

The Oregonian

Mayor Ted Wheeler Proposes \$553 Million Budget Focused on Police, Housing

*By Gordon Friedman
April 30, 2018*

Mayor Ted Wheeler prioritized spending on police and housing in a proposed budget he unveiled at City Hall on Monday.

Portland Mayor Ted Wheeler on the challenges of city budgeting

To bolster the city general fund, Wheeler called for increasing the city business tax while expanding an exemption to that tax that would cushion the hit to some small businesses. He also proposed increasing water rates by 9 percent and sewer fees by 2 percent.

Wheeler proposed a general fund budget of \$553 million, a 6 percent increase from the budget adopted last year. The total city budget is near \$4 billion.

Most general fund spending goes for police officers, firefighters and parks maintenance.

CALLS FOR MORE POLICE

The mayor's budget earmarks for funding 58 new sworn officer positions, including 52 for patrol, four for the Training Division and two for the Behavioral Health Unit.

Wheeler said he never thought the Police Bureau's request for 93 officers was viable, and called his plan a more "reasonable, pragmatic and effective approach" that will help steer the police agency along a path toward community policing.

The Behavioral Health Unit will be able to increase from three teams to five. That should allow it to reduce the number of contacts that people in mental health crises have with police by connecting them to treatment and other services, Wheeler said.

Mayor Ted Wheeler said he never thought the police bureau's request for 93 officers was viable, and called his plan a more "reasonable, pragmatic and effective approach" that will help steer the bureau along what will be a multi-year path toward community-centered policing.

Wheeler told reporters he proposed adding more officers in part to curb long 911 wait times and improve public safety. He noted that Portlanders are "deeply divided" over police policy, but said the city can make strides on public safety and police accountability as it hires more sworn officers.

The mayor said his approach to budgeting for the Police Bureau is "not just about more cops," but about safety and putting in place "a vision for community-centered policing."

INCREASED HOUSING SPENDING

The city also spends tens of millions on the city-county Joint Office of Homeless Services, and Wheeler proposed increasing the city's contribution to that agency by more than 10 percent, to \$31 million.

He proposes to spend much of that additional amount to help place homeless people in permanent housing. The budget includes more than \$2 million for the Office of Rental Services, which would pay for new staff to oversee the city's mandatory relocation rules and rental registration system.

Wheeler cast homelessness as "a humanitarian crisis unfolding on our streets," not just in Portland but nationwide.

"We have a civic and a more obligation to address it here and now at the local level," Wheeler said.

TAX INCREASE, FISCAL DISCIPLINE

The mayor said he is also focused on bringing fiscal stability to city budgeting. While the topic may be "one of the most boring things," he said, it is vitally important. He said city spending is increasing and outpacing tax collection rates, leaving government coffers vulnerable to a recession.

He noted that Portland businesses are on track to dodge more than \$9 million in city taxes, calling the situation "unconscionable" and upsetting to average taxpayers. Wheeler proposed spending \$300,000 to hire three more tax collectors.

Wheeler said his plan to increase the city's business tax to 2.6 percent of businesses' net income made within city limits would raise more than \$15 million for the general fund. Businesses currently pay 2.2 percent of their net city income. Wheeler plans to expand a tax exemption on the first \$103,000 of businesses' income to \$125,000.

He added that he will ask city bureaus to identify efficiencies totaling 1 percent of their budgets that the bureaus can enact without harming services.

Wheeler said he has been working with chamber of commerce leaders to hammer out a deal over the proposed tax increase. Sandra McDonough, president of the Portland Business Alliance, released a statement offering cautious support for the tax increase, should it directly fund more resources to address homelessness.

As mayor, Wheeler gets to propose the city budget. But he has no more power than any other city council member when it comes to amending and approving the plan.

Wheeler and the rest of the council will hash out budget details over the coming weeks, and will eventually adopt a tentative budget and then approve a final version.

Mayor Would Fund 58 New Portland Police Officers, Replace Firefighters' Breathing Equipment

*By Maxine Bernstein
April 30, 2018*

Mayor Ted Wheeler's proposed police budget calls for funding 58 new sworn officer positions, including 52 for patrol, four for the training division and two for the Behavioral Health Unit.

Wheeler said he never thought the bureau's request for 93 officers was viable, and called his plan a more "reasonable, pragmatic and effective approach" that will help steer the Bureau along what will be a multi-year path toward community-centered policing.

"It's not just about more cops," the mayor said. "Simply hiring more officers isn't going to maximize public safety. It isn't going to address the complex needs of our community today, and it's not going to improve trust or accountability all on its own."

The mayor's \$225,122 police spending proposal would represent a 3.7 percent, or \$6.7 million increase in the police budget, and bring the bureau's authorized strength from 946 to 1,004 officers.

The added officers will help the bureau better respond to 911 calls, reduce overtime costs to fill patrol shifts and help patrol officers achieve his and Police Chief Danielle Outlaw's vision of officers "getting out of their cars and getting into their communities," the mayor said.

Increased retirements, a large number of recruits who remain on probation, as well as increased calls for police service have forced the bureau to pull officers from specialty units to fill patrol shifts. Through January, Portland police have spent \$2.8 million this fiscal year in overtime due to staffing shortages – a \$700,000 increase from the overtime spending at the same time last year, according to the city budget office.

Officer Daryl Turner, president of the Portland Police Association, called the mayor's proposal "a first step" towards addressing the bureau's inadequate staffing, and said he hopes the City Council will work with the mayor and police chief to address the bureau's long-term needs. The union argues the bureau should have closer to 1,200 officers.

"This is a move in the right direction to reach PPB's primary goals: responding to calls for service in a timely manner, investigating crimes, proactively policing our neighborhoods, and continuing to build on the community policing model established in the 1990s," Turner said, in a prepared statement.

Four new training officer positions will allow for a new lead instructor to teach "ethics and procedural justice," another to develop curriculum on "leadership development," one to help with training on patrol procedures and one for the bureau's advanced academy.

With two more officers, the bureau's Behavioral Health Unit will be able to increase from three to five teams to try to reduce the number of contacts that people in mental health crises have with police by connecting them to treatment and other services. Each team is made up of an officer and a clinician.

There were 1,012 referrals for service made to officers in the bureau's Behavioral Health Unit in the 2016-2017 fiscal year, but the unit was able to assign 44 percent of those referrals for case follow-up. The goal is to connect people in mental health crisis who officers encounter on the street to appropriate treatment and community resources to reduce their contacts with police and the criminal justice system. With the two new teams, the bureau's Behavioral Health Unit expects to serve 250 more clients, and respond to 50 percent of its referrals, according to police bureau officials.

Mayor Ted Wheeler prioritized spending on police and housing in a proposed budget he unveiled at City Hall on Monday. He also called for increasing the city business tax, while expanding an exemption to that tax that would benefit many small businesses.

While the mayor wants to set aside \$306,150 to add three analyst jobs to the bureau's Professional Standards Division, to expand internal police audits, City Auditor Mary Hull Caballero was dismayed that the mayor's budget didn't fund one of two requested positions for the Independent Police Review office under her oversight.

Wheeler said he was disturbed by recent audits and reports by a city-hired compliance officer that found the bureau's data collection severely lacking.

The mayor's plan covers a new complaint investigator for the Independent Police Review Division, the intake center for complaints against Portland police, but did not fund the requested

\$141,213 for a senior management analyst. The job allows the office to do data-driven policy reviews of the Police Bureau, the auditor said in a statement she released during Wheeler's press conference on his proposed budget.

Wheeler and City Budget Director Andrew Scott said they believe the auditor's office already has funding for that job. "That position will get filled and it will get funded," the mayor said.

Yet the auditor explicitly said in bold type: "There are no 'existing resources' to pay for it."

"While I believe the Mayor's support for the senior management analyst position is genuine, there are no existing resources that I'm aware of to fund it," Hull Caballero said in an email later.

The mayor's plan also calls for: \$101,628 to fund a non-sworn staff member to serve as a liaison, and first-responder to the homeless community, one-time funding of \$50,000 to have academics partner with the bureau to do an analysis of police bureau stop data, two administrative specialists to speed up police response to public records requests and a data specialist to help analyze hiring decisions with regard to increasing the diversity of the force.

"Policing is becoming a contentious, divisive and highly emotional issue," Wheeler said. "I hope we are able to actually realize the vision that I ran on, and the chief and I support, and build out that vision before people lose confidence in our ability to do so."

The mayor's proposed \$126 million fire bureau budget marks a 3.4 percent increase from current spending. It provides a one-time \$2.4 million to replace all firefighters' breathing equipment.

Fire Chief Mike Myers and Deputy Fire Chief Sara Boone have described the breathing apparatus as vital for firefighters' respiratory protection, allowing them to inhale air from a cylindrical bottle worn on their back when fighting a blaze.

In the last three years, firefighters in Portland have experienced "breakdowns and malfunctions" with the equipment, and several firefighters have experienced what's called a "no air situation" inside a working fire, Boone said.

The equipment, purchased in 2002, no longer can be upgraded to meet 2018 standards set by the National Fire Protection Association and National Institute of Occupational Safety and Health, they said.

The money would replace the high-pressure air cylinder, pressure regulator and face piece that are connected to a backpack harness. There are 369 breathing apparatuses and 1,200 air cylinders for the fire bureau, as well as 774 face masks for each firefighter.

Uber, Lyft Drivers Rally at City Hall, Push for Better Pay, Working Conditions

*By The Oregonian
April 30, 2018*

About three dozen Uber and Lyft drivers rallied outside Portland City Hall on Monday to push for better pay and working conditions.

The rally comes weeks before the City Council is expected to consider new regulations on the ride-hailing companies.

Portland's drivers were joined by AFL/CIO of Oregon union officials. The union says it's clear the two companies are putting "profits over people."

Seattle drivers took similar action earlier in April.

After Last Year's Melee, Portland's Anti-Capitalists this Year Throwing May Day Picnic

*By Shane Dixon Kavanaugh
April 30, 2018*

Organizers plan to forgo an annual May Day demonstration in downtown Portland after last year's rally erupted into a riot punctuated by fires, clashes and vandalism.

Other activists who participated in marches past said the prospect of sweeping arrests, costly legal fees and political infighting helped derail plans for a protest Tuesday.

An event billed instead as a family-friendly picnic will take place at Lents Park in the city's southeast quadrant, much to the chagrin of those who embrace the rebellious spirit of the anti-capitalist holiday.

"To not have a march on May Day is, in my opinion, a victory for police," said Paul Messersmith-Glavin, a Southeast Portland resident and member of the Institute for Anarchist Studies, a nonprofit collective.

Messersmith-Glavin said he recognized the hours of hard work organizers poured into the upcoming event, which he hopes is a success.

Still: "Having a picnic in a park is, at its best, a strategic retreat."

Organizers with the Portland May Day Coalition said the decision came after group participants voted to hold this year's rally in a neighborhood more closely aligned with its working class and non-white members.

Since 2000, a mishmash of anarchists, socialists and others opposed to capitalism's excesses have flooded downtown each May 1 to observe a day dedicated to workers' rights, a cause celebrated worldwide.

The gatherings have also served as an annual rallying point for the city's diverse community of left-leaning activists.

In a tumultuous time filled with social and political unrest, those at the center of the storm give voice to their feelings, hopes and fears.

Speakers condemn police brutality. Canvassers promote plans to fight climate change. Others organize for immigrant rights.

A march has traditionally flowed from the assembled crowds — though not always. In 2016 several hundred people kept to downtown's Shemanski Park after the previous year's march ended with police blasting demonstrators with tear gas and rubber bullets on the Burnside Bridge.

Fueled by anti-Trump fervor, the city's May Day protests returned in full force last year. Police quickly declared the event a riot.

Demonstrators set bonfires in the streets, hurled rocks and full cans of soda at law enforcement officers and vandalized a cop car. Others smashed the windows of the Target on Southwest Morrison Street.

Sara Rudolph, a spokeswoman with the Portland May Day Coalition, said the use of force by police — who arrived dressed in military gear and fired flash-bang grenades at crowds — had instigated the violence at an otherwise peaceful protest.

"All the chaos was generated by their actions," she said.

In the end, 25 people were arrested in the fracas, which generated national headlines.

This year, some of Portland's more militant anarchists and antifascist activists plan to travel to Seattle for the city's own May Day rally or participate in small-scale demonstrations throughout the region, said those who spoke with The Oregonian/OregonLive.

Several hundred people are expected to attend the picnic in Lents Park, which is seven miles from downtown. There will be speeches, art and music centered around workers and immigrants, according to organizers.

"As authoritarianism, corruption, and late stage capitalism continue to direct every branch of US government, we will educate, organize, and empower our local communities to build a future by and for the people," the coalition said in a news release.

Still, the possibility of more disruptive actions lingers.

Nearly two-dozen anarchists gathered beneath a bridge Sunday night in North Portland to discuss their plans for Tuesday. The participants wore masks and passed around a stick denoting the speaker, according to one person in attendance.

That person, who spoke on the condition of anonymity, said an ad-hoc march or targeting of a major corporation was not out of the question. Yet the person said the disappointment in no large-scale organized action was palpable.

"I find it pretty significant, especially with how left-wing Portland is trying to be under Trump," said the person. "It's pretty disappointing that downtown won't have much happening."

The Portland Tribune

Wheeler Proposes Budget with Boosts in Taxes, Cops

By Nick Budnick and Jim Redden

April 30, 2018

Mayor unveils proposed budget Monday morning that includes a business tax increase supported by the Portland Business Alliance.

Mayor Ted Wheeler has proposed a \$15.3 million boost in business license taxes while increasing efforts to help the homeless and improve public safety.

"My budget increases funding to prevent homelessness, provide shelter for those living outside in the elements, and — most importantly — guide people into permanent housing while connecting them to the services they need to get off and stay off the streets," said Mayor Wheeler.

Among other things, his recommended budget adds 58 new police officers to the Portland Police Bureau, saying they are needed to curb response times, reduce officer fatigue and improve community policing.

Portland Police Association President Daryl Turner says the union representing rank-and-file bureau employees supports the proposed budget.

"This is a first step towards addressing the systemic inadequate staffing issue in the Bureau. This is a move in the right direction to reach PPB's primary goals: responding to calls for service in a timely manner, investigating crimes, proactively policing our neighborhoods, and continuing to build on the community policing model established in the 1990s.

"In the years to come, this organization faces record retirements that will need to be addressed in future budget years. Turner added, "As President of the PPA, I am hopeful that the rest of City Council will continue to work with the Mayor and Chief Outlaw towards long-term solutions for the Police Bureau's staffing crisis," said in an email statement.

Wheeler's budget requires a majority vote of the Portland City Council, which will hear public testimony on Wheeler's proposals — as will a city budget committee. Individual City Commissioners will be able to propose changes as well. The budget is expected to receive a final vote on May 18.

Wheeler's budget is supported by the Portland Business Alliance, which agreed business license taxes should be increased from 2.2 to 2.6 percent.

The budget also shows Wheeler is throwing his weight behind neighborhood and business interests that have been advocating for new police. The police bureau had earlier requested a boost of more than 90 new cops, and the city budget office had recommended 14 positions.

"The Portland Business Alliance partnered with the Mayor on the proposed increase to the business license tax in his proposed budget. The Alliance has expressed willingness to step up on this tax increase in order to help address Portland's top issue, homelessness, which impacts businesses and livability throughout the city. Importantly, the additional revenue will be targeted toward measurable outcomes. These include stabilizing and increasing funding for the Joint Office of Homeless Services, adding the ability to place 240 additional families and individuals into permanent housing, and expanding mental health caseload capacity by 50 percent. Small businesses will also benefit from additional revenue focused on supporting underrepresented business owners, including communities of color, low income residents and women, as well as an increase in the owners' compensation deduction on the business license tax. We are pleased to work collaboratively with the mayor's office to address these critical issues and appreciate that the mayor shares our focus on economic competitiveness and concerns related potential additional proposals to raise business taxes," PBA President and CEO Sandra McDonough said.

Wheeler budget highlights

Wheeler's proposed budget also includes:

- Increased general fund spending of \$14.5 million for the Portland Housing Bureau.
- \$1.4 million for new dispatch and 911 logging system
- \$5.5 million for new cops, including behavioral health specialists and civilian auditors.
- \$500,000 for new vandal-proof lighting for Vera Katz Eastbank Esplanade as well as \$250,000 in ongoing funding for two permanent park rangers.
- A Bureau of Environmental Services rate hike of about 2.25 percent for the typical single-family household, funding seven positions.
- A Portland Water Bureau rate hike of 8.9 percent for the typical single-family household to support a new water filtration facility.
- A 5 percent General Fund cut to the Bureau of Planning & Sustainability

- A \$300,000 increase in the Office of Neighborhood Involvement funding, including money for graffiti abatement.
- A nearly 5 percent boost to the Portland Bureau of Transportation, including money for maintenance, capital projects and traffic safety initiatives.
- A \$22 million increase to the Office of Management & Finance budget, including money for tax collection and campsite cleanup.
- A yearly \$200,000 reduction in the Work for Art program administered by the Regional Arts & Culture Council.

City Hall Update: Free Biketown Rides in May

By Jim Redden

May 1, 2018

Plus, Saltzman chief of staff hired by Brown, and interactive affordable housing map now online

The Portland Bureau of Transportation and the Biketown bike rental program announced Wednesday that the first 90 minutes of riding per day will be free during the month of May.

After that time, users will be charged 10 cents per minute. Annual members of the bike share program will receive a promotional code for a \$12 discount to cover their membership fee for the month. The promotion also applies to Adaptive Biketown, which makes biking accessible for people with disabilities, and Biketown for All, which offers discounted memberships to Portland-area residents living on low incomes.

Also in May, Biketown riders will be able to park their bikes at any public bike rack within the Biketown service area for no additional fee, expanding on the program's pre-existing Super Hub Zones.

City Hall staffer hired by governor

Brendan Finn, a longtime chief of staff for Commissioner Dan Saltzman, was appointed Oregon Gov. Kate Brown's transportation policy adviser on Wednesday.

Saltzman oversees the Portland Bureau of Transportation. Finn has worked for him in a variety of positions for 19 years. Among other things, he was involved in the contracting and engineering aspects of the Big Pipe project, the largest infrastructure project in the city history, when Saltzman was in charge of the Bureau of Environmental Quality.

According to the governor's office, Finn will be responsible for transportation infrastructure policies across Oregon, overseeing the Oregon Department of Transportation, and implementing transportation funding package passed by the 2017 Oregon Legislature.

Affordable housing project map online

The Portland Housing Bureau has posted an interactive map of planned affordable housing projects on its website.

The map shows the location of projects planned since Feb. 1, 2017. They include 15 apartment and condo projects with 119 units affordable to households earning less than the area median family income. None of the projects are located on the west side of the Willamette River.

You can find the map at: portlandoregon.gov/phb/76089.

Is Size Allowance for 'Missing Middle' Houses too Small?

By Jim Redden

May 1, 2018

Relatively few Portlanders would be able to afford any of the size-restricted houses, duplexes and triplexes the recommendations are intended to encourage.

Is it OK to build an oversize house in an existing neighborhood if it serves more than one family?

That's the question that density advocates are asking as the most recent Residential Infill Project recommendations move toward their first public hearings.

Density advocates, including 1000 Friends of Oregon, largely support the recommendation to rezone 60 percent of existing single-family neighborhoods to allow duplexes and triplexes. But they are questioning the recommendation to limit the maximum size of most new houses to 2,500 square feet.

The problem, as identified in a city-commissioned study by the Johnson Economics consulting firm, is that the recommendations will produce little additional housing — including only a limited number of duplexes and triplexes.

According to the study, which was released with the most recent recommendations, only 86 additional housing units a year will be built if they are approved. That is just 1,713 units over the next 20 years, when more than 100,000 more households are expected to be added to Portland.

Housing advocate Michael Andersen said the study shows the proposed maximum size limit makes building duplexes and triplexes uneconomical. He says the recommendations should "incentivize" such housing by allowing them to be larger than single-family homes — even if they are only 500 square feet larger.

"One of the key findings of Johnson's dive into the market data was that a square foot of home is, basically, a square foot of home. Just giving a landowner the right to turn a structure into two smaller homes instead of one big one doesn't add total value," said Andersen, who writes for the housing blog sponsored by Portland for Everyone (PFE), a project of 1000 Friends of Oregon.

Although PFE coordinator Madeline Kovacs said the organization has not yet taken a position on the most recent recommendations, it likely will reflect the concerns raised by Andersen.

"As written, the plan will fall woefully short of adding anywhere close to the number of smaller-scale market rate and affordable homes that Portlanders desperately need," Kovacs said.

The recommendations also are intended to encourage redevelopment of historically narrow lots that are less than 5,000 square feet.

'Everything is up for grabs'

Nearly three years after former Mayor Charlie Hales first created the Residential Infill Project within the Bureau of Planning and Sustainability, its most recent recommendations finally will be heard on May 8 and 15 by the appointed Planning and Sustainability Commission that advises the bureau. The commission is expected to recommend its versions to the City Council on June 22, with the council making its final decision by the end of the year.

All of the recommendations can be changed by the commission and the council, ranging from the maximum allowable size of new houses to the percentage of existing single-family neighborhoods to be rezoned to incentives for redeveloping so-called skinny lots.

"Everything is up for grabs," said senior planner Joe Zehnder.

As much as anything, the evolving recommendations have become a flashpoint in the polarized debate over how to respond to growth. When Hales first appointed the 25-member citizen Stakeholder Advisory Committee for the project, the most prominent issue was the increasing number of smaller, older homes in existing neighborhoods being demolished and replaced with larger, more expensive ones — dubbed McMansions by those who complained they were out of scale with surrounding houses.

But as the committee first began to meet, the affordable housing crisis emerged as the dominant political issue in Portland. That prompted a lot of committee discussions about the need to create more so-called missing middle housing, including duplexes, triplexes, fourplexes, garden apartments and cottage clusters.

Rifts surface

The committee eventually split over the issue. Density advocates and developers favored rezoning single-family neighborhoods to allow smaller multifamily projects near transit stops and frequent transit corridors. Neighborhood association representatives objected, saying that would encourage more demolitions of existing homes without guaranteeing that many residents can afford even the smaller replacement units.

Similar divisions have emerged as the debate over the recommendations went public. It has been surprisingly bitter, with supporters accusing opponents of being NIMBYs (Not in My Backyard) and critics saying the recommendations would destroy the feel of Portland's existing neighborhoods, without guaranteeing that many families can afford the replacement housing.

The controversy is amplified because the scope of the project is so large. The size restrictions would apply to 135,000 properties. The city recently mailed notices of the potential change to their owners, as required by state laws. The rezoning also could affect 87,000 properties, which is most of the neighborhoods in town, except those in parts of East and far Southwest, where the infrastructure cannot support such potential additional housing. Although there are far fewer skinny lots, they are scattered throughout Southeast, North and Northeast Portland.

Some critics have said the council should only approve a limited pilot project to see how the recommendations actually would work in the real world.

The cost of the replacement housing is definitely an issue in the Johnson Economics study. It predicts that half-duplexes could cost \$2,995 a month to rent or \$392,000 to buy. Andersen admitted the larger duplexes he envisions would be even more expensive. But he said that is better than them not being built at all. And Anderson noted that triplexes would cost less.

But relatively few Portlanders would be able to afford any of the size-restricted houses, duplexes and triplexes the recommendations are intended to encourage, said Portland State University economics professor emeritus Loren Lutzenhiser.

After reviewing the analysis for the Portland Tribune, Lutzenhiser noted that even if the recommendations are approved, 5,000 to 6,600 lower-priced housing units will be demolished and replaced with units that cost much more. And, he said, 90 percent of Portland households will not be able to afford them, based on the federal standard that housing costs should not exceed 30 percent of income.

"There will likely be replacements of affordable units with units affordable only to households — mostly singles and couples given today's demographics — with relatively high incomes," Lutzenhiser said. "Alarm bells should be going off."

Find out more

To learn more about the City of Portland's Residential Infill Project visit the city's website at: tinyurl.com/yccvfny9

Willamette Week

Mayor Ted Wheeler Proposes \$15.3 Million Tax Hike on Portland Businesses, Will Add 58 Police Officers

*By Rachel Monahan
April 30, 2018*

The tax money won't be used simply for police. The mayor's office says it is increasing the funding for the Joint Office of Homeless Services.

Mayor Ted Wheeler today announced plans to increase the business license tax by an estimated \$15.3 million as part of a proposal to increase the number of Portland police officers by 58.

Wheeler is also proposing to boost the city's contribution to the Joint Office of Homeless Services by about \$3 million, though it was not immediately clear how much, if any of that, is a transfer of funding and services from an existing program at the Office of Management and Finance.

The business license tax, which is 2.2 percent of a business' net income, is the second largest source of money for the city's general fund, after property taxes. In the 2016-17 budget, the tax brought in \$118 million.

This proposal would increase the tax to 2.6 percent and increase the deduction for the owner's compensation from \$103,000 to \$125,000 to give smaller businesses a break.

Wheeler was facing pressure from city commissioners to increase the business tax in to be able to afford a bigger budget for the Portland Police Bureau.

Under the city's commission form of government, the mayor proposes a budget, but three dissenting commissioners could essentially rewrite the proposal. It was unlikely Wheeler was going to get the votes for more police officers without a tax increase.

That's because the city would likely need to cut the Portland Parks and Recreation Bureau budget to fund additional cops. In particular, the council saw heated public opposition to closing three community centers.

The proposed tax hike comes as the federal government has decreased taxes on businesses.

The Portland Business Alliance expressed support for the tax increase.

"The Alliance has expressed willingness to step up on this tax increase in order to help address Portland's top issue, homelessness, which impacts businesses and livability throughout the city," says president and CEO Sandi McDonough. "Importantly, the additional revenue will be targeted toward measurable outcomes."

The Portland Mercury

Wheeler's Proposed Budget Calls for More Cops, More Housing

*By Alex Zielinski
April 30, 2018*

Mayor Ted Wheeler's top two priorities in his proposed 2018-2019 budget come as no surprise: Housing and police.

Released this morning, Wheeler's updated \$4 billion budget includes a call to hire 58 new sworn police officers, beef up the police bureau's mental health response team, improve data collection and analysis within the Portland Police Bureau (PPB), and expand funding for a number of homeless and housing assistance programs.

These improvements will ideally be funded by a \$15.3 million increase in business license taxes—a move supported by the Portland Business Alliance—and smaller cuts across city bureaus

"I've spoken a lot about how homelessness is a community-wide challenge, and how it's going to take solutions from all corners to address this challenge effectively," said Wheeler this morning. "We understand that together we can do more to help people experiencing homelessness find the shelter and services they need to get off the street, and that the ultimate goal is to move people out of shelters and into housing. We're partnering together to achieve these goals."

This citywide budget announcement comes after city commissioners were asked to submit budget plans that included a 5 percent cut to each of their respected city bureaus. Wheeler said these cuts would directly go toward funding affordable housing and the understaffed PPB. His proposed budget also reflects community feedback heard during April budget hearings, where members of the public excoriated Wheeler's initial call for around 93 new sworn police officers and looming threats to shutter a number of beloved community centers.

Wheeler's since slimmed the officer request to 58, which still soars high above 14—the number recommended by the the City Budget Office. These new cops are meant to improve PPB's response time to 911 calls and to help the city "pivot toward a community policing model," according to Wheeler's office.

Local police accountability advocates have questioned this overused, vaguely-defined idea of "community policing" that Wheeler's thrown around in recent months. Many believe the idea of having more cops patrolling neighborhoods on foot will only build on the public's mistrust of the police and increase the number of petty misdemeanor arrests.

Community advocates have also questioned the need for more officers following the recent death of John Elifritz, a man perceived to be suicidal when he was fatally shot by PPB officers last month. In a cell phone video of the shooting, it's not obvious if officers were using any of the deescalation tactics they've been trained to rely on during mental health crises. To critics, this is a sign the city needs to better train its current officers, not to hire more of them.

Only three of the 58 new sworn officers will be assigned to the city's Behavioral Health Unit, a team of officers specifically trained to respond to calls involving a mental health crisis. This

three-person expansion is expected to boost the number of clients served by the team by 50 percent.

The proposed budget does return funding to two of the four city community centers on the chopping block: Fulton Park and Hillside. But only for one more year.

Wheeler's proposed a \$31.2 million budget for the Joint Office of Homeless Services—a 10 percent increase from last year. These dollars will go towards programming that will place homeless Portlanders into permanent housing (rather than homeless shelters) and increased street outreach. Under Wheeler's proposal, the city's 2-year-old Office of Rental Services will also see \$2 million in funds to improve renter protections and to oversee the new renter relocation program.

Members of the public have one more opportunity to voice feedback on the tweaked budget at the city's May 10 budget hearing. The Portland City Council is slated to vote on the final budget on May 16.

Uber and Lyft Drivers Rally for City Labor Regulations

*By Kelly Kenoyer
April 30, 2018*

Uber and Lyft drivers held a rally today at Portland City Hall demanding higher wages and accountability from the Transportation Network Companies (TNCs) they work for. The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) organized the rally as part of its Transportation Fairness campaign.

Because TNC drivers are classified as "independent contractors" instead of employees, many of the traditional rights they would have in an employer-employee relationship are lost, including the right to organize with a union. Union organizers say that local regulation is the best way for these drivers to get fair representation in the current labor market.

Commissioner Nick Fish announced his goal of establishing a city TNC Wage Board, which will go before council on May 24 in conjunction with a hearing on regulatory agreements with the two companies. Fish says Seattle—which has proposed a minimum faire for TNC drivers—has a similar board for dealing with such disputes.

"This is a place where someone could go file a complaint, get a hearing, and hopefully get some justice," Fish said after his speech. "Most of the drivers are in limbo now. They're not private contractors and they're not employees, they're somewhere in the middle."

Enrique Kindermann, a Lyft driver, spoke at the rally. He says he rents a car through a Lyft program to work for them each day, but Lyft's insurance doesn't cover him unless he's actively driving to pick someone up or drop someone off.

"There's too many drivers having the same issues, having up and down income, they're all just trying to make a living and putting themselves at risk," he said.

Kindermann added that his wages have gone down significantly in recent years due to increased competition from other drivers working for the same company. "They're hiring too many drivers and they're trying to stretch out the time that I drive. Instead of driving six hours sometimes I have to drive 12 [to make the same amount of money]" he said. "I used to bring in 700 bucks a week and now I barely bring in \$550. And I'm still working 40 hours a week."

Owen Christoffer is a Portland State University student and has been driving for Lyft and Uber for two and a half years. He says he first became concerned with the practices of the two companies when his rates of pay were lowered significantly in 2016.

“The rates were \$1.50 per mile and then they became \$1.15 per mile,” he said. “This had the effect of pushing gross driver pay from maybe about \$20 per hour to more in line with \$15 per hour, and of course that’s before any expenses.”

He added that Lyft's limited accident insurance has a deductible of \$2,500—an amount that could push drivers into poverty or homelessness if they get in an accident while on the clock. “If you go on GoFundMe and just search for Uber and Lyft drivers, you’ll find many, many people just looking to fund their own vehicle repairs.”

City Council's regulatory hearing for Uber and Lyft is scheduled for May 24.

Better Naito Has Returned! All Hail Better Naito!

*By Erik Henriksen
April 30, 2018*

A few days ahead of schedule—and a few days before Waterfront Park will be taken over by Cinco de Mayo—Better Naito is back, reserving one lane of Naito Parkway for bikers, pedestrians, and... uh, anybody else, I guess? As long as they aren't in a car? Everyone's absolutely welcome!

Much to the consternation of the hissy-fitting Portland Business Alliance (which hates Better Naito almost as much as they hate the sight of homeless people), the Portland Bureau of Transportation (PBOT) has found that Better Naito is used by more than a thousand bikers and pedestrians on an average day—and on days where there's an event downtown or at Waterfront Park, it's used by way more people than that. In addition to reducing pollution and making biking on the west side dramatically more safe and welcoming, the city's also found that closing one of the street's lanes to cars has a negligible impact on traffic.

This is the second year Better Naito has been directly overseen by PBOT as part of a "five-year seasonal implementation plan," and this year, it'll be in place until September 30. For now, the idea of a permanent Better Naito, an expanded Better Naito, or the Better Naito model being implemented on more of Portland's high-volume streets remains a beautiful dream.

The Portland Business Journal

How Portland, Multnomah Budgets Could Affect Businesses

*By Andy Giegerich
May 1, 2018*

With budget season, Portland's mayor and Multnomah County's chair have unveiled proposals that will take shape over the next six weeks or so.

It's, for many in city and county government, a period dotted with long hours and, as decisions are made, stress over what's included and not included when the final votes arrive.

Here's a quick look at some of the business-specific proposals in the city and county budgets.

From Portland Mayor Ted Wheeler:

- The Business License Tax rate, as expected, could rise from 2.2 percent to 2.6 percent, raising some \$15 million. That money, Wheeler said, would go toward more homeless services and housing programs. The Owner's Compensation Deduction, which benefits small business owners, could grow from \$103,000 to \$125,000.
- Wheeler also backed a \$31.2 million budget for the Joint Office on Homeless Services. Housing placement programs would, if the proposals are approved, get an extra \$3 million.
- Also on the housing front, Wheeler wants the city to invest in 700-plus affordable units under construction in 2018 and another 1,322 set to be ready in 2019.
- Wheeler further proposed more support for the city's Small Business Growth Program as well as Small Business Technical Assistance. The backing would help 400 business owners.
- And, Wheeler further proposed pouring more money into the city's technology, a soft spot for most municipalities.
- The proposals are based on the most recent **economic forecast**.

Here are some of the budget proposals from Multnomah County Chair Deborah Kafoury:

- The county will also fully fund its share of the Joint Office of Homeless Services. Kafoury noted the proposals include \$600,000 "for stabilizing families who have been hardest to house."
- Kafoury also wants \$160,000 to provide 250 immigrant and refugee households with immigration legal aid.
- The county would boost its Health Department's budget by \$333.6 million, an 8.7 percent increase over last year. The program backs several programs that provide care to needy residents (and payment to providers who offer it).

Kafoury's budget is set to be approved May 31. Portland's City Council typically tries to finalize the budget in mid-June.

OPB

5 Things To Know About Portland Mayor Wheeler's Proposed Budget

*By Amelia Templeton
April 30, 2018*

Portland Mayor Ted Wheeler unveiled his proposed 2018-19 budget Monday.

He wants to raise the city's tax on businesses to pay for his priorities: 58 more police officers and more money to help people who are homeless.

The budget now goes to the Portland City Council for review. Here's what you need to know about the mayor's budget proposal:

It Increases A Tax On Businesses To Hire More Police Officers

The mayor's proposed budget includes a small increase in the business license tax rate, from 2.2 percent to 2.6 percent. That will raise an estimated \$15.3 million more annually for Wheeler's priorities, in particular, increasing staffing at the Portland Police Bureau.

The Portland Business Alliance, which worked to block a similar increase from Mayor Charlie Hales two years ago, has signaled its preliminary support for Wheeler's proposal.

Wheeler has proposed paying for 58 new sworn officer positions, an increase of about 5 percent of the Portland Public Bureau's workforce, at a cost of \$6.9 million annually.

The police bureau says the hiring is necessary to respond to a 22 percent increase in calls for service over the past five years and to reduce the amount of overtime officers work.

"It is inefficient, costly and time-consuming," Wheeler said of the current situation. "Additional officers will break up that routine and begin to get us on a path to community policing."

In addition to paying for more patrol officers, the budget funds a number of more specialized positions, including two new officers with the Behavioral Health Unit, three new internal auditors and four new officers in the training division.

It adds eight non-sworn positions to the police bureau as well, including a liaison to the homeless community and an analyst to review traffic stop data.

The Budget Shores Up The City's Funding For Homeless Services

The budget includes \$31.2 million for homeless services, a roughly 10 percent increase over last year.

The increase includes money for a new emergency management position to coordinate services during severe weather and an increase in the amount available to help people move out of homeless shelters and into apartments.

Wheeler has also proposed using new business tax revenue to make an ongoing \$4 million commitment from the city's general fund to cover services that have received one-time dollars in the past, including year round-shelter beds, housing placement assistance and street outreach.

That's a change that makes the city's homeless services a little less vulnerable to a recession. The Joint Office of Homeless Services has relied heavily on one-time funding in past years.

The Joint Office's base budget still includes \$7 million in one-time funding that could evaporate in a lean year.

Wheeler Wants To Hire More People To Come After Delinquent Taxpayers

The proposed budget adds three new full-time tax collectors in the Office of Management and Finance.

The percent of businesses paying the city's business license tax hit an all-time low this year, just 85 percent according to Willamette Week. Wheeler said he also intends to invest in technology to aid tax collectors.

"The idea that there's \$9 million owed, but not collected, is unconscionable," he said. "It's the kind of thing that really angers the taxpaying public."

Two Portland Community Centers Are On The Chopping Block

In November, Wheeler asked city bureaus to submit proposed 5 percent budget cuts. That prompted the Parks Bureau to propose closing four community centers.

Then the mayor retooled his approach to the budget, calling for an increase in the business tax to avoid deeper cuts.

The mayor's budget maintains ongoing funding for two of the community centers, Sellwood and Woodstock.

But the Fulton Community center and the Hillside Community Center would receive one-time funding only.

In the future, Wheeler plans to close them. Fulton is already partially closed and needs water damage repairs in excess of \$1.6 million. Hillside serves approximately 470 people a year in Northwest Portland.

The Parks Department also faces a number of other reductions in programs ranging from invasive species removal to water use at splash pads.

The City Remains Exposed In The Event Of A Recession

While city government is flush with tax revenue thanks to a booming economy that is experiencing record-low unemployment, Wheeler struck a somber note when discussing Portland's financial position.

"The economy is clearly slowing, and we all know that economies work in cycles. What goes up comes down," he said. "We are highly exposed to a recession at this point, all things being equal."

The city's tax revenue growth has been driven in particular by large real estate transactions, which could slow if interest rates rise. Two of the city's other revenue sources — hotel taxes and cannabis tax revenue — come from markets where supply may have outstripped demand.

By contrast, the city's largest expenses, including labor costs and public employee retirement benefits, continue to rise.

Wheeler backed down from his initial position that city bureaus prepare for 5 percent across-the-board cuts, but his budget does include a small nod to fiscal responsibility.

It requires bureaus to identify 1 percent budget reductions over the course of the next year and to build those cuts into the base budget for each bureau.

Portland Ride-Hailing Drivers Call For A Transportation Board

*By Kristian Foden-Vencil
April 30, 2018*

Dozens of Uber and Lyft drivers rallied outside Portland City Hall on Monday to call for a new board that would oversee ride-hailing companies.

The drivers said the companies had cut their pay without notice, reduced their ability to work by adding too many drivers and are difficult to contact when there's a problem.

Commissioner Nick Fish told the crowd the city should establish a new transportation and wage board so drivers, customers, the city and the companies can deal with these issues.

"First they operated illegally, then went to Salem to try to prevent us from enforcing local standards. Then we learned about Greyball, the use of technology to evade regulators. Then Uber

failed to disclose a massive data breach,” Fish said, listing issues Portland has had with Uber in the past.

“This is not the model of a good corporate citizen.”

Uber issued a statement saying its business has provided a flexible job opportunity to thousands of Portlanders — an opportunity that didn’t exist before.

“We regularly engage driver-partners and are constantly working to improve their experience using our app,” Uber’s statement said.

“Today’s gathering was organized by taxi-affiliated special interest groups, not by ride share drivers.”

As of April 1, there were roughly 6,000 active Uber driver-partners in Portland.

Lyft issued its own statement, also saying the city did not need a transportation board.

“The City of Portland has an existing regulatory body that oversees ridesharing companies,” Lyft officials said. “We look forward to continuing to work collaboratively with the City of Portland on issues related to (drivers).”

Full-time Portland State University student, Owen Christofferson, estimates he works between 15 to 40 hours a week for the ride services.

He said his wages were cut 25 percent with no warning.

“It was devastating for drivers,” Christofferson said. “We have no structure of accountability for these companies, and we have no way of making our voices heard.”

The drivers were organized by the Oregon AFL-CIO. The union has been battling ride-hailing businesses since they arrived in Portland three years ago, disrupting the taxi industry.