

The Portland Tribune

Southwest's Affordable Apartments in Peril

By Lyndsey Hewitt

November 30, 2017

Study shows thousands of older multifamily units are changing hands and sales may increase

More than 11,000 affordable apartment units dot the corridor served by the region's next MAX line — many of them vulnerable to being demolished or remodeled so they're no longer so affordable.

That's the startling conclusion of a new Portland State University report that sheds new light on the city's rapidly disappearing stock of "naturally occurring affordable housing."

Those are the apartment buildings and complexes that aren't as spiffy, and much older than the glistening ones popping up all over Portland as it gentrifies and densifies.

The 41-page report, called *Preserving Housing Choice and Opportunity: A Study of Apartment Building Sales and Rents*, concluded that there's still a large amount of this natural affordable housing stock in Portland. However, it's vanishing quickly as investors and developers snatch it up, often to demolish or remodel, sometimes displacing renters who can't afford subsequent rent increases.

The study was conducted for the Southwest Corridor Project overseen by Metro, which proposes a new MAX line between Portland and Tualatin through Tigard.

Since the report was released, TriMet agreed to postpone a regional bond measure to help fund the light rail line, in part because public concern over losing more affordable housing is so great. In its place, Metro promised to work on a regional affordable housing measure, possibly for the November 2018 ballot.

The new study found there have been more than 2,000 transactions involving more than 68,000 affordable apartment units in the Portland metro area between 2006 and 2017. Twenty percent of those transactions happened over the past 18 months.

Worrisome pattern

"I think there's this invisible story of all these buildings that have been in our communities for decades are also changing hands," said Ryan Curren, Portland Bureau of Planning and Sustainability project manager for the Southwest Corridor Equitable Housing Strategy.

"Most of that activity," Curren said, "is in this market — not in the newer market that gets a lot of attention."

He said the report puts numbers behind a lot of the discussion occurring about rising rents and affordable housing.

The proposed MAX line is already having an impact on nearby housing stock. Though the PSU study looked at much of the region's naturally occurring affordable housing numbers, it focused on what's happening in the Southwest Corridor.

The report found there are 11,400 of these apartments in the corridor, or 93 percent of the multifamily housing stock.

Curren said that is good news to have such a high percentage that's affordable, but the rate at which they're disappearing is worrisome.

"These aren't just isolated incidents," he said, talking about stories of large numbers of tenants being displaced from a building. "There's a bigger trend. Then you put the numbers behind those trends, the sale per unit — the rents increasing by different quality of housing."

"Most of that activity is in this market — not in the newer market that gets a lot of attention."

— Ryan Curren

Sales prices sizzle

The average sales price of apartments along the corridor skyrocketed by 274 percent in just seven years, rising from \$54,682 per unit in 2010 to \$204,584 in August 2017.

But the composition of the apartment stock in the area is changing.

Since 2010, 81 percent of the new multifamily units there have been luxury apartments.

"These are the last buildings that are affordable without any kind of regulations or protections," Curren said of the older apartments. "It gives us a sense of urgency and data to back it up that we need to target some funding to preserve the affordability of these buildings, whether it's nonprofits buying the buildings or incentivizing current owners to maintain stable rents. But there needs to be some intervention there, especially around transit corridors."

Although there's been much effort recently to build more affordable housing, Curren said the amount of housing needed is well beyond what public dollars could ever provide.

That's where other organizations can step in, including foundations like Meyer Memorial Trust, which uses philanthropy and private dollars to buy housing.

Of course, some old houses reach a point where they may need to be replaced. Old homes with bad roofs or boilers, or contamination from lead and asbestos, may not be safe, though they're cheaper to live in.

Rating the buildings

The PSU report rates housing in the region by one- through five-star ratings, depending on their design, construction and property amenities. The naturally occurring affordable housing generally falls in the two- and three-star categories.

Curren said there's plenty of the three-star buildings, some with 100 or more units.

"They were more likely built in the '70s and '80s, so they're not that old. So the three-star ones are a pretty good asset you could put public dollars in," he said.

Curren pointed out that in Seattle, which passed a \$54 billion transit measure last year, officials required use of a portion of the dollars to acquire land and buildings along a planned light rail route.

There are some efforts locally to help, including the Network for Oregon Affordable Housing, which has an acquisition fund of private bank money, philanthropic money and some public dollars, making up about \$36 million. It acts as a lender for land acquisition of affordable housing, or acquiring affordable housing at risk of being lost and converted.

"The city of Portland does have some money in that fund — specifically for land acquisition. Just for \$1 million, not a big piece of it. We'd like it to be larger," said Dee Walsh, chief operating officer of the Network for Oregon Affordable Housing.

Meanwhile, the Community Alliance of Tenants has boots on the ground to work with people at risk of displacement.

Tenants experiencing displacement

"What we've heard mainly is that it's pretty common, this rising rent question across the city, but it's really pronounced in the Southwest Corridor," said Pam Phan, policy and organizing manager with the Community Alliance of Tenants.

Forty-seven percent of people living in Portland are renters, according to the Portland Housing Bureau.

According to the PSU report, two-thirds of the corridor's naturally occurring affordable housing sales are in low-income census tracts, while nearly 40 percent are in racially diverse areas.

The most vulnerable populations in the corridor are low-income renters of color who have large families.

"We're hearing that maybe five to 10 years ago, these rents for two bedrooms were about \$700 a month and now they've jumped to \$1,200 to \$1,400," Phan said.

To read the full report:

portlandoregon.gov/bps/article/663250

Willamette Week

Andrea Valderrama's Sister Made Two Donations to Her Opponent in Portland City Council Contest

*By Rachel Monahan
November 30, 2017*

Ana del Rocio, who will be the first state director for the political-action committee Color PAC, says she's not endorsing in the race and will stop the donations.

Ana del Rocío, the incoming state director for the political action committee Color PAC, has a close tie to the race for Portland City Council.

Her sister, Andrea Valderrama, a City Hall staffer, is running to replace City Commissioner Dan Saltzman, who is retiring next year. Valderrama and Del Rocío serve side-by-side on the David Douglas School Board.

This month, Del Rocio contributed \$100 in the City Council race. But not to her sister.

Instead, Del Rocío donated to one of Valderrama's competitors. She's given \$200 total to former state Rep. Jo Ann Hardesty.

The most recent, \$100 donation was on Nov. 17, which put her over \$100 threshold that requires publicly reporting donations. She contributed to Hardesty a month after Valderrama entered the race.

The mission of Color PAC, which Del Rocio runs, is to elect people of color. The City Council race includes three women of color seeking the seat. The third is Multnomah County Commissioner Loretta Smith.

Del Rocío says the second donation happened because she had signed up for automatic monthly donations to the campaign. She's now canceling them, she says, because her sister is in the race.

"I am not endorsing in this race — but I will continue to support women of color running for all levels of elected office," says del Rocío, saying her sister's candidacy is a conflict of interest that prevents her from endorsing.

Asked for comment, Valderrama affirmed her family bonds.

"I love my sister and I appreciate her support for a vigorous race for City Council," Valderrama says.

Clarification: This story has been updated to clarify that Del Rocio has not yet started at Color PAC. She starts in January.

The Portland Mercury

Local Activist Joe Walsh Sues City, Mayor, and Cops for "Chemical Attack" at a Protest

*By Doug Brown
November 30, 2017*

An elderly activist filed a federal civil rights lawsuit this week alleging his First Amendment rights were violated after a Portland police officer "attacked" him with "chemical weapons" (likely pepper spray) during a protest this summer.

Joe Walsh—the fiery 75-year-old veteran who's a mainstay at local government meetings, where he often vociferates about the police and government officials while wearing message-clad shirts and lugging his tank of oxygen—filed the the lawsuit on Tuesday against the City of Portland, the Portland Police Bureau, and Mayor Ted Wheeler. He's claiming he was hit with the "chemical weapon" at the massive June 4 counter protest of the Patriot Prayer rally. The ACLU of Oregon recently filed a class action lawsuit against the city, Wheeler, and police officers for different policing tactics that day.

"On June 4, 2017 I attended a large protest located in Chapman Park, Lowsdale Park, and in front of City Hall," the complaint reads. "I am a 75 yr. old veteran who is on 24/7 oxygen and is in poor health. I was attacked without notice by the Portland police using unknown chemical weapons. I had to be removed from the park before permanent damage was done to me."

Walsh, who file the suit without an attorney, is "asking for a permanent injunction against the City of Portland in the use of chemical warfare against their citizens. Because of the severity of the action taken by the PPB I am asking for \$500,000 in total damages."

In 2015, Walsh, again acting without an attorney, filed suit against then-Mayor Charlie Hales after Hales tried to permanently ban him from attending city council meetings. Federal Judge Michael Simon ruled in his favor and against Hales.

"A permanent injunction will protect the First Amendment rights of Walsh and other similarly-situated individuals without unduly burdening defendants," Simon wrote. "A contrary holding might lead to officials shutting the government's doors to those whose viewpoints the government finds annoying, distasteful, or unpopular. Permanent or even lengthy exclusions for

past disruptive conduct could become a convenient guise for censoring criticisms directed toward the powerful."

Dan Saltzman Is Pushing Support for Tolling in Portland— But His Demands Have Slacked Since August

*By Dirk VanderHart
November 30, 2017*

What once looked like it might be a bold statement from Commissioner Dan Saltzman on tolling Portland interstates has softened to a whisper.

With activists, economists, and a variety of environmental and transportation groups forming up against a \$450 million plan to widen Interstate 5 in the Rose Quarter, Saltzman's office suggested in August he'd been swayed by the group's thinking.

Rather than pressing full speed ahead with the plan, which we detailed at length in a September story, the city's transportation commissioner was supposedly convinced state officials should try tolling I-5 (and I-205) before widening the freeway. Critics have argued that "congestion pricing"—where costs for using highways rise and fall with demand—is the most promising means of solving Portland's worsening traffic woes.

The city doesn't have much say in what the Oregon Department of Transportation does with the project, but the thinking as of early September was to put forward a "strongly worded" statement that Portland's city government would like to see congestion pricing go into effect before any widening occurred. According to draft language Saltzman's office sent us on August 31, the resolution would have called for "congestion/value pricing before the project breaks ground to ensure maxim congestion relief and overall environmental benefits."

City council is scheduled to take up the resolution [pdf] Saltzman wound up with this afternoon, and "strongly worded" probably isn't an accurate descriptor.

While signaling support for congestion pricing, stating traffic congestion had grown by 13.6 percent between 2013 and 2015, and arguing that such activity runs contrary to Portland's climate change goals, the resolution council appears likely to pass doesn't actually do much—and certainly doesn't alter the trajectory of the I-5 Rose Quarter project in the least (or even mention the project by name).

So what does it do?

First and foremost the resolution orders the Portland Bureau of Transportation "to work with the Oregon Department of Transportation with all available capacity" in following the state legislature's direction on congestion pricing. As part of a \$5.3 billion transportation package passed earlier this year, ODOT is required to pursue federal permission to toll parts of I-5 and I-205 by the end of 2018. There's a newly convened committee trying to figure out what that might look like.

The bill that mandated that study is the same one that mulls payments of \$30 million a year from state coffers to pay for the I-5 project. Assisting with the effort amounts to assisting with the status quo.

The resolution also asks PBOT and the city's planning bureau to draw some of their own conclusions about what tolling could for should look like. The bureaus are directed to "propose

comprehensive congestion pricing and demand management strategies," which could include parking demand management and other policies that go further than ODOT's mandate. They're also charged with assuring that any policy proposals are equitable, and in step with the city's goals for climate change and reducing road deaths.

And that's it!

Update, 1:59 pm: I was chatting with Gerik Kransky of the Street Trust in City Hall, and he thinks there's more in the resolution than I've described above. Kransky says the resolution could be seen as granting permission to city bureaus to explore a wide-range of strategies to curb demand. He specifically talks about a mention of traffic cordons, which he thinks could lead to exploration of congestion policies like those used in London.

Original post:

To be clear, Saltzman has signaled for months that he supports a full build out of the I-5 project, so it's hardly surprising he's elected to take a softer stance than initially expected. It's worth pointing out, too, that if council passes this today, the City of Portland would be putting down a marker of support for tolling. A program in Portland would be Oregon's first.

"It's basically to help support ODOT's efforts and give them the political backing and say, 'The largest city in the state wants you to do this,'" Matt Grumm, Saltzman's point person on transportation policy, told the Mercury last week. "We didn't want it to be a poison pill for any big state project. We'll definitely hear at the council meeting from people who don't like that."

He's right. The group No More Freeways Expansions in recent days has been rallying its followers to attend this afternoon's council session.

The group plans to push for an amendment to Saltzman's resolution that reads:

"The City of Portland does not support moving forward with planning, design or construction of the I-5 Rose Quarter project or any freeway expansion within city limits until after congestion pricing has been implemented and its effects evaluated."

No More Freeway Expansions isn't alone in its point of view. The Sightline Institute, a Seattle think tank, wrote this week in support of the groups' point of view.

Anyway. This afternoon's hearing begins at 2 pm. You can watch it [here](#).

The Portland Business Journal

Portland Design Commission Ready to Refill

*By Kent Hohlfeld
November 30, 2017*

The Portland Design Commission has a major and lasting impact on development. That has led the city to set up a process to ensure the group is balanced and effective.

"The folks we have now know their business," Design Commission Chairwoman Julie Livingston said. "We have some nice diversity."

More is on the way. The commission's former chairman, David Wark, finished his second and final term in October, and the city is now preparing to add a new design commissioner for the first time since last year. All of the existing six are in their first term.

The selection process involves applicants submitting letters of interest to the Bureau of Development Services (BDS). Candidates are vetted and interviewed to determine whether they would be suitable design commissioners.

Once BDS staffers identify the candidate they believe is most qualified, the bureau's director passes the name to the mayor. Following an official nomination, the candidate appears before the City Council for approval.

One complicating factor in replacing Wark is that his position also serves as a representative of the Regional Arts and Culture Commission (RACC), so it must approve any applicant. The person also must agree to serve on the public arts committee, which meets once per month.

"This appointment is different than the others," said Kara Fioravanti, supervising planner at BDS. "The appointment is nominated by RACC, (City) Commissioner (Nick) Fish and then approved by the mayor."

In addition to a RACC representative, the Design Commission includes one person representing the public at-large. The remaining five members must be experienced in design, engineering, financing, construction or building management, and land development. No more than two members may represent any one of these areas.

A successful applicant needs to know the basics of the city's complex design guidelines. He or she also needs to generally understand architecture and land development.

However, the person also can't have too many financial ties to projects that will come before the Design Commission.

"We do talk about this," Livingston said. "There are people who, based on the work they have done and who their clients are, would not be a good applicant for the commission. They would have to constantly recuse themselves because of their financial interests."

Currently, the commission has a mix of people with both architecture and development backgrounds. Livingston has worked as an architect for Bora Architects and her own firm. Now she is an owner's representative for affordable housing projects involving Home Forward.

"Right now I think everyone does have some real estate background as well as design," Livingston said. "Everybody has that kind of common grounding."

Usually, many candidates are ready to serve on the Design Commission, Fioravanti said.

"We get plenty of interest," she said. "I guess you could call it a waiting list. There aren't a lot of openings."

Plus, the requirements aren't so restrictive that they preclude many people from serving on the commission.

"Basically anyone who doesn't have (a) bracelet on their ankle is eligible," Livingston said.

Finding the right person can be a time-consuming process. It generally takes three to four months, according to Fioravanti.

"We allow about a month (for applicants) to submit interest forms," she said. "We have to get together a lot of paperwork, go through the applications and vet it internally. The most difficult (position to fill) is (this) one, where we are asking someone to volunteer on two boards."

Wark served for nearly 10 years – nearly two years of Mike McCulloch's remaining time – and the maximum two four-year terms. But not everyone stays so long. They are volunteers, with other commitments.

“People have lives,” Livingston said. “Some people serve two terms, others one. You have no control over when someone leaves.”

OPB

Portland City Council Supports Tolling to Ease Highway Traffic

*By Amelia Templeton
November 30, 2017*

Portland’s city council has unanimously approved a resolution in support of tolling to ease traffic on Interstates 5 and 205.

At the crux of the debate is the stretch of I-5 that cuts through the city’s Rose Quarter.

The Oregon Department of Transportation says it’s often backed up for 12 hours a day.

The state Legislature has approved a \$400 million plan to add lanes and improve it, but also directed the Oregon Transportation Commission to develop a proposal for tolling on I-5 and I-205 in the Portland region.

Critics say widening the highway will just encourage more people to drive — a problem transportation planners call “induced demand.”

Portland Commissioner Dan Saltzman, who runs the city transportation bureau, said he thinks the state should try tolling before it moves forward with the freeway expansions.

“Let me be clear: In my opinion, congestion pricing should happen in these corridors before any shovels break ground,” he said.

Under congestion pricing, the cost of using a road or bridge rises depending on the time of day or amount of traffic. It’s a strategy that a number of cities have adopted recently, including London, Stockholm, New York and Seattle.

The City Council’s resolution also directed the city’s transportation bureau to study whether congestion pricing strategies could improve other bottlenecks.

Saltzman and Mayor Ted Wheeler said they see congestion pricing as a key strategy to ease the city’s growing pains while raising new revenue for badly needed investments in street maintenance and public transit.

A variety of transportation and environmental organizations testified in support of the resolution, including the Port of Portland, Portland Walks and the Oregon Environmental Council.

Opposition came from members of the group No More Freeway Expansion. They say the council needs to more forcefully oppose the state’s proposal to widen the highways.

Economist Joe Cortright called congestion pricing the only way to reduce congestion in an urban setting.

“What this project amounts to, effectively then, is a half a billion dollars to the freeway gods or the world’s most expensive piece of performance art,” he said.

The Oregon Department of Transportation has said that the Rose Quarter Highway project will provide improvements that go beyond simply adding lanes to the freeway.

Those include adding a shoulder so that disabled cars can safely pull out of traffic, covering the freeway and improving bicycle and pedestrian facilities on nearby surface streets.