

## The Portland Tribune

### Housing expert: Portland problems 'on steroids'

By Pete Wong  
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**Director of Harvard center tells City Club forum that Portland shares U.S. trends, but city is 'ground zero' for gentrification and area prices far exceed national median.**

A national expert says Portland faces many of the same problems as other cities with availability and affordability of housing.

But Christopher Herbert said a couple of factors — rising prices and rents, and gentrification of neighborhoods — put Portland's problems "a bit on steroids" and make it "ground zero" for a rapidly changing urban area.

Herbert said it's difficult to turn around a market with increasing costs and limited supply in an era when growth of household incomes has failed to keep pace.

"In order to solve it, we need to work on both," Herbert said at the Friday Forum (Oct. 27) of the City Club of Portland.

"We need to work on how to get incomes up — and for those who can't get their incomes up, we need to work on subsidies — and on the price side, we need to get the cost of housing down.

"It means a whole host of strategies to try to build in more long-run affordability while you can."

Herbert is managing director of the Joint Center for Housing Studies at Harvard University, which since 1988 has issued an annual report on the state of the nation's housing.

Its latest report, released in June, said housing prices and construction are up — a decade after the economy went into a deep downturn — but high demand and tight supply are pushing prices up.

Herbert was questioned by Elisa Harrigan, program officer for the affordable housing initiative of the Meyer Memorial Trust, and a former executive director of the Community Alliance of Tenants.

In Portland, Herbert said, the median home price is now five times the median household income — the point at which half are above and half below — compared with a national average of three times. That ratio is equal to Boston's.

During the housing bubble before the 2008 recession, Herbert said, Portland's ratio was 4.5 to 1.

According to the center's 2017 report, home prices in Portland and other major West Coast cities rose 40 percent or more in inflation-adjusted dollars between 2000 and 2016 — increases comparable to parts of the Northeast — but in parts of the South and a ring of states around the Great Lakes, they actually fell.

As for gentrification, Herbert said it can be measured in many ways, including displacement of lower-income families in older neighborhoods by higher-income households with college graduates.

The Portland region has seen a growth in high-poverty neighborhoods, defined as those where 20 percent or more of households have incomes below the federal poverty line. In 2000, Portland accounted for 31 such areas; in 2015, 89. The national increase was from 14,000 to 21,000.

"By those measures, Portland has been ground zero for gentrification for the past decade or so," he said.

### **National trends**

On the national level, Herbert said, renters are surging onto the housing market at a rate of 1 million annually, double the rate in the 1970s, when the first of the post-World War II generation known as baby boomers sought housing.

But supply has not kept pace with demand — and Herbert said about 11 million people say they pay 50 percent or more of their incomes for housing, well above the 30-percent mark defined by federal guidelines as "affordable."

"It does not leave much left over to pay for food, health care, transportation and other necessities of life," he said.

There is construction, he added, "but only at the high end" for 1.6 million renters with household incomes topping \$100,000.

"We are building for them. That market is getting saturated," Herbert said. "We haven't been building for the rest."

Meanwhile, during the past decade, homeownership rates have declined sharply, much of it because of an estimated 10 million foreclosures during the downturn — 6 million by owner-occupants.

Herbert said the overall rate is stabilizing at 63.5 percent, but it's less than it was back in 1990.

There are wide differences based on race. Between 2004 and 2016, it was 72 percent for whites, but 42.2 percent for blacks, 46 percent for Hispanics and 55.5 percent for Asians.

"For minorities looking to get into home ownership, which is an incredibly important source of financial stability for today's older generation, it's getting harder to do," Herbert said.

Still, he added, "Homeownership is the principal means of wealth accumulation for low-income and minority households."

### **No easy solutions**

Harrigan asked Herbert several times about solutions to the nation's housing problems.

"The sad answer is that there isn't any simple solution," he said.

"What we have is a situation that has been developing over a long period. It's complex with many causes. The solution is one that has to take time and has many different approaches to it."

The report said state and local governments have important roles.

"But only the federal government can provide funding at the scale necessary to make meaningful progress toward the nation's stated goal of a decent home in a suitable living environment for all," it concludes.

President Donald Trump's 2018 budget calls for a \$6 billion cut in federal housing assistance. But Congress faces a deadline in early December of renewing spending authority for most federal programs.

"We're already in a situation where we're not doing enough," Herbert said. "I think the best we can hope for from the federal government is to do nothing."

One exception is the current congressional debate about an overhaul of the federal tax code. Herbert said there is bipartisan support for renewal and expansion of the current 9-percent credit for developers of low-income housing.

"There is a recognition we need to do something," he said.

For a link to the 2017 report by the Joint Center for Housing Studies at Harvard University:

[www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard\\_jchs\\_state\\_of\\_the\\_nations\\_housing\\_2017\\_chap1.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard_jchs_state_of_the_nations_housing_2017_chap1.pdf)

### **Oregon issues**

Christopher Herbert was asked about whether Oregon's urban growth boundaries, which largely confine development to cities, drive up the cost of land potentially available for housing.

"It does have the downside of raising land prices," said Herbert, managing director of the Center for Housing Studies at Harvard University.

"It is an issue around the world — a tendency to push housing way out, to where land is cheap to get affordability — but at the expense of being connected to jobs and other things."

He also was asked about rent control. A bill that would have lifted a 32-year-old ban on local governments doing so passed the Oregon House but died in the Senate earlier this year.

As an economist, Herbert said, most of his colleagues believe rent control is not a good idea for various reasons.

He said some regulation may be appropriate, but it is likely to result in more complexity for state and local governments than its advocates envision.

He mentioned New Jersey, where local governments can set their own ordinances although there is no state law. Studies have shown, he said, they have resulted in few differences in rents.

"It does suggest it's a special good that may deserve different treatment," he said. "I think at times of extreme rent increases, some moderation of those increases — given housing special role in people's lives — might be warranted."

## **Willamette Week**

### **Former OPB Newscaster Running for Office Faces Online Backlash**

*By Rachel Monahan*

*October 27, 2017*

**Spencer Raymond resigned his post at OPB to run for office, but faces criticisms for running against three women of color.**

The announcement late last week by Oregon Public Broadcasting newscaster Spencer Raymond that he's running for an open Portland City Council seat inspired more than one online wag to ask if the bid was satire.

But it is real—and a lightning rod for Portland's tender racial politics.

Raymond, 30, resigned his job Oct. 20 to run for Portland City Council.

Raymond is white, with no political experience. And he entered a race that already includes three women of color with significant resumes.

Jo Ann Hardesty, head of the NAACP of Portland and a former state representative, was first to enter the race, even before City Commissioner Dan Saltzman announced his retirement. Multnomah County Commissioner Loretta Smith has all but officially joined, and mayoral staffer Andrea Valderrama, a member of the David Douglas School Board, has entered.

(Felicia Williams, a neighborhood association president, is also in the race. Stuart Emmons, who is white, says he's considering a run. Sam Chase, a Metro Councilor backed out of a possible run, citing the fact that women of color were in contention.)

Commenters on Raymond's own Facebook page greeted his candidacy with criticism and mockery.

The reaction to his announcement on his campaign Facebook post as of Thursday:

Many of the comments questioned his choice to run.

"Spencer, do yourself a huge political favor and don't run," commented Rep. Diego Hernandez (D-Portland), who also posting a link to his preferred candidate, Valderrama.

Activists Gregory McKelvey and Cameron Whitten traded twitter one-liners on the same subject.

“ If I were a white dude running for office which would look worse to run against? — Gregory McKelvey (@GregoryMcKelvey) October 23, 2017”

The choices in his poll: "guy with stomach cancer" or "3 women of color." (City Commissioner Nick Fish was diagnosed with stomach cancer in August and is running for reelection.)

Whitten replied with a hashtag: #SkiCoaches4President—a reference to the fact that Raymond is Lake Oswego High School's head coach.

That's in Raymond's campaign bio, along with the fact that he owns the Civic Taproom and Bottle Shop.

Raymond is in the early stages of a campaign. He has issued a press release. He hasn't yet reported any fundraising and isn't yet officially on the ballot.

The social-media reaction represents a small number of Portlanders, but it may be significant in this era of political campaigning. Last year, Commissioner Chloe Eudaly unseated an incumbent in part thanks to a dedicated group of social media followers.

And Raymond isn't yet taking a more traditional approach to getting the word out about his campaign.

He has a rose-adorned logo—one that's more than vaguely reminiscent of a sitting county commissioner, Loretta Smith.

When asked about the similarities, the emailed response from the Raymond campaign:

"Loretta's and Spencer's logo both have a rose but the campaigns are not working together. A rose, like a tree, bridges or a mountain, is a symbol of our city and area, so it makes sense somebody would want to use it in graphics as part of representing the area."

The email is signed the "Spencer For Portland Campaign."

The campaign did not initially provide a name (or a telephone number) to answer further questions — an unusual tactic for a Portland candidate, particularly from the world of journalism.

"The campaign is staffing up and finalizing the upcoming schedule," emailed the Spencer For Portland Campaign.

When asked for a second time to answer the questions related to the online backlash, Nathan Barber, acting campaign manager, responded with his name.

"The statement we provided is the extent to which the campaign is commenting," he wrote.

## **Honey Bucket Fined More Than \$90,000 for Improper Dumping, But Company Blames “Homeless Folks”**

*By Rachel Monahan  
October 29, 2017*

### **Company that owns Honey Bucket appeals decision of fines.**

The city of Portland has won more than \$90,000 in fines and compensation after Honey Bucket employees allegedly dumped portable toilets into the city's sewer system and repeatedly clogged a pumping station with "clothing, construction materials and hypodermic needles in April," Street Roots reported.

But the company blamed the dumping on "homeless folks."

Jams at the Rivergate Pump Station threatened to cause the sewer system to overflow into natural wetlands areas.

The city was able to identify the problem, because the day the clogs first began was the day a Honey Bucket facility, with a new city permit, first emptied waste into the sewer, Street Roots reported.

“That was the big smoking gun,” said Dan Parnell, Bureau of Environmental Services industrial permitting manager. Over the course of 10 days, the only day the city’s sewer pump didn’t jam was the only day Honey Bucket didn’t discharge wastewater, according to city documents obtained through a records request.”

The city found a hole cut in a screen that protects the sewer system at the site where Honey Buckets get emptied into the sewer, according to the city's investigation.

At an administrative hearing the company blamed homeless people dumping into manhole covers between their dump site and the pumping station.

"I know that one of the theories put forward by the investigators that's in the record is it was, you know, homeless folks or other people dumping stuff down manholes," the lawyer for Northwest Cascade, the company that owns Honey Bucket, argued, according to the Street Roots account.

Northwest Cascade is appealing the decision from the hearing officer.

"The evidence presented at the Hearing will demonstrate that the City of Portland is drawing the wrong conclusion from purely circumstantial evidence," reads the company's statement of appeal. "The City observed a correlation between a small slit cut at the top of a screen at a

dumping station and failures at the Rivergate Pump Station, and concluded without a proper investigation that the slit must be the source of the pump station failures."

Read the full Street Roots story [here](#).