its own tax rate, that rate would ‘compress’ our own permanent district rates on the general government side of the equation, meaning that cities, counties, and other special districts would stand to lose significant revenue as a result,” [the letter from the mayor’s group says](#).

That letter sets up an interesting conflict because Portland City Commissioner Dan Saltzman created the Portland Children’s Levy in 2002 and has been its biggest booster since.

That levy provides \$15 million a year for a variety of services for under-privileged children. For Saltzman, 64, who first won election to city council in 1998, the Children’s Levy is a legacy issue.

[He submitted written testimony for an earlier Senate hearing on the bill, urging its passage.](#)

Were SB 123 to pass the House, it would cement his achievement. And although Saltzman has said he’ll seek re-election next year, speculation remains that were SB 123 to pass, he might not run for office again, providing an opening for numerous potential candidates.

The bill is scheduled for a public hearing and work session today in the [House Revenue Committee at 2 pm](#).

The Portland Mercury

As New Renter Protections Face an Uncertain Fate, One Portland Lawmaker is Facing the Heat

By Dirk VanderHart

June 14, 2017

EDITOR'S NOTE: After this story went to press Tuesday, Portland Tenants United announced to the Mercury that it has decided not to support House Bill 2004 in its current form.

IF ROD MONROE hopped onto Interstate 205 on the trek from his East Portland district to Salem on Monday morning, the state senator would have seen his name blaring back at him.

“SENATOR ROD MONROE” read a large white banner hanging from an overpass near Clackamas Town Center. Next to it, a smaller green banner said “Yes on HB 2004.”

The signs, posted by renter advocacy group Portland Tenants United, were just the latest in a string of actions meant to pressure Monroe. The Democratic senator is a necessary “yes” vote if House Bill 2004, the central renter protection bill of the current legislative session, is going to pass. He’s [also a landlord](#) to dozens of East Portland tenants.

And right now, Monroe isn’t sold on HB 2004.

Even with what advocates consider dispiriting amendments to the bill—it no longer includes a much-sought provision that would’ve opened the door to rent control in Oregon for the first time in more than three decades—Monroe is said to oppose the bolstered protections it offers.

Those protections currently include an end to no-cause evictions if tenants are nine months or more into a month-to-month lease, and a prohibition on landlords hiking rents more than once within a 12-month period. Advocates say these provisions are the bare minimum legislators can do as Portland and other cities around the state grapple with swiftly rising rents, and the serious problems that come with them.

PTU, known for its theatrical demonstrations, just saw a sizable victory. It was a central force in pushing Portland City Council to [adopt a historic policy](#) in February requiring landlords to pay relocation fees for tenants issued no-cause evictions.

But the organization’s still looking for a big win in Salem this session, and some suggest that’s partly because of the tactics it’s brought to bear on Monroe.

PTU has sought to sway the senator via tenants in the 51-unit East Portland apartment complex he owns. And in March, members of the group [demonstrated outside of Monroe’s church](#) before Sunday service, holding signs with messages like “How would Jesus evict his tenants?” and encouraging members of the congregation to put pressure on Monroe.

Monroe declined to speak with the Mercury for this story, but the church action rubbed his Democratic colleagues the wrong way.

“Deciding to go to Senator Monroe’s church was easily one of the stupidest things anybody could do,” says state Senator Lew Frederick, whose district sits in North and Northeast Portland. “It created a situation where people who were more inclined to vote for it felt that was a violation of privacy. I truly question that particular approach.”

Senator Ginny Burdick, D-Portland, the senate majority leader, says Frederick isn’t alone.

“My entire caucus was furious when that happened at Senator Monroe’s church,” she says. “It’s just human nature: When people are abused they don’t want to help you out. These tactics are counterproductive.”

PTU and other advocates don’t see the scandal.

“It’s not like we went to his kid’s house,” says Margot Black, a PTU leader. “We went to his church to tell his constituents, his neighbors, that there is this critical bill on the floor.”

Felisa Hagins, political director for Service Employees International Union Local 49, agrees.

“You had a few people show up, respectfully flyer at a church, and leave,” Hagins tells the Mercury. “What you’re going to say to the 45 percent of Oregonians who rent is that because five or six people did that, they should be able to lose their home without cause?”

Advocates crowded in early April when the House of Representatives [passed HB 2004](#). With the backing of House Speaker Tina Kotek and other leaders, the legislation looked like it had a real shot of upending a pre-emption on rent control policies the legislature passed in 1985.

Instead, senators’ objections—fed in no small part by the outcry of the state’s landlord lobby and others—led to the rent control provision being stripped in late May. Even that big change won’t be enough to guarantee passage.

Monroe’s support is particularly important for HB 2004’s fate because of the makeup of Oregon’s senate. Thirteen of the legislative body’s 30 seats belong to Republicans, who have indicated they’ll uniformly vote no on the legislation.

Senator Betsy Johnson, D-Scappoose, is also considered a likely “no” vote (she hasn’t officially announced her position and didn’t get back to us). And since bills deadlocked at a 15-15 vote fail under senate rules, Democrats can’t afford to lose Monroe or another moderate member if the new renter protections are going to succeed.

So more tweaks are on the way. On June 8, Senate President Peter Courtney, D-Salem, referred HB 2004 to the Senate Rules Committee, where it will face more amendments. Burdick says that’s not just due to concerns from Monroe and Johnson.

“The two of them probably have been more vocal, but there are others in the caucus who have concerns,” Burdick says. “I certainly had concerns myself about some of the things that are in the house bill coming over.”

Still, Burdick says she’s optimistic the bill has a path forward. She says Monroe “has substantive concerns, which we are addressing. He is not closing the door.”

And he’s not done hearing from advocates, either.

On Saturday, June 10, PTU members jumped on another opportunity to apply pressure on the senator. The group showed up in force to a Gresham town hall event organized by legislators, including Monroe, looking to explain a new proposal to tax corporations.

But Monroe, perhaps hearing of plans to call him out, didn’t show. That left PTU members in a room with four state representatives who all supported HB 2004, and seemed equally concerned that Monroe is waffling.

“A lot of us are here today because we thought Senator Monroe was going to be here, right?” asked state Representative Diego Hernandez, a rookie in the legislature and former tenants’ rights advocate. The room burred in agreement.

“Every single one of us got elected talking about [housing],” added Representative Barbara Smith Warner, D-Portland. “[HB 2004] is the first big thing we did in this session on the House side. We’re gonna keep pushing.”

Monroe wasn't completely unrepresented at the meeting. PTU, having learned of the senator's planned absence the day before, brought a nearly full-size cardboard image of Monroe, which advocates stood up in the room and jeered at periodically.

The ersatz Monroe was holding a fake check from the landlord lobby (records show the senator's campaign committee last year received \$10,000 from the Equitable Housing PAC, an offshoot of landlord group Multifamily NW), and affixed with a sign: "Where is Rod Monroe?"