

**SUBSTITUTE**



# **CITY OF PORTLAND**

## **2016 State Legislative Agenda**

# Affordable Housing and Homelessness

## *Objective:*

Remove barriers for local governments to respond to the growing affordable housing crisis. Support legislation and investments that increase access to and supply of affordable housing units. Defend and expand tenant protections for Portland residents.

## *Issue:*

The City of Portland and communities across the state are experiencing an unprecedented affordable housing crisis. Inadequate supply of affordable units, rising rents and no-cause evictions, persistent homelessness and a lack of local tools to address these issues cause renters and low-income families to be priced out of their neighborhoods. Vulnerable families are at increased risk of experiencing homelessness. For these reasons, the City of Portland supports:

### **Lifting the Preemption on Inclusionary Housing**

The City of Portland will support legislation to lift the preemption on inclusionary housing ordinances including the ability to create long-term affordability in new multifamily developments. Portland rental costs have increased an average of 8 to 9 percent – or roughly \$100 per month over the previous year. Similarly, for-sale unit prices have increased by 32 percent – or roughly \$75,000 from the market’s low point in 2011. As a result, it is increasingly difficult for working families to live in neighborhoods close to their employment and where their children attend school.

### **Increasing Funding for Affordable Housing and Homelessness**

The City of Portland also supports additional state housing investments. Although the state recently made significant investments to build new affordable housing units, demand for such units in Portland continues to outpace development. More resources are needed to keep people in their homes and for emergency services if they lose stable housing. Increasing state investments in the Emergency Housing Account (EHA) and the State Homeless Assistance Program (SHAP) will grow these critical safety nets.

### **Defending and Expanding Tenant Protections for Portland Residents**

As of October 2015, the City of Portland has the highest rental growth rate in the nation over a one-year period. Record high rents, coupled with record low vacancy rates, are creating instability for many Portland families and aggravating the housing crisis. In order to provide Portland renters with more advanced notice of no-cause evictions and significant increases in rent, the City recently enacted an ordinance effective November 13, 2015, that provides 90-day notice for no-cause evictions and 90-day notice for rent increases of 5 percent or more in a 12-month period. The City of Portland will defend this ordinance from attempts to limit or preempt its effects.

### **Opposing the Preemption on Local Construction Excise Taxes**

The 2007 Legislature voted to prohibit cities from imposing new construction excise taxes. This preemption sunsets in January of 2018. Local construction excise taxes can be used to address affordable housing, infrastructure and other pressing local needs. The City of Portland will oppose legislation that extends this prohibition on local authority.

## Minimum Wage

*Objective:*

Support legislation to raise the state minimum wage and lift the state preemption preventing local governments from setting higher minimum wages within their jurisdictions.

*Issue:*

The City of Portland is committed to a fair and living wage. In the United States, nearly half of minimum wage earners are 35 or older. While Oregon has long been ahead of most states, the current minimum wage of \$9.25 is not enough for the average workers to support themselves and a family, let alone save for retirement or create a better future for their children. The City of Portland stands behind the belief that no one working full-time should have to live in poverty and rely on government assistance programs to meet basic needs.

Oregon is one of 16 states that preempts local governments from determining minimum wages. The City of Portland encourages the Legislature to explore approaches that recognize the differing economic conditions in urban and rural areas. According to a recent report by the City Club of Portland, the cost of living in Portland is 50 to 80 percent higher than in rural parts of the state.

# Climate Change

*Objective:*

Support legislation that will reduce Oregon’s carbon footprint and mitigate climate change.

*Issue:*

The City of Portland is committed to reducing carbon emissions and mitigating the impacts of climate change. In 1993, Portland was the first city in the United States to create a local action plan for cutting carbon. Through this plan, Portland and Multnomah County are on track to achieve a 40 percent reduction in carbon emissions by 2030 and an 80 percent reduction by 2050, compared to 1990 levels. Portland City Council recently updated its Climate Action Plan to incorporate new research on consumption choices, adopt ambitious new policies, and reflect the City’s commitment to advancing equity.

In 2007, the Oregon State Legislature acted to set carbon reduction goals of lowering carbon emissions to 75 percent below 1990 levels by 2050. To meet this reduction and place Oregon on a path to effectively addressing climate change, comprehensive and economy-wide climate policies must be enacted, including shifting Oregon’s energy supply away from fossil fuels and capping carbon emissions. Capping and establishing a price for carbon pollution captures the true cost of this pollution, protects clean air and healthy communities across the state, and creates more clean energy jobs. The City of Portland supports statewide legislation to reduce carbon pollution and mitigate the impacts of climate change.

## Transportation Funding & Safety

*Objective:*

Urge increased investment in transportation maintenance, safety and critical infrastructure in preparation for the 2017 Legislative Session.

*Issue:*

The City of Portland supports a multi-faceted approach to enhancing state transportation funding to better meet the needs of building and maintaining an effective and safe transportation system. State and local funding streams must be increased, new models implemented, and existing funding structures protected.

According to a recent City Club of Portland report, in order to address Portland's road maintenance backlog, at least \$205 million per year for the next decade would need to be invested in the City's roadways. Existing resources are insufficient to meet transportation needs. The gas tax is less able to keep pace with roadway maintenance needs as inflation rises and vehicles become more efficient. Increasing the gas tax is a critical component in addressing existing infrastructure needs. In addition, indexing the gas tax in a way that considers fuel efficiency and inflation will prevent further erosion of maintenance and operation funds.

In addition to increasing fees, diversifying funding streams helps stabilize investments in transportation maintenance. New models must be embraced, especially those increasing local control, such as allowing cities to adopt vehicle registration fees. Moreover, current funding allocations to cities must be preserved.

The City of Portland will work to increase support for a robust transportation funding package in 2017. Significant state investment and legislation that empowers local governments are vitally important to the City's ability to build and maintain an effective and safe transportation system in Portland that provides people and businesses access and mobility.

## Protecting Local Government Authority

### *Objective:*

Strongly oppose legislation that would preempt the City's authority and support legislation to lift existing preemptions.

### *Issue:*

The City of Portland will oppose efforts to preempt its authority to develop and enforce local ordinances, manage its bureaus and their functions, raise local revenue or avoid state imposed tax expenditures on local government. For example, the City will oppose efforts to preempt or alter:

- Portland's civil rights ordinances;
- Local improvement district authority;
- Franchise fees;
- Business license taxes;
- Utility license fees; and
- Worker protections.

Conversely, the City will support efforts to remove preemptions on local government authority, such as allowing greater autonomy in day-to-day operations or increased authority to levy taxes or fees.

Examples include existing statutes that preempt local authority to:

- Levy taxes on alcohol, tobacco and marijuana products; and
- Impose construction excise taxes.



## Recreational Marijuana

*Objective:*

Advocate for improvements to the Land Use Compatibility Statement (LUCS) process to expedite licensing for applicants entering the recreational marijuana market.

*Issue:*

Following the passage of Measure 91 legalizing marijuana for adult use, the Legislature implemented the measure by passing a package of legislation in the 2015 session (HB 3400, HB 2401, SB 460 and SB 844). This legislation provided a regulatory framework for recreational and medical marijuana, and gave local governments broad time, place and manner regulatory authority over marijuana businesses in their communities.

A key provision of legislation implementing Measure 91 for local governments was a requirement that applicants obtain a LUCS from the local government as a condition of approval for a state recreational license. A LUCS ensures a proposed recreational marijuana business location is compatible with local zoning requirements. After the 2015 Legislature adjourned, the City of Portland moved forward with a process to draft and pass local licensing regulations concurrently with the Oregon Liquor Control Commission's (OLCC) effort to draft and enact administrative rules governing the state licensing process. These concurrent processes highlighted an inefficiency in state law that may lead to unnecessary delays in the licensing process. State law directs the OLCC to request a LUCS from the local government, but the OLCC can only make this request *after* an applicant has applied and paid the state application fee. This could result in licensing delays in cases where the OLCC receives an incompatible LUCS.

The City of Portland proposes to address this inefficiency by amending state law to allow the applicant to request a LUCS from the local government *prior* to applying for a state recreational license. With this change, applicants will know their proposed business location is compatible with the designated use under local zoning regulations before they apply and pay their application fee to the OLCC. This amendment will streamline the application process by avoiding denials of state licenses caused by incompatible LUCS because applicants will know if their proposed business location is compatible with local law before they submit their state license application.

# Support for Umpqua Community College

*Objective:*

Support Umpqua Community College as it recovers from a violent mass shooting. Advocate for funding to enhance mental health services and update damaged facilities.

*Issue:*

The community of Roseburg, Southern Oregon, and the entire state suffered a tragic loss when a mass shooting occurred on the campus of Umpqua Community College (UCC) on October 1, 2015. On that day, nine lives were lost in a senseless act of gun violence. The City of Portland joins statewide efforts to provide support to the UCC campus and community as they continue to heal. The City supports funding for new classrooms and continued on-campus counseling and mental health resources.



Sect

S-26

Agenda No.  
**REPORT**  
Title

Accept the report of the City of Portland 2016 State Legislative Agenda (Report)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor</b>	CLERK USE: DATE FILED <b>JAN 07 2016</b>
<b>COMMISSIONER APPROVAL</b>	Mary Hull Caballero Auditor of the City of Portland
Mayor <i>[Signature]</i> Finance and Administration - Hales	By: <i>[Signature]</i> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
<b>BUREAU APPROVAL</b>	<b>ACTION TAKEN:</b>
Bureau: Government Relations Bureau Head: Martha Pellegrino	<b>JAN 07 2016 SUBSTITUTE ACCEPTED As Amended</b>
Prepared by: Elizabeth Edwards Date Prepared: 12/23/2015	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date January 7, 2016	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> Start time: 2:00
<b>Total amount of time needed: 1 hour (2 of 2)</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Novick	✓	
Hales	✓	