

The Oregonian

21 cranes, 15 hotels, 10,000 jobs: Inside Oregon's development spree

*By Jeff Manning and Anna Marum
July 17, 2017*

John Killin pressed the panic button in February amid a multibillion-dollar tsunami of real estate development.

The building frenzy that lit up the Portland-area economy and changed the city irrevocably has depleted the pool of skilled construction workers. In a letter to fellow contractors, Killin warned of a "new normal" of chronic labor shortages.

"There are probably 10,000 open jobs out there," said Killin, executive director of the Associated Wall and Ceiling Contractors of Oregon and Southwest Washington. "We need 800 carpenters, we need about the same number of electricians. And there are 20 more trades."

Nearly a decade after the Great Recession, the long and frustratingly slow recovery has morphed into a barrage of development that by some measures surpasses the mid-2000s housing bubble. The city issued nearly 12,000 buildings permits through the first 10 months of its current fiscal year for a record \$2.5 billion in projects, easily eclipsing the previous high of \$1.9 billion set the year before.

Interviews with dozens of developers, construction company executives and union officials reveal a boom that includes all real estate categories, from high-end apartments in Portland's urban core to enormous data centers in the eastern Oregon desert. Fueled by strong in-migration and job growth, Portland should remain red-hot in the near-term, they predict.

Twenty-one construction cranes currently dot the metro-area's skyline, the fifth most in the country and more than either San Francisco or New York. The development mania extends north to Seattle, where a nation-leading 64 construction cranes are in action.

"This boom is unprecedented; it's absolutely unlike anything else I've seen in 50 years," said Bob Walsh of Walsh Construction in Portland.

But it's not all roses for the real estate set. Demand has slowed for the thousands of pricey apartments recently developed in the city. But most industry players remain confident the industrial and commercial sectors will compensate for the multi-family lull. The deals come at a furious pace:

- Developers continue to make inroads in Northwest Portland's industrial sanctuary. Cairn Pacific is pushing ahead with its Slabtown development, a \$1.4 billion reboot of the former Con-Way Trucking property. Nearby, under the shadow of the Fremont Bridge, Portland developer Project[^] is building two enormous office buildings totaling 300,000 square feet.
- Mortenson Construction will break ground next month on a \$220 million Convention Center hotel in Northeast Portland, one of 15 hotels in the works in the city.
- E-commerce titan Amazon has agreed to lease more than 1.1 million square feet of warehouse space -- think 15 football fields -- in Troutdale and Hillsboro in the past year. It also intends to complete three new data centers in the eastern Oregon towns of Boardman

and Umatilla, which could exceed \$1 billion in cost. Google and Facebook are also finishing up their own new data centers in The Dalles and Prineville, respectively.

- Oregon Health & Science University, the University of Oregon and Portland State University are at work on or planning expansions worth more than \$700 million.
- Multnomah County is breaking ground on a \$300 million courthouse, the city of Portland is gearing up for a \$195 million renovation of the Portland Building, and the Port of Portland is launching the first stages of a \$2 billion renovation and expansion at Portland International Airport.

LABOR SHORTAGE

The University of Oregon Foundation last fall embarked on a \$70 million renovation of Hayward Field, the Eugene university's famed track and field venue. It was a plum job for a high-profile client -- worthy of any contractor's portfolio.

And then, nothing. Subcontractors weren't interested.

"We had difficulty finding any bids," said Paul Weinhold, chief executive officer of the foundation. "They were too busy. The bids we got were 10-15 percent higher than we'd anticipated. It's a little spooky."

The Great Recession that took hold in 2008 was particularly brutal on real estate and construction. The workforce plummeted from about 100,000 to 60,000 in Oregon, as workers retired or found other occupations.

When the slow recovery transformed into a storm of development, no one was prepared. Crews today are working six and seven days a week. Contractors have scoured other states looking for qualified labor. "The local union is recruiting from all over the country in an effort to meet demands, but their out-of-work list [of available workers] is essentially empty," Killin told contractors in his letter.

"Unfortunately, this spring, summer and likely fall will see a new normal of previously unconsidered workforce shortages."

Oregon Labor Commissioner Brad Avakian blames schools that eliminated vocational classes and a society enamored of all things digital.

"We were no longer teaching young people that this is a great career path," Avakian said. "We completely ignored that people can earn \$60,000 to \$150,000 with benefits in these trades. These are the people who built Oregon."

And though aggressive recruiting has landed 830 people in the local electricians' apprenticeship program, it's not enough to cover looming retirements, said Carl Redman, president of Bear Electric of Portland.

"I think it is fair to say that if you want to work, there is zero unemployment for electricians," he said.

Much the same is true for carpenters, excavators, plumbers and the other skilled trades. Steve Simms, who oversees the construction trade apprenticeship programs for Avakian, said he knows of 1,000 jobs that could be filled tomorrow.

The labor shortage has led to delays and helped feed rising construction costs. Some developers allege it's also contributed to lapses in quality.

Last month, Portland developer Tom Brenneke's company sued Andersen Construction, claiming it did shoddy work on his Oxbow 49 apartment building in Johns Landing. The problems stem, in part, from the pressure to work fast and move on to the next job, Brenneke alleged.

"I paid Andersen \$28 million, and what I got was a bunch of quality-control problems," he said.

Andersen officials in a written statement said "there are different perspectives to every story and since this has moved into legal action we would prefer not to try and litigate this matter in the public nor through the media."

MULTI-FAMILY IS FINALLY SLOWING

The housing sector has garnered the most headlines in Portland due to skyrocketing prices for renters and buyers, and rock-bottom vacancy rates for apartment-seekers. But that growth is showing signs of slowing, especially at the high end.

More Portland apartment buildings are offering incentives to fill up expensive units.

Killian Pacific, developer of the high-profile Goat Blocks apartment complex in Portland's inner eastside, has leased 104 of the 247 units in five months. The company reluctantly began offering one month's free rent to lure tenants.

"It definitely was slower than we expected in April and May," said Jeremy McPherson, Killian Pacific's vice president of development.

The Goat Blocks could further propel the transformation of the inner eastside from light industrial hub to full-fledged residential neighborhood. Killian Pacific has leased most of the ground floor of the \$85 million project to a large grocer and a hardware store, along with a restaurant and a cider house and other retailers.

But the project's high rents effectively price out many Portland residents and could make the Goat Blocks a lightning rod in the city's ongoing affordable housing debate.

A one-bedroom unit at Goat Blocks rents for \$1,600 a month; two-bedrooms are available for \$2,500.

Rent increases have outpaced wage growth, and Portland's homeless population has continued to rise. In its spring survey of its members, apartment industry association Multifamily NW found that the Portland area's average rent is now \$1,116 for a one-bedroom apartment. According to data from real estate firm Axiometrics, Portland-area rents have increased nearly 60 percent since 2010.

To address the housing shortage, the Portland City Council in December approved an inclusionary zoning policy that required developers of housing projects with 20 or more units to set aside 20 percent of them for low-income residents.

But the effort also prompted a rush of building permit applications before the policy took effect Feb. 1. Since then, the flow of such applications has slowed significantly.

Greg Goodman, co-president of Portland parking lot owner Downtown Development Group, said the policy has thrown a wrench in the market.

"The idea that more supply will drive prices down is kind of a fallacy, because you can't build old apartments." He allowed, though, that existing apartments would ease off on rent increases once enough new buildings came online.

Developers typically try to make a 5.5 percent return on their investments, he said. If 20 percent of the units rent for cheap, they have to compensate for the lost revenue by raising prices on the remaining units, he explained.

So far, Goodman says, this hasn't penciled out for developers, especially given high construction costs.

"I think we would have slowed down anyway, but it's brought it to a standstill," he said.

With plenty of projects in the pipeline for the next few years, it's unclear whether Portland will see the effects of the slump in permit applications.

Kurt Creager, director of the Portland Housing Bureau, said the long-term negative effects of the policy will be few.

"The market will adjust to the new realities in due time," he wrote in an email, "just as it has elsewhere where similar policies have existed for thirty years (notably Maryland and Virginia) where thousands of affordable dwellings have been produced."

Plus, he said, the city will evaluate the policy by 2020 to ensure that the included property tax waivers and other incentives are sufficient to compel developers to add affordable units.

And yet, according to commercial real estate broker HFF, even at the current rate of construction, Portland will be severely under-housed after a decade.

"If you look at the last decade, we still haven't built enough housing to make up for population gains and household formation," said Josh Lehner, an Oregon state economist.

While multi-family has seen strong growth, the total number of units is close to what it was in the '90s, he said.

"We've certainly built a lot of really expensive studios," he said. "We've started to saturate the high-end market."

EXIT STRATEGY

Another powerful force could counteract the apparent residential slowdown and encourage even more development. Some of the world's most deep-pocketed Institutional investors have "discovered" Portland and are eager to buy in.

These investment bankers and pension fund managers have trillions of dollars to invest. Developers lucky enough to attract their attention are making small fortunes.

The Yard apartment building at the east end of the Burnside Bridge took all sorts of heat from critics who thought it was too big, too dark, too monolithic. But the developers had the last laugh. They had barely leased half the Yard's 284 units late last spring when a Thai investment trust swooped in with an offer to buy the building for an eye-popping \$126 million.

The developers, who spent \$84 million on the project, quickly accepted.

Seattle-based Urban Renaissance sold the former home of The Oregonian/OregonLive in April for \$95 million, six times its purchase price for the downtown Portland building. Last week, Specht Development sold the sprawling Northeast Portland warehouse it built just two years ago for \$56 million.

Both deals were record-high purchase prices in Portland, noted Chris Nelson, of Capstone Partners, testament to institutional investors' new regard for the region.

And yet, industry veterans who've lived through the collapse of other bullish cycles, can't help but be wary. "Everyone agrees the party has been going on a long time," said Jim Link, general manager and executive vice president of Skanska USA Building in Portland.

"I've been predicting that this cycle will end for two years."

Every time, the market has proved him wrong.

The Portland Tribune

Are homeless villages the solution?

By Thacher Schmid

July 13, 2017

Portland experimenting with model that advocates say helps residents reconnect and rebuild their lives

Helping to build the homeless village where he lives has given Bob Brimmer's life focus, he says.

More than that, living there has helped him heal from a tough childhood that included stays in homeless shelters and in subsidized housing in upstate New York.

"My dad died when I was in ninth grade from a drug-induced heart attack, and then my mom lived in Section 8 housing," says Brimmer, who has an associate's degree in math and science.

Before Brimmer came to the West Coast he was "couch surfing" with friends, but they lost their apartments, so he used his last tax return to buy a three-day Greyhound ticket to Portland. He had no place to stay when he got here.

"When I first came out here, I kind of fell into that trap of just getting drunk every night," the 23-year-old says. "But once you start relying on that, eventually the depressing effect kicks in."

Enter Joe Bennie, a board member and former resident of Hazelnut Grove, a homeless village in North Portland's Overlook neighborhood that was founded in 2015 as a group of tents. Bennie, who has construction industry experience, taught Brimmer tricks of the trade while building the village, which has developed into a cluster of 16 or so tiny houses, with a bathhouse and a tiny library filled with several hundred books.

Brimmer lives in a bunkhouse at the north end, woven into the woods alongside North Greeley Avenue. The village's spine is a rickety, raised plank walkway that residents jokingly call the "Raised Walkway of Death," or "Captain Jack Sparrow's Flight." One disabled resident who is a veteran travels the precarious route in her electric wheelchair, a feat that is astonishing — and scary — to watch.

"If it weren't for Hazelnut Grove," Brimmer says, "I'm pretty sure I would have went the wino route of homelessness, to be honest."

On June 19, officials announced the number of men, women and children living in shelters and on the streets in Multnomah County has jumped by nearly 10 percent over the past two years. In the face of this continuing crisis, one unconventional housing solution appears to be gaining followers — the homeless village.

A social support system

Put simply, a homeless village is a group of houseless people living together and sharing self-governance, trash, water and toilet service, and a social support system. Portland is near the fore of the movement, led by the grassroots group the Village Coalition, and is home to what is probably the country's oldest continuously sited homeless village, Dignity Village, founded in 2000.

Three others followed: Hazelnut Grove, Right 2 Dream Too, which recently moved from Old Town to a parking lot near the Moda Center, and Kenton Women's Village, Portland's newest and most mainstream version, which opened with public and neighborhood backing in North Portland's Kenton neighborhood on June 10.

Homeless villages don't work miracles, supporters acknowledge, but they do give chronically homeless residents a secure place to sleep and keys to healing that shelters and transitional housing programs can't always match.

For a homeless person who struggles just to find a safe, legal place to sleep, a locking door may be its most basic single element. It means possessions won't get stolen if there's an appointment. Sleep is possible without threat of physical or sexual assault.

Such security is a key feature of Kenton's 14 "sleeping pods," designed by architectural firms, shepherded by Portland State University's Center for Public Interest Design.

At Hazelnut Grove, the tents staked in 2015 are gone and "everyone is living behind a locked door," says Vahid Brown, housing policy coordinator for Clackamas County and Village Coalition steering committee member.

In June, 10 new sleeping pods, built by Benson High School students, were installed at Right 2 Dream Too's new location.

A lockable door is not a rental contract, or a mortgage. But houseless people say it's a huge step up from a sleeping bag or a sidewalk.

Most dwelling units at Portland's homeless villages are unsophisticated, made from donated materials. Still, they are much-loved, with personalized, artistic details. One Dignity Village tiny house being restored by Rick Proudfoot, the village's spokesman, had a wooden sculpture of a dragonfly above its door. Others have small porches, shaded windows, small places to sit.

People who know you

Focus on the physical aspects, and you might miss the most important thing about homeless villages, Brown says: social infrastructure.

"There's a secret sauce that the village movement is trying to get across," Brown says. "This isn't just about having a safe place to sleep. It's about the community that emerges within the village."

Forty-six percent of homeless adults live with severe mental illness and/or substance use disorders, according to the National Alliance on Mental Illness.

Dignity Village resident Scott Layman is one of them. He says Dignity Village provides a support system that helps him live with schizophrenia and support others struggling with mental illness.

In May, a tiny-house-size pile of charred plywood told a sad story near the north end of the community. Layman says the person who lived there left a candle unattended, defying a rule against open flames. His house was destroyed, and three adjacent houses were damaged, before villagers and firefighters extinguished the blaze. Later, during a village council meeting, the resident laughed about the episode.

The council put the man, whom Layman believes might have untreated mental illness, on a 90-day leave from the village.

Before he found Dignity, Layman was hearing voices, living in "zombie houses," and camping in the woods. "The village gave me a place to land, to get me going in the right direction," Layman says. "If I'd had to keep going I might not be with us right now."

Top local officials, including Multnomah County Board Chair Deborah Kafoury, have taken note of the village's peer support mechanisms.

"I've been more supportive of those organized villages as opposed to some of the camping that's springing up," Kafoury says. "Having some type of social contract, it's amazing. Having a support system around you is crucial to your staying on track."

Trauma is both a cause and a consequence of homelessness, according to the National Health Care for the Homeless Council. Supporters say villages offer a community with whom isolated homeless people can reconnect.

"When you lose housing, a lot of your links to society are untethered," Brown explains. "The alienation just accumulates day after day, as you're treated and seen by the rest of the community as an outcast. Healing that rift requires more than just getting housing."

Moving forward

The Village Coalition, a grassroots group made up of village residents, formerly homeless individuals and their allies, thinks villages are part of the solution.

"Business as usual doesn't meet the scale of the problem," says Village Coalition steering committee chairman David Bikman.

Kenton Women's Village, which the Village Coalition was instrumental in planning, could become the feather in the movement's cap. It is Portland's first village developed as a partnership among activists, governments agencies, neighbors, architecture firms and a social service provider, Catholic Charities of Oregon.

It's too soon to assess the success of this "pilot" project and whether it can be replicated. But its political support, physical attributes and comparatively low cost — \$175,000 is budgeted for the next fiscal year — give it broader appeal than Portland's other three villages.

At a June 9 media event, Catholic Charities Executive Director Richard Birkel said the Kenton Women's Village "may very well be the most creative application of what we know" in helping put homeless people on the path to permanent housing.

"There's so much good that will live on and carry on into the future," says Michael Cox, spokesman for Mayor Ted Wheeler.

As for the 14 women who were notified of their acceptance to the village, "Their reactions were crying, screaming, like 'I feel like I won the lottery,'" says Catholic Charities case manager Bernadette Stetz.

Their enthusiasm is shared by others who know the struggles of living on the streets, people such as former Hazelnut Grove resident Jaison Kirk.

"Villages are part of remembering who we are as humans," Kirk says.

Mayor Ted Wheeler: 'We do need to transfer 82nd Avenue' to the city

By Lyndsey Hewitt

July 12, 2017

City commissioners hear from East Portland residents on problems, future solutions of street, area neighborhoods.

A town hall meeting at the Asian Pacific American Network of Oregon (APANO) building drew city commissioners to East Portland on Tuesday, July 11, to hear about some of the issues related to lack of investment and attention in that area of the city.

"It's always been treated like the outer edges," says Anita Yap, founder of the Multicultural Collaborative and on APANO's board of directors. "So there's not been a lot of public investment or policy investment from the community."

As development seeps out of the downtown core and into other areas of Portland, causing concern of gentrification and displacement of low-income families, organizations like APANO have been working to balance affordability while still welcoming prosperity and improvement along the corridor. APANO was contracted by Prosper Portland, formerly the Portland Development Commission, to support what's called the Jade District — the area surrounding Southeast 82nd Avenue and Southeast Division Street — as part of a neighborhood initiative.

While students from University of Oregon's architecture program gave presentations of ambitious future visions for the corridor, including for instance, a complete change of the layout of Eastport Plaza to promote walkability, some business owners laid out their concerns of trash and homelessness.

Mayor Ted Wheeler acknowledged the livability concerns, but noted they're not unique.

"Those problems may be exacerbated to some degree on 82nd Avenue, but they are not unique to this neighborhood and wherever we go we hear about these same issues in some combination in greater or lesser degree," he said.

Wheeler said that slowing down traffic there would be good for businesses. The street is part of the city's high crash network for people driving, walking and biking.

Luke Norman, of the Portland Bus Lane Project, said that their group is urging the city to install dedicated transit lanes on outer Southeast Division Street and 82nd Avenue to promote safety and alleviate congestion.

Meanwhile, others continually highlighted a frustration that most of the stretch is classified as a highway rather than a city street, which provokes some design restrictions on developments that might promote business, like parking.

According to Don Hamilton, Oregon Department of Transportation, the state owns and maintains 82nd Avenue, including the stretch from Northeast Killingsworth Street to Sandy Boulevard. There, ODOT owns the street from curb to curb, including sidewalks, while south of Sandy to the Clackamas County line, at about Southeast Flavel Street, the state maintains the road while the city handles the sidewalks.

"We do need to transfer 82nd Avenue," said Mayor Ted Wheeler. "It hasn't happened yet, because there's some tough negotiations and agreements that have to be hammered out between

the city and the state — it's not as simple as, hey can you transfer this street, lock, stock and barrel. There's really a negotiation around resources that also has to take place."

ODOT is open to transferring 82nd Avenue to the city, Hamilton says. The state previously handed Interstate Avenue to the city.

Commissioner Dan Saltzman, who oversees the Bureau of Transportation, said that a state transportation package approved by the 2017 Oregon Legislature including \$100 million for a transfer of outer Powell to the city, provides a glimmer of hope.

"Hopefully if we can show that we can get it right on outer Powell, we can go back to Legislature and ask them to work with ODOT to make sure there's further resources to deal with other roads like 82nd Avenue," Saltzman said.

Brian Wong, chair of the 82nd Avenue Improvement Coalition, is pushing for the transfer.

"No one benefits at this point," Wong said.

On housing and homelessness, Commissioner Chloe Eudaly said that the Office of Neighborhood Involvement, which she oversees, is creating two positions for people who would act as liaisons to neighborhoods on those issues.

She also said she's requested to bring back a small business concierge to the Bureau of Development Services and is aiming improve the permitting process for business owners.

"As a former small business owner, I recognize that those costs and those waiting periods can be the difference between opening a business and not," she said. She operated a bookstore before being elected as a city commissioner.

Wheeler said that parking and traffic are going to continue to be "thorny issues."

"This city will continue to become denser," he said. "82nd Avenue, in 20, 30 years is not going to be seen as 'out here' ... nor will it be seen as 'East Portland.' It will be the center of Portland, because geographically it already is."

Yap said the council still has a long way to go to make up for the neglect. She grew up in the area of 82nd Avenue and has observed it become more diverse over the years. She would like to see that representation on City Council.

"There's no person of color on there. Not that they don't advocate for equity, but the representation matters," she said, adding that the town hall was important to get officials out of the downtown area.

"City council has not been out in these areas with us," she said.

Many Portlanders split over handling of homeless camping

By Lyndsey Hewitt

July 14, 2017

Controversy over Montavilla Neighborhood Association resolution to ban homeless sweeps outlines complexities of crisis, balance of livability, compassion.

Homeless camping is becoming increasingly controversial throughout Portland, and reaction in the Montavilla neighborhood symbolizes the split among city residents.

The Montavilla Neighborhood Association board has provoked much conversation and reaction in the city with its resolution to stop homeless sweeps within that neighborhood's geographical boundaries.

Calling them inhumane, not a help to the city's homeless crisis, and a waste of taxpayer dollars, the June 20 resolution outlined several points, with a call to the city to create better long-term solutions while asking other neighborhoods to join their effort.

However, some Montavillans have voiced disagreement with the board, including starting a petition, citing safety and livability concerns, such as needles, human waste out in the open, and garbage.

"I don't think it's right to say we don't want any police intervention at all," says Evelyn Macpherson, a Montavilla resident who lives next to the neighborhood park. She says she's experienced things like homeless people wandering on their property and leaving needles at the park where her children play.

The neighborhood association has declined interviews from the Tribune, but the neighborhood association president, Jonnie Shaver, was interviewed on OPB's "Think Out Loud" on July 7, defending their call of sweeps being unconstitutional, citing American Civil Liberties Union cases in Florida, Colorado and in Clark County, Washington.

"The city cannot handle the homeless crisis alone. As a neighborhood, we have a unique opportunity to find community and a way that we can address homelessness that will be beneficial to the most people in our neighborhood," she told the interviewer. The neighborhood association has said that sweeps often just displace people, moving them one place to another.

However, the city has responded by saying they have an obligation to address the 20-50 complaints they receive a week for that particular neighborhood through the One Point of Contact system.

The system collects reports of homeless campsites, including those sleeping in vehicles, through its PDX Reporter app online or on a smartphone. It's managed by the city's Office of Management and Finance.

Michael Cox, Mayor Ted Wheeler's spokesman has defended the city's process of cleaning up, saying that they are required to notify campers 24 hours to a week to pack up and contact social services, as part of a previous lawsuit settlement called the Anderson agreement, in which campers accused the city of criminalizing homelessness.

He acknowledged confusion stemming from camps that sprawl over different city and state-owned land, and that agencies are trying to find a way to better work together.

While reports of campsites all over Multnomah County are funneled through the One Point of Contact system, agencies handle camp cleanups differently, and it's unclear whether a social service agency is contacted every time and for every type of situation of homelessness, be it someone living in their car or a large tent encampment.

The most recent city homeless camp report for June 26-July 2 noted 518 new campsites, with 137 of those on Oregon Department of Transportation properties and five on Union Pacific Railway property. One-hundred and thirty one of the reports were people living in vehicles, with 12 campers on private property.

While the city works under the Anderson agreement to clean up camps, Oregon Department of Transportation works under their own settlement — stemming from the case Tucker vs. ODOT requiring adequate notice before a sweep.

Denis Theriault, spokesman for the city-county Joint Office of Homeless Services, acknowledged that city agencies are putting more energy in coordination, but wasn't sure what the threshold is to contact social service agencies when a sweep is occurring.

"I don't know if it happens every time. I don't know if there's a threshold. I know there's a lot of intentional information sharing right now to make sure people are connected to services," he said. "I think the thing to think about, if somebody's engaging in criminal behavior, people need to be held accountable, no matter their housing status." He also said he thinks it's important to step up coordination so that "the community response to livability issues don't jeopardize neighbors' (homeless folks) access to services that will actually end their homelessness, which is their housing, case management, rent assistance and shelter."

Adam Stein, a member of the Montavilla Business Association who owns the building that houses Montavilla Brew Works, agreed.

"The camps themselves, if we could take care of the impacts on the community, we would be better able to discuss this issue and find solutions," Stein says. He was at a July 10 Montavilla neighborhood meeting about the resolution, where conversations became heated over needles and human waste. "If the (livability) issues can be addressed, then the volume can come down," he says.

The neighborhood association is working to get more sharps containers. Multnomah County approved \$30,000 in its budget to expand its Healthy Streets needle dropbox program in May. Currently, only two bins for used syringes exist near the waterfront. The program plans to add three more bins around the city.

The Montavilla Neighborhood Association is holding a town hall meeting from 10 a.m. to noon July 29, at the Montavilla United Methodist Church, 232 S.E. 80th Avenue, but they're not considering it a public meeting. Attendees must register for tickets, with priority given to Montavilla residents, and according to the event description, media will not be allowed access and video and audio recording isn't permitted.

Here's what some agencies have to say about how they conduct cleanups:

City of Portland

"Sweeps and cleanups are not the same thing. The City of Portland cleans up campsites. We do not do sweeps. I don't know if there is a legal definition, but 'sweeps' are generally seen as being disruptive, forcing people to move, and sometimes with no notice," says Jen Clodius, of the Office of Management and Finance. That office handles the campsite reports. She says the city works with people, including support services, the joint office as well as campers themselves.

"That process, mandated in the settlement of the Anderson v. Portland lawsuit, requires the City to post notification at a camp before cleanup," she says. "I seem to recall that during the Springwater Corridor cleanup last year, teams worked with campers for almost a month before the cleanup finally occurred."

Union Pacific Railway

"First of all, if someone reports it to us specifically, we have a 24-hour respond center. That number and signs for that information are located at every crossing. But then we have our own police department — the Union Pacific Railway Police. They were with local agencies in all

major cities that our network runs through to basically handle those types of situations," says Justin E. Jacobs, spokesperson of the agency. He said, typically, officials will go out and make contact to advise them that it's private property, and give them a warning to vacate. He says that it's routine that they get calls about "transient encampments on our properties."

"Now, if they're doing like a citywide cleanup, we try to be good partners and partner with the agencies helping with those cleanup efforts," he says. He said, "Anyone near railways with huge freight trains, it's more about safety."

Portland Bureau of Transportation

"It's a little different than the city. Ours deals with personal property cleanups. They have their Anderson agreement, we have our settlement," says Ted Miller, maintenance and operations manager for ODOT.

He said they have two different notices, depending on the area. A longer notice, 10-19 days, is posted on "prohibited activities" areas, or land that are generally open to the public but don't allow camping, campfires and activities associated with camping. The other notice is between 24-hours and seven days, for land that is strictly no trespassing.

"We don't deal with people. We don't call them sweeps," he says, adding that they work closely with Portland police. They notify the city through the PDX Reporter app. "They know where we are, they get GPS coordinates and opportunities to provide social services if they're available."

Agency spokesman Don Hamilton added, "ODOT is not a law enforcement agency. We don't have any authority to force anyone to leave. When we are involved, we will ask them to leave and very often they do. We certainly don't rip somebody's sleeping bag from underneath them or anything like that."

He says they'll store people's belongings for up to 30 days.

Portland Police Bureau

Bureau spokesman Sgt. Pete Simpson says Portland police gets involved when someone refuses to leave, if there's evidence left behind of a crime, or safety issues such as people being violent.

"But we are not the ones removing property, we are not the ones directly running the show if you will because these are pretty complex — some are on private property or public property like Portland Bureau of Transportation, or Oregon Department of Transportation or Portland Parks Bureau. So, the One Point of Contact through the mayor's office is sort of the catch all that we work through, when we are needed to be there. If it's a property cleanup, for example, there's no police function."

He said that "our role is actually a lot more limited than people realize, but we're just the most visible part of the role." He says that some people have the "idea that it's 25 police officers showing up with dump trucks, people walk through and we arrest everyone and dump their stuff in the garbage, it's not that way at all," he says.

Simpson says when a cleanup happens, people go out, give homeless folks pamphlets with information, including resources like JOIN, and identify what's property and what's garbage.

"Our goal isn't to arrest people. If there's a crime, we have to arrest people, but our goal is to push people toward services," he says.

He adds that police response to homelessness is a "hidden cost" compared to the rest of the millions budgeted for homelessness. "It's not a line item in the budget. You go to a call for service ... people fighting, neighborhood complaints, it's everyday. And those are big hidden costs."

Simpson said that PBOT's parking enforcement deals with similar issues with homeless folks who live out of their cars and mobile homes.

"It's just part of your job," he says.

Read a previous Tribune story about Montavilla's resolution: portlandtribune.com/pt/9-news/363870-244646-southeast-neighborhood-association-calls-on-city-to-stop-homeless-sweeps

Willamette Week

Despite City Hall Efforts, The 48-Hour Rule Is Back—And Stronger Than Ever

The rule allowed cops to wait two days after shooting a suspect before making a statement.

By Katie Shepherd
July 14, 2017

Former Mayor Charlie Hales' capstone accomplishment was striking the 48-hour rule from the city's contract with the Portland police union: a rule that allowed officers who killed someone while on duty to consult with their attorneys for two days before making a statement about the shooting.

Now it seems the achievement has been reversed.

Mayor Ted Wheeler said in a statement Thursday that the Multnomah County District Attorney has determined that it can't prosecute cases in which the city compelled an officer to give their account of a shooting immediately after it happens.

The DA issued a memorandum in March that argued forcing officers to make a statement would either grant them immunity from prosecution or violate their "right to remain silent" under the Oregon Constitution. *The Oregonian* first reported on the existence of the memo.

Former Mayor Hales struck the 48-hour rule from the Portland Police Association contract on his second go-around of negotiations, just before his term ended. The City Council approved the four-year contract in October in the face of significant community protests that the deal didn't ensure enough reforms. (Commissioners Amanda Fritz and Nick Fish voted for it; Dan Saltzman was observing Yom Kippur that day and was not in attendance. Chloe Eudaly and Wheeler had yet to join the Council.)

After the contract was approved, the city operated under a policy mandating officers give their version of events as soon as possible after they use deadly force, but since the DA's memo, has changed course, *The Oregonian* reported.

Wheeler said he still supports revoking the 48-hour rule, and his office will evaluate its options to mandate speedy testimony in the wake of an officer-involved shooting. He added in his statement that "this determination obviously complicates the City's current policy of compelling a statement in the immediate aftermath of an incident."

Portland Police Association President Daryl Turner was not immediately available for comment.

Advocates, including the city's independent Community Oversight Advisory Board, have long fought the 48-hour rule. They argue that an officer's memory of a shooting will never be as accurate as in the hours just after it happens, and that two days to consult with lawyers allows a bad actor to construct a justification.

Constanin Severe, director of the Independent Police Review, said in a memo last week that the heart of the issue is whether or not the city can conduct an administrative investigation of a use of force and keep it separate from the criminal investigation.

If not, he says, Portland is in danger of slipping back to a past when internal investigations of shootings could take more than a year to close.

"If there is a situation in which the officer has engaged in a criminal act, we want that officer held accountable and we don't want the administrative investigation to get in the way of the criminal investigation," Severe said. "(But) if an officer engages in a use of force, particularly a deadly use of force, the public expects the Police Bureau to use its resources to do an investigation as quickly as possible. I don't think it's reasonable to ask the public to wait more than a year."

Severe said the city is in a tough position if the DA won't consider allowing the administrative investigation to go on while it's pursuing criminal charges. The mayor's options are limited.

The Portland Mercury

Bait And Switch: The Cops' "48-Hour Rule" Isn't Dead. It's Stronger Than Ever.

*By Dirk VanderHart
July 14, 2017*

Not that it did much to placate his ever-growing army of detractors, but it was a big deal last year when then-Mayor Charlie Hales succeeded in vanquishing the "48-hour rule."

The rule was a hated piece of the city's contract with the Portland Police Association, that stipulated that internal affairs investigators—the folks who determine if an officer acted outside bureau policy, not whether she committed a crime—needed to wait at least 48 hours after a police shooting to force an interview from the officer involved.

The rule was hugely concerning to people who thought it gave cops two days to get their stories straight with other officers, and that it created a situation ripe for abuse and coverups. So in exchange for **a 9 percent pay bump and other goodies**, Hales was able to ink a new contract with the PPA that neatly excised the 48-hour rule. Problem solved.

Except that it wasn't, apparently.

Yesterday the *Oregonian* **reported** that, due to concerns from Multnomah County District Attorney Rod Underhill, police are mulling a policy change that would push interviews back weeks, not days, in the case of fatal shootings. If approved by Chief Mike Marshman and Mayor Ted Wheeler, the rule would undo a large measure of the progress Hales and other elected officials had said would come of last year's police contract.

Under what Underhill believes is a procedure demanded by a 1984 Oregon Supreme Court ruling, he says internal affairs investigators need to wait until after a grand jury is able to

consider potential criminal charges against an officer to compel that officer to speak. If they don't, the DA's office says they risk giving the cop immunity to possible criminal prosecution.

In fact, that's been the position of the DA's office for years, Underhill says, but only with the production of a **March 27 memo** did he begin getting traction with entities like the US Department of Justice—which had criticized the 48-hour rule as it works to implement a settlement with the city.

"We had designed a system that I am uncomfortable with," Underhill told the *Mercury* this morning. "We could immunize [officers involved with a fatal shooting] within minutes and sometimes hours of the event."

Not everyone agrees. Constantin Severe, director of the city's Independent Police Review, wrote a memo of his own [PDF] in June, citing separate case law, and suggesting that Underhill isn't necessarily correct.

"The City's acquiescence to the District Attorney's request to delay the administrative interviews is counter to good investigative practices..." Severe wrote. He's recommending that Wheeler get a formal opinion from the City Attorney's Office, among other things.

This drama had played out quietly for months before it became public yesterday. Wheeler, the police commissioner, didn't disclose the fact that administrative interviews haven't been occurring promptly after shootings since at least May, only weighing in after the *Oregonian's* report.

"The Multnomah County District Attorney is the prosecutorial authority and has determined that his office cannot prosecute cases where the City has compelled an officer's statement," Wheeler said in the statement. "This view has been supported by the Oregon Department of Justice. This determination obviously complicates the City's current policy of compelling a statement in the immediate aftermath of an incident. We will continue to evaluate our options."

The 48-hour rule was in effect for years, and it meant that internal affairs officers couldn't force an officer to give a statement on a shooting until two days after it occurred. Here's the full language, as it appeared in the last union contract:

"Whenever delay in conducting the interview will not jeopardize the successful accomplishment of the investigation or when criminal culpability is not at issue, advance notice shall be given the officer not less than forty-eight (48) hours before the initial interview commences or written reports are required from the officer. The advance notice shall include whether the officer is a witness or a suspect, the location, date and time of the incident, the complainant's name, and the nature of the allegation against the officer."

Regardless of when the interview occurred, Underhill says it if was compelled prior to a potential criminal case going before a grand jury, it was wrong. Such compelled statements violate an officer's constitutional right to remain silent and so render him untouchable should he be charged with a crime, the DA's office says. Underhill says cops can still compel testimony, if they like, but that it needs to wait until after a grand jury has decided there's no reason for criminal charges—a process that can take more than a month—and even longer should there be criminal proceedings.

In the March memo [PDF], the DA's office cites **case law that's been around for more than three decades** to come to that conclusion.

If the DA is right, then Multnomah County's been doing things wrong for a long time. Underhill says he can't say how many fatal police shootings have had potential criminal prosecutions compromised in this manner (Portland officers are pretty much never prosecuted for shootings), but that he became particularly concerned about the issue after the **December 2016 police shooting** of a man named Steven Liffel.

In that case, Underhill learned that internal affairs investigators had definitely interviewed the officer involved, Lawrence Keller, prior to a grand jury proceeding. The DA says that shooting and the highly controversial February killing of 17-year-old Quanice Hayes "were very realistically exposed to a dismissal" if involved officers had been charged with crimes (they weren't)

The **killing of 24-year-old Terrell Johnson in May**, after the DA's office memo, wasn't tainted, Underhill says, because internal investigators held off in compelling testimony.

The huge question: Where was this information when Hales was valiantly slaying the 48-hour rule last year? Did the City Attorney's Office or Bureau of Human Resources know that the provision they were going to battle over was perhaps meaningless?

Wheeler's statement doesn't offer many clues, but Severe says the notion of immunity has been raised for years. He only recently discovered the argument had morphed into actual police practice.

"My recommendation was that the city become more transparent and inform the public that this was an issue," Severe says.

Underhill says no one involved in contract negotiations asked him. "As I say, your district attorney's office was not brought in as a party," to those discussions, he says. "My office was having discussions amongst ourselves and with other members of our public safety community."

But the upshot is: The PPA got sizable raises last year, without having to give much in return (those raises, we should note, were also touted as a boon to help the police bureau with lagging recruitment).

The question now becomes how the city proceeds. Severe believes that, even if Underhill is correct, there are ways to conduct administrative interviews sooner. By establishing an ironclad "wall" between administrative and criminal investigations, he says the city can proceed as it planned when eliminating the 48-hour rule.

"There is a valid public interest in having timely administrative investigations, he says. Not doing so, he argues, "causes a decrease in the public's faith" in the city.

The Daily Journal of Commerce

Developer to test multifamily feasibility

*By Chuck Slothower
July 14, 2017*

Urban Asset Advisors is studying the feasibility of two mixed-use projects that could test Portland's inclusionary zoning rules.

The development firm is proposing a four-story apartment building with ground-floor retail space and parking at 7661 Southwest Capitol Highway in **Multnomah Village**. The structure of a retired gas station sits on the property.

The building could include 40 to 50 apartments. It would meet community design standards.

Urban Asset Advisors is also considering a second project at Southeast 33rd Avenue and Division Street, where the company is building the 30-unit Division 33 Flats. The developer has not yet closed on the property for the second project.

Whether the proposed projects get built depends on the city's interpretation of inclusionary zoning rules, said Tim O'Brien, president of Urban Asset Advisors.

"We're going to see how the city's interpreting that," he said.

Both proposed projects are in early development stages, O'Brien said.

"We're doing much earlier than normal assistance meetings," he said. "We're really right now in the feasibility stage on the Division one and the Multnomah one depending on how the city responds in the early assistance meetings."

City rules require developers of buildings with 20 or more units in mixed-use zones to include affordable units. Developers may designate 15 percent of the units affordable at 80 percent of median family income, or 8 percent of units affordable at 60 percent of median family income. They may also pay a fee in lieu of providing affordable units.

If Urban Asset Advisors' projects go forward, they would be among the first under the city's inclusionary zoning mandate, which took effect for new applications beginning Feb. 1.

New development applications for multifamily projects have all but halted in Portland since inclusionary zoning took effect. Some developers have complained the affordability requirements make it difficult to finance or profit from multifamily construction.

The Multnomah Village project is likely to elicit opposition from the neighborhood association. The group raised objections to Urban Asset Advisors' current project in the neighborhood, the 70-unit Multnomah Village Apartments.

"We don't want to stop development," said Martie Sucec, chairwoman of the **Multnomah Neighborhood Association**. "We certainly don't want to stop housing. But they're allowed – in fact, encouraged – not to have enough parking."

Sucec said she doesn't want Multnomah Village to go the route of Portland's Division Street and Alberta Street corridors.

"They kind of destroyed the neighborhoods," she said.

O'Brien grew up in Multnomah Village.

"I'm very connected to the neighborhood there," he said. "It's a great location. It's got a great vibe and there's just not a lot of apartments over there."

Multnomah Village Apartments is on track to be complete by Thanksgiving, O'Brien said. Urban Asset Advisors has signed deals for tenants **Little Big Burger**, **Spielman Bagels** and a credit union to occupy the ground-floor space.

The project was designed by **SERA Architects**. **Bremik Construction** is serving as general contractor.

OPB

New Tensions Surface Over How Portland Handles Officer-Involved Shootings

By Conrad Wilson

July 14, 2017

On Feb. 9, Portland Mayor Ted Wheeler called up his police chief, Mike Marshman.

Twice that day, Portland Police officers had used deadly force.

Wheeler, who is also the city's police commissioner, wanted statements from the officers involved.

“He goes, something to the effect, ‘I want assurance that these interviews will take place within 48 hours,’” Marshman said, recalling his conversation with Wheeler.

“And I said, ‘Yes sir, we will do that,’” the chief recalled.

Marshman said he assembled members from the Multnomah County District Attorney's Office, the Portland Police Bureau's Internal Affairs Unit, the Independent Police Review and detectives.

“Nobody was happy because, investigatively, you're getting the interview out of order, but they understood the political pressure,” Marshman said. “Everybody was upset with me that night.”

A grand jury later deemed both Feb. 9 shootings were justified.

But those compelled statements from officers were the Portland Police Bureau's last.

Police reform advocacy groups brought the issue to light this week by questioning a March memo that led to changes in the way Portland deals with officer-involved shooting investigations. They worry those changes could add days or weeks to the time it takes an officer to make an official report.

In March, Multnomah County District Attorney Rod Underhill issued a memo, arguing compelled statements — like those made by officers in February — could prevent his office from making criminal prosecutions.

Following a use of deadly force, the district attorney's office opens a criminal investigation to determine whether or not the officer's use of force is justified. At the same time, internal affairs opens a more detailed investigation into the officer's conduct, looking at things like whether the officer followed department policies.

The potential problem arises when an officer exercises their constitutional right to remain silent during the criminal investigation.

Citing a 1984 Oregon Supreme Court ruling, Underhill's staff wrote that forcing an officer to make a statement during an internal affairs investigation is violating an individual's right to remain silent.

In exchange for the compelled statement, public employees are granted “transactional immunity,” according to Underhill's interpretation of the high court's ruling. That means those employees cannot be forced to incriminate themselves in an administrative investigation.

“Can something occur on the administrative side that actually impacts very dramatically the criminal side investigation?” Underhill said during an interview. “The answer is yes.”

Oregon’s law is unique, according to Underhill. Elsewhere around the country, departments have built assurances to keep internal affairs and criminal investigations separate.

Underhill said the Oregon Supreme Court’s ruling directly addresses that concept. He said the ruling doesn’t “recognize the establishment of a wall.”

Part of the high court’s ruling, Underhill explained, is that they don’t believe it’s possible for separate, concurrent administrative and criminal investigations to be done successfully.

“I’d like [the Oregon Supreme Court] to change that part of it because I think that would help the community’s confidence in our work,” Underhill said.

The Oregon Department of Justice reviewed Underhill’s March memo and issued a statement saying it is legally correct.

Portland’s latest contract with police officers did away with a “48-hour rule” that allowed officers to delay for up to two days in giving statements to internal affairs investigators after using deadly force.

Police reform advocates praised abolishing that rule because they wanted officers to make official statements on the use of force closer to the time of the incident.

But those accountability groups are now arguing that Underhill’s March memo means officers’ statements to internal affairs will be delayed weeks — at least until a grand jury completes its determination in the criminal case. On average, that can take around 40 days or more.

“There needs to be concurrent criminal and administrative investigations of officer involved shootings,” said Constantin Severe, director of the Independent Police Review.

Realistically, he explained, the administrative investigation is more relevant since so few officer involved shootings result in criminal prosecutions. Severe could only recall of one in Portland during the last decade.

“The city has an interest in making sure that the public has confidence and faith in the Portland Police Bureau,” Severe said. “And that if there’s an officer-involved shooting, that the public has faith there will be a robust criminal investigation and a robust administrative investigation.

“If either part of that equation is faulty or weak I think public faith is undermined,” he said.

Underhill said there are numerous aspects of an internal review that can be done while his criminal investigations remain open.

For now, the Portland Police Bureau is following Underhill’s directive to not compel testimony from officers.

Since the DA’s March memo, there have been two incidents where officers used deadly force.

In at least one of those cases, the officers were interviewed by internal affairs only after they were cleared of criminal charges.

Editor’s note: This story has been updated to correct the spelling of Constantin Severe’s name. OPB regrets the error.