

The Portland Tribune

Conflicts of Interest Snag Central City Plan

By Jim Redden

September 26, 2017

Commissioner Amada Fritz wants review of allowable height increases on properties where conflicts were not declared by advisory committee members

Commissioner Amanda Fritz wants to review some of the preliminary decisions to increase the maximum allowable heights for new construction projects in certain downtown locations in the proposed update of the Central City Plan.

The proposed update, known as Central City 2035 or CC2035 for short, includes recommendations from the West Quadrant Plan that were adopted by the Planning and Sustaining Commission and the council in early 2015. After those votes, the city ombudsman ruled the members of the Stakeholders Advisory Committee that helped draft the plan should have declared conflicts of interest for all potentially affected properties they either own or are owned by family members, their businesses or their employers.

Now Fritz has asked the staff of the Bureau of Planning and Sustainability working on CC2035 to prepare a map showing all properties where potential conflicts of interest should have been declared in the West Quadrant, which includes the Downtown, Goose Hollow, Old Town/Chinatown, Pearl West End, South Downtown/University and South Waterfront districts.

"I want the council (which of course has two members who did not vote on the West Quadrant Plan) to look again at each of the sites with potential conflict of interest of SAC members, and decide afresh whether the change from the previous zoning/height/FAR (floor area ratio) is appropriate place-making that considers the testimony of all stakeholders," Fritz emailed the Portland Tribune.

Although the map has yet to be sent to the council, Fritz has already identified one such property where she disagrees with the proposed height increase — the west end of the Morrison Bridge, where the Melvin Mark Development Co. has proposed a mixed-use project. Several company officials served on the committee but did not declare conflicts when it came up.

The maximum allowable height of that property is proposed to be increased from 75 feet to 250 feet. Fritz believes it should stay the same.

"My concerns include shade on the Greenway, not following the required step-down to the river since the building immediately east is lower than the allowed height given in the amendment, potential interference with Central Eastside freight movement to the west side and I-5 south if the ramps are altered/eliminated, and interrupting the ambience of Southwest Naito," Fritz says.

Commissioner Nick Fish agrees the committee members should have declared their potential conflicts, but believes it is more important to review recommended changes in the update to make sure they are the right decisions.

"The question is not who might benefit from an increase, it's whether the increase is the right outcome. Those are policy questions separate from whether there are winners and losers," Fish tells the Portland Tribune.

Complicating the issue is the fact that the recommended maximum allowable heights in the plan are not all exactly the same as those in CC2035 on all properties. Some were adjusted by the

staff working on the project or the commission for a variety of reasons before the final proposed update was forwarded to the council.

At the same time, Fish will introduce a reform package for all advisory committees next month. Among other things, it will include standard bylaws that must be followed and a clear mandate that members disclose all potential conflicts. Fish says he is working with commissioners Fritz and Chloe Eudaly on the package, which he considers long overdue.

Undeclared conflicts

It is not unusual for the city to appoint stakeholder advisory committees whose members own properties or operate businesses in the areas they are studying. In fact, that is fundamental to the concept of such committees — the members are expected to have a stake in the areas under discussion.

Up until the ombudsman's ruling in November 2015, none of the members were expected to declare conflicts of interest before voting on recommendations that potentially affected their properties. Their recommendations were only that, recommendations. The City Council always made the final decisions after additional public hearings — and will again with CC2035.

But, on June 12, 2015, the City Ombudsman's Office received an extraordinarily detailed 44-page complaint alleged undeclared conflicts of interest by 10 of the 22 members of the West Quadrant Stakeholder Advisory Committee. They included such well-known figures as civic activist Anne Naito-Campbell and developers Greg Goodman, Dan Petrusich and John Peterson.

The fact that they, their families, businesses or employees owned properties in the downtown area was hardly news. The Goodman name is synonymous with underdeveloped downtown surface parking lots, after all. But the complaint charged they had not publicly disclosed their conflicts as required by state law.

"The ethics violations were so egregious that several property owners or professionals with known West Quadrant property interests advocated openly for increased height limits or more favorable zoning for their properties or developments without disclosing their conflicts or recusing themselves," said the letter, which arrived the month after the council adopted the West Quadrant Plan.

In addition to being well researched, the complaint was also anonymous. It said those filing it were afraid of being sued for making the accusations.

"We would like very much to go on the record with these concerns, but because of the potential threat of Strategic Lawsuits Against Public Participation (SLAPP) by one or more of the economic interests mentioned, we have been advised by counsel to remain anonymous," the letter said.

After researching Oregon laws and court rulings, Ombudsman Margie Sollinger responded on Oct. 21, 2015, that, despite city tradition, advisory committee members are in fact public officials subject to the state's conflict of interest disclosure requirements.

"I have concluded that the Bureau of Planning and Sustainability did not properly train SAC members about their legal obligations. I have also concluded that it appears likely that individual SAC members did not comply with their obligations to disclose potential conflicts of interest," she wrote.

Sollinger did not propose that their votes be invalidated, however, but instead said Planning and Sustainability staff should survey them on their potential conflicts and report on the results

before the Planning and Sustainability Commission and the City Council voted on the proposed Central City update that incorporated the committee's recommendations.

That happened, with nine members declaring potential conflicts in the area. Three did not respond to the survey, including Goodman.

Call for review

Despite the survey, when the Planning and Sustainability Commission held a hearing on the proposed Central City Plan update, some witnesses said the West Quadrant planning process should be done over because of the undeclared potential conflicts.

"It is imperative to pull all aspects of the height increases and review them with a new, independent group," testified Michael Mehaffy, executive director of the Portland-based Sustasis Foundation.

That did not happen, however. Only two commission members even responded to the criticism. Alternative transportation activist Chris Smith, who was chairing the hearing, said "sunshine" is the best policy after Mehaffy's comments. And vice chair Andre Baugh said he would like more information on the issue, "if there is a legal problem."

Instead, the commission approved the update without taking any further action on the issue on May 23 of this year and forwarded it to the City Council for final consideration.

Since the council first began its hearings on CC2035 on Sept. 7, several witnesses have echoed Mehaffy's testimony and said the potentially conflicted proposed height increases should be reexamined. It is difficult to separate their concern over the undeclared conflicts with the proposed increases, however — most also oppose many if not most of them, arguing that such taller buildings will harm the character and livability of the downtown area.

For example, during the first council hearing, Wendy Rahm, a retired professor who serves on the board of the Architectural Heritage Center, called for a new committee to be created to review the potentially conflicted properties. But she also called for building heights to be limited to 100 feet in part of the area to preserve their sense of place.

It is unclear how much time a property-by-property review of the potentially conflicted parcels would add to the council's schedule for approving the update. Additional council hearings and other deliberations are already expected to span more than six months.

Is Portland's Neighborhood Association System Broken?

*By Lyndsey Hewitt
September 26, 2017*

Some longtime neighborhood activists think city bureau has strayed too far from original mission of focusing on neighborhood associations.

(Editor's note: This is part one of a two-part series. The second part will appear on Thursday, Sept. 28.)

Portland's volunteer-run, city-sanctioned neighborhood associations have served as a solid avenue to community change for decades and were once viewed as a national model. But lately, some in the community are wondering if the system, overseen by the city's troubled Office of Neighborhood Involvement, is in need of an overhaul.

"I think lately (the system has) been broken, and that the city has created a one-way street, and the city doesn't really want to listen to the neighborhood," said Chris Trejbal, chair of the Overlook Neighborhood Association, a North Portland community that has been in the news recently for its ongoing battle with a nearby tiny-house village for homeless people.

Participation in Portland's neighborhood association system has ebbed and flowed over its more than 40 years — sometimes seeing lots of participation, and sometimes very little. Lately, it seems to be going through yet another iteration as the city's fabric changes and evolves into something much more diverse, tearing at the threads of its previous identity.

Portland, although still a majority white city, is seeing a more diverse population move in, and a shift in who's living in its neighborhoods. Currently, 47 percent of the city's occupied units are renters, according to city data, a trend that has been changing in favor of renters since 2000.

While the Office of Neighborhood Involvement has begun tilting its focus to minority-based and other organizations to encourage involvement by different groups, some neighborhood associations are struggling to find footing. They're often criticized for being too white, and too NIMBY (Not In My Back Yard).

The city of Seattle cut ties with its system last year facing criticism that neighborhoods were no longer serving the modern population, a move that Portland isn't following, according to bureau officials, who have worked to dispel those rumors.

"There is nobody here saying we're getting rid of neighborhood associations. We're saying that neighborhood associations need to think about how they can best help all people and represent all people," said Dave Austin, Commissioner Chloe Eudaly's deputy chief of staff and who served as interim director of the bureau.

"It's time for the city to look more closely at what the fundamental purpose of the neighborhood association is," said Bonny McKnight, who was the chair of the Russell Neighborhood Association for more than a decade, and has served on a number of city advisory committees since the 1970s.

Development opposition

These days, neighborhoods make headlines for their infighting about supposedly racist historic districts and homeless people in parks.

But one issue has remained at the crux of neighborhood activism: development.

Portland's neighborhood activism began in the late 1960s and '70s, when urban renewal efforts began threatening neighborhoods.

"Buckman neighborhood agency fights back at urban blight," said a news story published April 30, 1972. A photo caption continued: "Apartments are taking over land throughout much of the Buckman area. Developers feel there should be more; residents want to retain mixed older homes, parks and freedom from the automobile."

In 2017 Portland, neighbors are still fighting infill and aiming to preserve the city from what they call out-of-character "McMansions" and housing that isn't really affordable.

"Infill" developer Vic Remmers' name has become notorious around town as neighbors have repeatedly attempted, sometimes successfully, to fend off his projects, including in the King, Eastmoreland, Overlook and Sunnyside neighborhoods, and most recently, the Hayhurst neighborhood.

In King, neighbors paid Remmers \$1.1 million in order to save a house from demolition last year.

Flashing back to the 1970s, one of the first major neighborhood association's successes included helping to prevent construction of the Mt. Hood Freeway — a proposed 6-mile, eight-lane highway that would have stretched across the river from the Marquam Bridge to about Southeast 122nd Avenue.

"Neighborhood groups strongly oppose freeway," an Oct. 3, 1973, Oregonian headline said. Their statement to city government, in part, read: "Do not ask us to sacrifice our community for a monolithic stretch of concrete."

The freeway was never built, and the debate, instead, helped pave the way to the 95 neighborhoods that exist today.

At first, the city wasn't so willing to lend an ear, though.

"The city planning bureau recognized that neighborhood activists were very informed and organized, and had a lot of value to bring," said Paul Leistner, neighborhood program coordinator at the Office of Neighborhood Involvement. He wrote a dissertation about the system in 2013. "They asked, who are we planning for — ourselves, or the community?"

Sanctioning the system

An Aug. 20, 1971, an Oregonian article highlighted the moment past city Commissioner Lloyd Anderson called on the rest of the City Council to involve citizens in planning.

Talking to the Portsmouth Kiwanis Club at the time, he said the city government "simply must be sensitive to these human needs" and suggested a five-point program for citizen involvement. Anderson, who died this past March at age 91, oversaw public works while on the City Council between 1969 and 1974.

The ordinance that would formally start the city's neighborhood program was adopted in 1974, when the then-called Office of Neighborhood Associations was created.

Starting off with a budget of \$105,995 and seven employees, it now has a budget of \$10.9 million and more than 50 employees.

"It was a way of bringing a popular voice into the bureaucratic conversations, and they were supposed to be independent voices," said Carl Abbot, a professor emeritus of urban studies at Portland State University.

A historian as well as an expert on urban planning, Abbot has written four books on Portland and contributes to The Oregon Encyclopedia. "It's basically supposed to be no-strings attached, it's like funding a loyal opposition," he said.

ONA's mission was to help associations, then called neighborhood planning organizations, "workable instruments of citizen participation in city government."

"At that time, (neighborhood association participants) were heavily people who tend to participate — well-educated, middle-class people who have the time and energy to devote to neighborhoods and testify at city hall and that sort of thing," Abbot said.

The disagreements

Many fights were about preserving inner-city neighborhoods from major development, including communities like Corbett, which is now part of the South Portland Neighborhood Association.

"And Irvington, which is hard to think of now as a neighborhood that needed protection, which it did at that time — Buckman, Ladds Addition, neighborhoods like that," Abbot said. He lives in the Irvington neighborhood, where in 2015, the neighborhood made headlines over the establishment of a historic district — another hot topic in Portland as neighborhood association boards pursue designation on the National Register of Historic Places, which they see as a tool to make it more difficult for developers to build.

"Neighborhoods and neighborhood associations were really strong at the start and, in some cases, remain strong ... and what looked like protecting a threatened asset of a neighborhood under real threat in one generation, a few decades later could look like protecting privilege," Abbot said.

Abbot said he did some volunteer consulting projects for ONA back in the 1980s, when he participated in the Irvington Neighborhood Association.

"One thing ONA did was give affordable recognition that the neighborhood voices should be heard, not that they should win all the time, but that there was a formal way in which neighborhood groups could have input, for example, on planning decisions that affect their neighborhood," Abbot said. He said he moved to Portland in 1978 and was happy that the door to local government was open.

But these days, Abbot thinks the system has lost its way, in part because ONI has strayed too far from the original missions of ONA, taking on too many unrelated tasks.

The bureau changed its name to the Office of Neighborhood Involvement in 1998 following the final report of a major review of Portland's neighborhood system, which found similar problems to today's — little participation by minority groups — and conflict and communications issues that discourage participation.

The bureau has struggled to find its own identity as it has evolved over the years. A 2016 audit found serious issues with the bureau itself, including mismanagement, disproportionate funding and unfinished plans. There since has been a major shift in staff, including a new director.

The audit also found that minority groups aren't so much participating in geography-based community groups — but more on shared interests and identity, something the new administration is taking seriously.

"I don't think any neighborhood association acts exactly as they did in (the 1970s). That wouldn't make any sense," said Suk Rhee, ONI's new director. "Neighborhood associations have been improving and adapting all along the way. Yes, we could have a more systematic look at how neighborhoods are now — and how they want to be. We can and will do that."

But that doesn't appease some who still think it's more of the same, trying to change the system into something that, perhaps, it's not.

"The ONI was built upon the ONA," McKnight said. "They were distorted into something else that has never show any real ... I don't know, they've never done what they promised."

She added, "If we truly want to diversify the city, I don't think we can do it from the top down. I think we have to do it from where people live. And where people live are within the boundaries of a neighborhood association."

Overlook Neighborhood Association Chair Demands Camp Leave

*By Lyndsey Hewitt
September 21, 2017*

Mediation efforts between longtime homeless village and neighborhood group is unsuccessful, but city sees hope with new board.

Saying that city officials, Village Coalition and Hazelnut Grove "effectively lied" to the Overlook Neighborhood Association during mediation efforts, neighborhood association chairman Chris Trejbal is again demanding movement of the longtime homeless encampment.

Trejbal, in an emailed press release sent on Thursday, accused the groups of concealing negotiations from the neighborhood with regards to the future of the village during a mediation process facilitated by the city.

Hazelnut Grove and Overlook have been working toward a Good Neighborhood Agreement for several months with little success.

The neighborhood was in the news just last month when the board looked to amend its bylaws to exclude people without a legal address from participating. The city said anyone residing in a neighborhood, whether they have a home or not, can participate. The neighborhood backed off when the city threatened to stop recognizing them as part of the neighborhood system.

(Village Coalition members say that they actually aren't involved with the process, but only receive updates.)

"We had agreed, as a part of this mediation process, that both sides would back off from talks with the city and develop a Good Neighborhood Agreement," Trejbal said. He says they can't go forward with the GNA, saying that they've lost trust in the process.

But Jamey Duhamel, Commissioner Chloe Eudaly's policy director at the Office of Neighborhood Involvement, says that's not the entire story.

The city has indeed been trying to determine the future of Hazelnut Grove and officials have said they're looking at a Dignity Village model which would have more oversight.

Dignity Village is the city's first sanctioned transitional village for homeless people in Northeast Portland's Sunderland neighborhood.

"We had one meeting, where we sat down with (Mayor Ted Wheeler's) office, Hazelnut Grove and the Joint Office of Homeless Services, and the One Point of Contact; we just said, what could this look like?" Duhamel said.

Trejbal has been vocal in ridding the neighborhood of Hazelnut Grove since it started in 2015, initially as tents.

The camp has since evolved into a more organized village, and the city has provided items like smoke detectors and fire extinguishers when neighbors pointed out that the camp is in a wildfire area.

Trejbal argues that North Portland gets a disproportionate amount of the city's homeless projects, pointing to the tiny-home village for homeless women in Kenton.

Duhamel calls that a misguided notion.

"Kenton has 14 people. Hazelnut Grove has like 20. When we're talking about disproportionate, they should talk to neighborhoods like Lents, which has lots of people directly on the streets and have no organized village resources to stabilize them," she says.

But Trejbal is more angered that the city has not officially sanctioned or permitted the Hazelnut Grove village along North Greeley Avenue.

Duhamel says that's what they were looking at in their separate meeting.

"I think where the conflict has happened is Overlook wanted to have a much more involved say in what that contract ultimately said between the two parties. We definitely communicated that the contract exists between the city and Hazelnut Grove, it's not a contract between the city, Hazelnut Grove and Overlook (Neighborhood Association)," Duhamel said. "And while we welcome the neighborhood association's suggestions, feedback and concerns, we also have to be accountable to the city and Hazelnut Grove directly."

She said they assumed that Overlook would "recognize the advantage of having the city more deeply involved."

Duhamel said the "city recognizes that the village is not a permanent solution for anybody" and finding new land for the encampment is rare and often with caveats, and they're not particularly interested in displacing Grove residents from the area they've been living in.

She's looking forward to a newly-established group of neighborhood board members. On Sept. 20, a resident of Hazelnut Grove was elected to the board.

The group will vote on a new chair, vice chair, secretary and treasurer on Oct. 3.

As to whether the groups will go forward with mediation, Duhamel said, "That's up to the Overlook neighborhood. I'm hopeful that once the new board takes their seats, we'll be able to reengage with mediation."

City Hall Watch: Salmon Restoration Projects Celebrated

By Jim Redden

September 26, 2017

Also, the fire threat to the Bull Run Watershed is over and a new playground at Lents Park opens

On Wednesday the City Council proclaimed Sept. 24 to be Portland's first "Salmon in Our City Day," declared Crystal Springs Creek to be the city's first Salmon Sanctuary, and awarded a \$5,000 grant to the Johnson Creek Watershed Council and the Crystal Springs Partnership to continue their stewardship of it.

Salmon are found in almost half of Portland's 300 miles of streams. But salmon in Portland were listed as threatened under the Endangered Species Act in 1999. In response, the city initiated numerous projects to restore streamside habitat for fish and other native species.

The biggest success so far has been the restoration of Crystal Springs Creek, where salmon can now swim the creek's entire length. Future projects are planned at Oaks Bottom, Tryon Creek, several creeks in Forest Park, and the Columbia Slough.

Bull Run threat over

The threat to Portland's primary water supply from the Eagle Creek Fire ended last week. The Water Bureau Emergency Operations Center that had been working with firefighters to monitor conditions near the Bull Run Watershed stood down on Monday, Sept. 18.

Although helicopters had been dropping buckets of water in the far northeast and northwest corners of the management unit, the threat was considered over when heavy rains started on Sunday.

"There will be ongoing work by the federal firefighting agencies in and around the watershed over the next few weeks to ensure the fire danger has passed and that fire suppression areas are prepared for winter rains," the bureau said the next day.

Lents playground opens

A new playground in Lents Park officially opened on Friday, Sept. 22. It was funded by the Portland Parks & Recreation maintenance bond approved by voters in the November 2017 election.

The playground, location in the park at Southeast 92nd and Holgate, includes a rock climbing wall and accessibility improvements in accordance with the 2011 Lents Park Master Plan.

Other recent improvements in the park include upgrading Walker Stadium and the completion of a turf soccer field with lighting.

Nightclub Owners Sue to Stop City Sprinkler Ordinance

*By Pamplin Media Group
September 25, 2017*

Building owners claimed the city imposed a one-size-fits-all ordinance without properly vetting its impact on their businesses.

A handful of Portland nightclub owners are suing the city to block enforcement of a sprinkler ordinance they say was improperly imposed on their businesses.

In their lawsuit, building owners Philip Ragaway, the J.A. Atwood Corp., Spot Properties, JSP Investments, Daniel Lenzen, Glitz LLC and Divine Comedy LLC asked a Multnomah County circuit judge to block the city's retroactive sprinkler ordinance they said violated their constitutional equal protection and due process rights. They also want the city to refund fees and fines each of the building owners has paid.

The lawsuit was filed Monday in Multnomah County Circuit Court. The city does not comment on pending litigation. No court date has been set for the case.

Ragaway owns Bidly McGraw's, 6000 N.E. Glisan St., and the Mount Tabor Theater, 4811 S.E. Hawthorne Blvd. The Atwood Corp. manages as manager of commercial properties, including the Dante's building 350 W. Burnside St., and the Silverado building, 318 S.W. Third Ave.

Spot Properties manages commercial properties, including Bidly McGraw's building and the Mount Tabor Theater building. JSP Investments and Lenzen own Duke's Country Bar and Grill, 14601 S.E. Division St., and Dixie Tavern, 32 N.W. Third Ave.

Divine Comedy operates Dante's, 350 W. Burnside St. Glitz LLC does business as the Star Theater, 13 N.W. Sixth Ave.

The city's 2013 ordinance required most nightclubs with room for 100 or more people to upgrade existing sprinkler systems, or install new ones. Building owners claimed the city imposed a one-size-fits-all ordinance without properly vetting its impact on their businesses.

"The city failed to take any measures to identify or reduce the economic impacts to small businesses, such as plaintiffs," according to the lawsuit.

The plaintiffs said the city based its cost estimates on "information provided by outside estimators who had never visited the impacted businesses, did not account for the historic nature of the affected buildings, and did not account for potential inherent water pressure problems."

According to the lawsuit, the city originally thought the ordinance would apply to 13 to 60 businesses. Eventually, the city determined that it would affect only 14 businesses and buildings.

Willamette Week

Nightclub Landlords Sue Portland City Hall Over Controversial Sprinkler Ordinance

*By Nigel Jaquiss
September 25, 2017*

Property owners behind 14 clubs say city exceeded authority and selectively enforced expensive 2013 code change.

Three landlords of prominent Portland nightclubs today filed a lawsuit against the city of Portland, alleging that the city overstepped its authority in imposing a 2013 sprinkler ordinance, and that it compounded the damages by applying the ordinance inequitably.

"The City's enforcement of the Retroactive Sprinkler Ordinance has been uneven, unfair, unpredictable, arbitrary and capricious," says the lawsuit, filed in Multnomah County Circuit Court on behalf of the club owners Philip Ragaway, James Atwood and Daniel Lenzen, their companies, and other nightclubs.

When the 2013 ordinance went into effect, the plaintiffs either owned or managed buildings that housed such clubs as Backspace (now defunct), Biddy McGraw's, Dante's, the Dixie Tavern, Duke's Country Bar and Grill, Silverado, Star Theater and others.

The ordinance required the landlords of clubs with a capacity of more than 100 to upgrade existing systems or install new sprinkler systems.

The affected clubs and their landlords at the time complained the ordinance exceeded city requirements at the time each club got its operating permits.

The battle over the sprinklers was the subject of a WW cover story in 2016.

The WW story drew heavily on a 2016 investigation by the Oregon State Building Codes Division, which concluded that the city knowingly exceeded its authority—and in fact infringed on the Building Codes Division's authority—gave nightclubs insufficient warning and time to comply, and, selectively enforced the ordinance, requiring some clubs or their landlords to invest heavily while ignoring others.

"Many property and business owners paid from two to five times the city's [cost] estimate, resulting in costs for some businesses approaching \$100,000," the state's investigative report

said. "At least two shuttered their doors, citing the costs of compliance with Portland's ordinance as the reason."

Earlier this year, in an administrative filing, the Building Codes Division, sought to overturn the city's ordinance and sought civil penalties against the city. That proceeding is still pending.

Dean Aldrich, the lawyer who represents all the plaintiffs, says in his complaint that his clients are seeking at least \$750,000 in damages.

"The City's conduct was arbitrary, capricious, improper, and misleading," Aldrich alleges in the lawsuit. "Additionally, some of the plaintiffs experienced retaliation and harassment in the form of increased inspections, and additional unmerited scrutiny of their businesses and buildings by the City."

City Attorney Tracey Reeve says office has not yet seen the complaint and has no comment.

The Portland Mercury

Mayor Ted Wheeler Wants to Extend Portland's Housing State of Emergency by 18 Months

*By Dirk VanderHart
September 25, 2017*

Portland's housing state of emergency might get its longest extension to-date, if a proposal Mayor Ted Wheeler is cooking up moves forward.

Tomorrow, Wheeler's office plans to submit an ordinance for council consideration that would push an expiration date for the city's housing emergency status out 18 months, spokesperson Michael Cox says. The ordinance would be taken up next week—in time to keep the emergency declaration going past its slated expiration on October 6.

"We had talked about 12 months. we had talked about 18 months, we had talked about 2 years," Cox said this morning. "This seemed like the best place to land."

The housing emergency, first proposed by Mayor Charlie Hales roughly two years ago, has been used again and again to place temporary homeless shelters in places where Portland's zoning regulations otherwise would make that difficult. For Wheeler, who won office partly on a promise to increase shelter space, that's a crucial point.

But Cox says the mayor is also leery about the heretofore murky definition about what, exactly, constitutes an emergency. As written, he says, the ordinance the mayor plans to file would create a group that would hash out that definition, and criteria for ending the emergency period—all within six months of passage.

"We don't know what the right metrics are," Cox says. "Is it vacancy rates? Is it rent increases? Is it homelessness?"

In fact, City Council has cited all three of those and more in past decisions about the housing emergency. Last year, an ordinance extending the state of emergency until October 6 laid out the city's housing issues in detail. It discussed how housing supply hadn't kept pace with the city's population growth, rent increases of 30 percent over five years, a ballooning homeless population, insufficient affordable housing, and more.

"These combined circumstances are contributing to significant human suffering, creating an immediate need to provide adequate, safe, and habitable shelters for persons experiencing homelessness, and to rapidly increase the supply of permanent affordable housing," the ordinance read.

Wheeler's most high-profile use of the emergency declaration came in April, when his office brokered a last minute-deal that saw well-regarded homeless camp Right 2 Dream Too to move into the Rose Quarter, onto a plot not zoned to automatically allow a mass shelter. (Hales ran into a similar issue when he tried to move the camp into the Central Eastside, and wound up scuttling that plan.) The emergency is also being used to site a 200-bed shelter at a county-owned building in East Portland.

A new plan to create another 200-bed shelter in Old Town would be allowed under the zoning code, officials have said.

The designation has done more than offer officials zoning leeway, though. When Hales called for an emergency declaration in 2015, it also served to center officials' attention on Portland's growing issues. In the time since, the city has developed an inclusionary housing policy that mandates affordable units in many new apartment buildings, passed new renter protections, won voter approval for a \$258.4 million housing bond, and more.

Even so, problems persist. The latest "point-in-time" homeless count found Multnomah County's homeless population had risen 10 percent between 2015 and 2017, and stories of rising rents and renter displacement are still common.

It's possible Wheeler's 18-month extension could cause heartburn in City Hall. Last year, when Hales proposed extending the emergency by three years, the rest of city council immediately shot down the idea. A compromise was reached to extend it by one year. (When the emergency was first passed, it was supposed to be reconsidered every six months.) We've reached out to city commissioners' offices for reaction.

The Daily Journal of Commerce

Inclusionary Housing Halts New Proposals in Portland

*By Chuck Slothower
September 25, 2017*

In the first six months of Portland's inclusionary housing policy, not a single large multifamily development was submitted for land-use review.

From Feb. 1 to Aug. 31, there were no new land-use review applications for multifamily projects of 20 units or more.

The stark finding comes from a six-month review of inclusionary housing's effects on housing production by the city's Bureau of Planning and Sustainability.

The city's inclusionary housing policy took effect Feb. 1, requiring developers of projects submitted after that date to include rent-restricted affordable units or pay a substantial fee.

City officials are closely watching the development pipeline. So far, developers are moving forward with a flood of projects submitted before inclusionary housing took effect. As of Feb. 1, an estimated 19,000 multifamily residential units were in the development pipeline, according to BPS.

“About four years of development capacity went in prior to inclusionary housing,” said Tyler Bump, senior economic planner for BPS.

In December and January, 5,000 units were submitted for land-use review.

Bumps said it’s difficult to disentangle the effects of inclusionary housing from other development costs, including construction labor, land and increasingly skittish equity markets.

To date, inclusionary housing has resulted in six privately financed projects that were permitted after Feb. 1, including 60 affordable apartments. Those projects also included 406 market-rate apartments.

Another five projects backed by the Portland Housing Bureau moved forward. Those projects include 424 affordable units at levels ranging from 0 percent to 80 percent of Portland’s median family income.

Also, the bureau hasn’t seen a surge of 19-units buildings, suggesting developers are not evading the requirements by building structures just below the requirement threshold. From February through August, 10 buildings of 15 to 19 units were proposed, the same amount as during a similar six-month period in 2016. Applications also indicated the small buildings were proposed for modestly sized lots, and were approaching the maximum allowable density.

“It’s something that we’re going to need to continue to track, for sure,” Bump said.

City commissioners are considering possible opt-in incentives to create affordable housing among the 19,000 units that have already vested. LOCUS, a developers’ group, has been in discussions with commissioners regarding how to craft the incentives.

Brian Wilson, partner at Mainland Northwest, said he supports opt-in incentives for vested projects. Mainland Northwest is developing a number of multifamily projects in St. Johns. “I could move it forward if there was an opt-in,” he said.

Wilson said inclusionary housing was having a greater effect than BPS’ report suggests. “I think it’s having a bigger impact than it’s implying here,” he said. “The next update is going to be very interesting.”

Bump said he would release another memo in March detailing the first year of inclusionary housing. Bump said it will be cause for concern if the number of units in the development pipeline falls below 10,000.