Report on Urban Renewal in Portland

City Club of Portland (Portland, Or.)
REPORT  
ON  
URBAN RENEWAL IN PORTLAND

To the Board of Governors,
The City Club of Portland:

I. INTRODUCTION

On June 30, 1969, the Board of Governors authorized a long-range study of urban renewal in Portland with particular emphasis on the past and proposed programs of Portland's urban renewal agency, the Portland Development Commission (PDC). Because of expressions of concern by local citizens, the Board believed a detailed examination was essential. The Urban Renewal Study Committee, appointed October 27, 1969, was directed to examine:

(1) The relationship of urban renewal to Portland's comprehensive planning and objectives;

(2) The effect that urban renewal has on low income housing;

(3) The role of citizen participation in urban renewal; and

(4) The advantages and disadvantages of an autonomous urban renewal agency.

The detailed charge of the Board is included as Appendix A. Your Committee also concluded that it could not produce a comprehensive study of urban renewal in Portland without discussing the relocation of those displaced by urban renewal activities.

Your Committee, singly, in groups, or as a committee of the whole, interviewed or obtained information from many individuals and organizations representing a wide variety of expertise and opinion (Appendix B). We also examined numerous books, pamphlets, treatises, articles, judicial opinions, government reports and other materials regarding urban renewal and urban affairs (Appendix C). A list of Committee members and their occupations (Appendix D), a map showing various PDC activities (Appendix E), and a list of abbreviations associated with urban renewal activities (Appendix G) are also included.

Your Committee wishes to acknowledge the cooperation of the Portland Development Commission, and particularly its staff, in making available the large amounts of time and materials we requested. We are also grateful for the assistance of Frederick B. Meyers, who served on the Committee during its initial phase; our three research interns, Everett B. Coulter, E. Kimbark MacColl, Jr., and Donna J. Mashia; Karin Meyers and Ann Grand of the City Club staff, two former research advisors, Thomas P. Deering and Lyndon R. Musolf, and our current research advisor, Leigh D. Stephenson.
II. WHAT IS URBAN RENEWAL?

A. Origin and Objectives

The federal legislation now commonly known as “urban renewal” was designed as a long-range effort to achieve a better urban environment through rehabilitation or redevelopment of deteriorated or deteriorating areas. To revitalize the cities of America, Congress passed the Housing Act of 1949, declaring that “the general welfare and security of the nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family.”(1) Each city’s program was to be conceived, planned and carried out by the community and, by its very nature, required cooperation among local, state and federal governments, private enterprise and citizen groups.

Urban renewal . . . was designed to clear the slums of the central city by giving public agencies federal subsidies and the power of eminent domain to condemn sites, to demolish buildings and to resell the cleared tracts to those who would build on them in accordance with a general plan that would improve the city.”(2)

A community can use urban renewal to achieve various results and objectives which might include:

- Increasing the supply of low-cost housing and eliminating dilapidated, overcrowded, or unsanitary structures,
- Increasing tax revenues by adding developments with higher property values,
- Upgrading or expanding urban university and hospital properties,
- Preventing the exodus of commercial establishments and industries by rebuilding and reviving central city areas,
- Retaining, or enticing back, upper and middle income residents by providing higher priced housing and improved cultural and civic facilities,
- Correcting undesirable land use patterns, and
- Attracting federal dollars to benefit the local economy.

Urban renewal can accomplish these objectives by replanning city neighborhoods in a coordinated, reasonable manner, installing new public facilities, assembling, clearing and selling land to be used for redevelopment and conserving or rehabilitating certain structures.

B. Types of Urban Renewal Programs

The major urban renewal programs now available are:

1. Conventional Urban Renewal. Authorizes federal loans, grants and technical assistance to local governments for activities specified in plans for particular projects. These activities may consist of (a) acquisition and clearance of blighted areas by the local public agency and disposition of the land for redevelopment, (b) rehabilitation of structures by private owners or the local public agency, (c) improvement of community facilities by local government or (d) any combination of the three.

2. Code Enforcement or “Conservation”. Provides funds to cover part of the costs of a concentrated housing code enforcement program for designated neighborhoods. Loans and grants are available for rehabilitating structures to meet local code requirements and for improving streets and other public facilities.

3. Neighborhood Development Program (NDP). Offers a more flexible alternative to the conventional urban renewal program outlined above. In NDP, federal assistance is provided to conserve and improve existing neighborhoods on


(2)Nathan Glazer, quoted in R. Weaver, Dilemmas of Urban America, 43 (1967).
the basis of annual funding increments. A key factor in NDP is avoidance of the long time lag between the designation of an area as seriously blighted and the beginning of actual improvement activities.

4. Community Renewal Program (CRP). Allocates grants to communities for long-range planning of redevelopment activities. A CRP identifies areas in need of treatment, determines required resources and suggests long-range programs and priorities.

The federal law also permits expenditure of urban renewal funds for long range "general neighborhood renewal" planning and feasibility studies, demolishing unsound structures, developing neighborhood service facilities and acquiring urban land for open spaces, parks and preservation of historic sites.

C. Federal Urban Renewal Legislation

The first major federal legislation in the field of low-income housing and slum clearance was the Housing Act of 1937, which provided federal funds for the development, acquisition, construction and management of low-rent public housing projects by locally-created housing authorities. The Act also promoted slum clearance and established "decent, safe and sanitary" dwellings as a goal of the Federal Government. Modern urban renewal originated with the Housing Act of 1949, providing federal loans and grants to local authorities to clear slums and plan their redevelopment, which was to be undertaken by private enterprise.

Opponents of urban renewal raised numerous legal questions about the program, the most significant being whether the condemnation of private property for private development under an urban renewal program is a constitutionally permissible government action. This objection was laid to rest by the Supreme Court in Berman v. Parker, 348 U. S. 26 (1954).

Amendments in 1954 added provisions for rehabilitation of structures, conservation of neighborhoods, comprehensive planning and renewal for commercial and industrial areas. Another addition prohibited any federal funds for urban renewal until the local community developed a "Workable Program for Community Improvement", an over-all plan of action designed to overcome the problem of slums and urban blight.

Later, renewal legislation established relocation payments for families and businesses, (1956); made special provision for university and hospital urban renewal projects and created the Community Renewal Program (CRP) (1959); established the Open Space Program (1961); authorized code enforcement projects to protect basically sound areas and low-interest loans to property owners to rehabilitate structures in urban renewal areas (1964); expanded the Open Space Program (1965); provided a cabinet-level Department of Housing and Urban Development (HUD); created the Neighborhood Development Program (NDP) (1968), and added a requirement of one-for-one replacement of housing eliminated by urban renewal which had been occupied by low and moderate income families prior to demolition or renewal (1969).

The Demonstration Cities and Metropolitan Development Act of 1966.

(3) See pp. 63-64 of this report.
authorized the "Model Cities" program to rebuild or restore blighted and slum areas through coordinated physical and social development programs using resources from federal, state and local governments, the private sector and non-government agencies.

D. The Conventional Urban Renewal Process

The procedure for planning and implementing a conventional urban renewal project, originated in the 1949 federal law, includes the following steps:

1. The local public agency (Portland Development Commission) decides to submit to the Federal Department of Housing and Urban Development (HUD) an application for a survey and planning grant, to obtain more information about and plan for a particular proposed urban renewal project. In Portland, all applications must be reviewed by the City Planning Commission and approved by the City Council prior to submission to HUD.

2. After HUD approves the Survey and Planning Grant, PDC undertakes or contracts for the necessary surveys to provide information essential to define, plan, develop and execute the particular urban renewal project.

3. After surveying the area and preparing project plans, PDC submits to HUD a preliminary ("Part I") application for the loans and grants necessary to carry out the project. After receiving HUD's comments and approval, a revised ("Part II") application is approved by the City Council and submitted to HUD.

4. Upon HUD's approval, PDC acquires by negotiation or condemnation the land designated for redevelopment within the approved project area.

5. PDC relocates families, businesses and individuals displaced by the project who request such assistance.

6. PDC supervises the demolition of all structures not being retained in the project.

7. Federal loans and grants are then made available to property owners where rehabilitation of structures is deemed economically feasible. Structures acquired by PDC may also be rehabilitated.

8. Public "site improvements" such as roads, sidewalks, fountains, parking lots, utilities and parks are developed by the responsible local authorities, in some cases with the aid of federal grants.

9. PDC sells, leases or otherwise disposes of the cleared land to private developers or public agencies that have agreed to build in accordance with the urban renewal plan.

The Federal Government assists in the original Survey and Planning stages, provides temporary working capital for PDC and gives grants and loans for rehabilitation and grants for relocating and rehousing businesses and people. In addition, the Federal Government provides up to two-thirds of the difference between the cost of acquiring the property and its eventual sales price.

E. The Neighborhood Development Program

A conventional urban renewal project is funded by a single commitment made at the outset, tied to a re-use plan adopted at that time. The length of time that may be taken by planning and execution of the plan causes severe problems due to inflation of costs and changes in the facts, circumstances and ideas that produced the plan. The Neighborhood Development Program (NDP), created by the Housing and Urban Development Act of 1968(14), is intended to provide a "program funding" alternative to the conventional "project funding" approach.

An NDP application requests funds only for activities to be undertaken in its first year, including planning for the next year. This is intended to eliminate some of the problems created by conventional project procedures, by accelerating the appearance of visible results and permitting more flexible and realistic budgeting and planning. Such an approach should be particularly adaptable to areas chiefly in need of rehabilitation or conservation, but all types of urban renewal activities may be included.

NDP also permits the combination in a single coordinated program of a number of types of renewal treatment in several neighborhoods, which need not be contiguous.

III. THE PORTLAND DEVELOPMENT COMMISSION

On May 16, 1958, the voters of Portland approved a charter amendment creating the Department of Development and Civic Promotion to be administered by the Portland Development Commission (PDC). PDC was authorized to perform all functions prescribed under Title 42 of the U. S. Code relating to slum clearance, urban renewal and urban development and redevelopment. In addition to its renewal powers, PDC was given authority to "... promote industrial expansion and location" and "acquire such property, real or personal ... inside or outside the city, as the Commission and the Council may find appropriate or convenient in accordance with comprehensive zoning and development plans." The Commission was granted administrative powers to make orders, rules and regulations, hire and fire and perform other necessary activities. In order to provide operating funds for PDC, the City Council may issue revenue bonds, certificates or debentures to be repaid from revenues resulting from an urban renewal project, from the sales of urban renewal land and from tax revenues attributable to urban renewal improvements.

The five Commission members are appointed for three-year terms by the Mayor with the approval of the City Council, and serve without compensation. A chairman and secretary are elected by the commissioners, and the chairman has customarily assigned particular duties to each commissioner. Nine men have served on the PDC since its organization, with the present Commission composed of the following five men:

Ira C. Keller (Age 72) Chairman
Chairman of the Board, Western Kraft Corporation, and Vice-Chairman, Willamette Industries, Inc. Prior to creation of PDC, Mr. Keller was a member of the City Planning Commission. Mr. Keller's PDC duties include finance and general monitoring of the agency's activities. He has been re-elected the Commission's Chairman every year since its creation in 1958. Mr. Keller devotes a great deal of time and energy to the activities of PDC. He is widely regarded as one of the most influential private citizens in Portland.

Vincent Raschio (Age 71)
A self-employed contractor and builder. Mr. Raschio was president of the Home Builders Association at the time of his appointment upon PDC's creation in 1958. Mr. Raschio's PDC duties include examining, reviewing and reporting on site preparation, physical improvements and construction activity.

Edward H. (Ned) Look (Age 54)
Vice President and Trust Officer, First National Bank of Oregon; formerly Vice President of PORTCO Corporation in Vancouver, Washington. Mr. Look recently accepted membership on the Board of Trustees of Good Samaritan Hospital. He was appointed to the Commission in 1965 and is responsible for budgeting, certain financial matters and the Portland State and South Auditorium renewal projects.

John S. Griffith (Age 64)
Senior Vice President, University of Portland; formerly President of Multnomah College and Principal of Jefferson and Roosevelt High Schools. Mr. Griffith joined the Commission in 1969, and is responsible for Model Cities and ANIP activities and certain administrative duties including interviewing new employees and examining housing.

Harold Halvorsen (Age 67)
Formerly business manager of Local 16 of the Sheet Metal Workers Union (retired, 1970). Mr. Halvorsen was appointed to the Commission in 1962. He is the Commission secretary and is responsible for relocation, property management, real estate and activities in the Southeast Uplift program.

(15) City of Portland Resolution No. 27526, Feb. 6, 1958.
(16) Id.
The four former members of the Development Commission and their terms of service were:

Albert V. Fonder, 1958-1964
Former Chairman of the Mayor's Advisory Committee on Urban Renewal (MACOUR) and President of Northern School Supply. Currently he is a member emeritus of the Commission.

Jack R. Caulfield, 1959-1962
Former U. S. Marshal

Roy C. Hill, 1958-1962
Business representative of Local 10, Painters, Decorators and Paper Hangers of America.

Russell M. Colwell, 1962-1965
Former Senior Vice President, First National Bank of Oregon.

The Commission meets regularly twice each month, with special meetings on occasion. Formal action is taken by resolution. Status reports, informational data and administrative decisions are memorialized in the Commission Documents and Reports. Informal meetings are held prior to the formal public sessions to discuss the agenda, examine in detail the ideas to be presented, prepare for the formal meeting and agree on decisions to be made. All decisions in the formal meetings have been unanimous, pursuant to a policy established at the first meeting in July, 1958.

In 1971, PDC was assigned to City Commissioner Francis J. Ivancie's Department of Public Affairs. Until that time, PDC was always within Mayor Schrunk's jurisdiction. As the Mayor's administrative assistant from 1957 through 1966, Mr. Ivancie has had close ties with PDC since its creation. PDC Chairman Keller was an outspoken proponent of Mr. Ivancie's re-election in 1970.

The PDC staff is headed by Executive Director John B. Kenward, who has been with the Commission since its inception in 1958. He previously directed the Urban Renewal Division of the City Planning Commission staff, after eight years as Planning Director for the City of Santa Barbara.

Recently, the PDC staff was reorganized into three basic divisions: (1) Operations, (2) Administration and (3) Plans and Programs. The Operations Division concerns itself with rehabilitation and development, engineering, community services, real estate, relocation and specific projects. The Administration Division deals with fiscal management, personnel and office management, legislation and regulations. The Plans and Programs Division is concerned with project planning, research, analysis and coordination of PDC activities with other agencies.

The PDC staff does some planning itself, and the Commission has contracted for planning services with private firms, individuals and the City Planning Department. The Commission retains Walter Gordon, a local architect, as its "Resident Design Consultant," and also a committee of local and national architects and landscape architects. One or more of these consultants reviews every development proposal for an urban renewal project in Portland. PDC occasionally retains other professionals and has used the consulting services of Lawrence E. Cox, former Assistant Director of HUD, in preparing applications for urban renewal funds.

There are approximately 65 employees on the current payroll of over $500,000 per year, all subject to the Civil Service provisions of the City Charter except the director, his secretary and the assistant director. Since its creation in 1958, PDC has retained a private attorney, Oliver I. Norville, formerly a Deputy City Attorney. Mr. Norville devotes a very substantial portion of his time to PDC matters and is present and participates in most meetings and policy discussions.
IV. FINANCING URBAN RENEWAL

The costs of urban renewal include the expenses of surveying, planning, administration, appraisals, land acquisition, clearing and development, community organization services, site improvements, land marketing activities, relocation benefits and rehabilitation of structures. These costs are financed in three basic ways:

1. Costs of development, including erection of new buildings, must be met from resources of the developer, whether it is public or private. Long-term financing of urban renewal, including both equity and mortgage funds, is provided primarily by private investors and far exceeds public funds permanently committed to a project. Mortgage funds may be guaranteed or supplemented through various federal programs.

2. Costs of grants and loans for residential rehabilitation and relocation assistance grants have been paid entirely from federal funds. Grants up to $3,500 and 3 percent loans are available for property owners to rehabilitate residential properties in urban renewal areas. On January 2, 1971, Congress enacted significant changes relating to persons and businesses displaced as a result of federally assisted programs, providing that they should not suffer "disproportionate injuries as a result of programs designed for the benefit of the public as a whole." The law now provides: (a) for displaced individuals, families, businesses (including apartment owners) and farms, reimbursement of actual reasonable moving expenses or small moving and dislocation allowances; (b) for homeowners, a replacement housing payment up to $15,000, including closing and increased interest costs for a comparable replacement dwelling; (c) for tenants, up to $4,000 for rental assistance payments during a four-year period or up to $2,000 to purchase a suitable dwelling; and (d) for businesses, reimbursement of direct losses of personal property as a result of moving or discontinuing the business, and reasonable expenses in searching for a replacement business, or a flat payment in lieu thereof.

3. All other costs of a project, including, after July 1, 1972, relocation assistance grants, are divided between federal and local government sources.

Costs in the third category are included in what is called the "gross project cost." "Gross project cost" less receipts from the resale of acquired property equals "net project cost," two-thirds of which is paid by the Federal Government. The other one-third must be met by "local grants-in-aid." This local share may be paid in cash or may be met by the use of credits (referred to in the law as "non-cash grants-in-aid") obtained by expenditures of non-federal funds from public or private sources for the purposes that, under HUD guidelines, may be considered as part of the gross project cost. A local example is the fire station located on S. W. Fifth Avenue serving the South Auditorium Urban Renewal Area. The effect of the availability of credits can be illustrated by the accompanying tables. Table 1 shows the project costs and source of funds in a hypothetical project where the local share is met entirely by cash grants-in-aid.

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### TABLE 1

<table>
<thead>
<tr>
<th>PROJECT COSTS</th>
<th>(millions of $)</th>
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<tr>
<td>—Gross Project Cost</td>
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</tr>
<tr>
<td>Survey &amp; Planning</td>
<td>.5</td>
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<tr>
<td>Land Acquisition &amp; Clearance</td>
<td>8.5</td>
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<tr>
<td>Total</td>
<td>9</td>
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<tr>
<td>—Less: Proceeds from Sale of Land</td>
<td>(3)</td>
</tr>
<tr>
<td>—Net Project Cost</td>
<td>6</td>
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**SOURCE OF FUNDS**

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<tbody>
<tr>
<td>—Federal grants-in-aid (2/3)</td>
<td>4</td>
</tr>
<tr>
<td>—Local cash grants-in-aid (1/3)</td>
<td>2</td>
</tr>
</tbody>
</table>

Suppose, on the other hand, a local school district had spent $1.5 million to build a school that was eligible for use as a credit toward the local share of project costs. The financing of the *same project* would then be illustrated by Table 2.

### TABLE 2

<table>
<thead>
<tr>
<th>PROJECT COSTS</th>
<th>(millions of $)</th>
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<tr>
<td>—Gross Project Cost</td>
<td></td>
</tr>
<tr>
<td>Survey &amp; Planning</td>
<td>.5</td>
</tr>
<tr>
<td>Land Acquisition &amp; Clearance</td>
<td>8.5</td>
</tr>
<tr>
<td>Cost of School (Local non-cash grants-in-aid)</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>10.5</td>
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<tr>
<td>—Less: Proceeds from sale of land</td>
<td>(3)</td>
</tr>
<tr>
<td>—Net Project Cost</td>
<td>7.5</td>
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</tbody>
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**SOURCE OF FUNDS**

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<th></th>
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<tbody>
<tr>
<td>—Federal grants-in-aid (2/3)</td>
<td>5</td>
</tr>
<tr>
<td>—Local grants-in-aid (1/3)</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>1</td>
</tr>
<tr>
<td>Non-cash (School)</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>2.5</td>
</tr>
<tr>
<td>—Net Project Cost</td>
<td>7.5</td>
</tr>
</tbody>
</table>

It can be seen that, by the availability as a credit of a facility costing $1.5 million that would have been built without urban renewal, the federal grant for the urban renewal project is increased (and the local cash expenditure reduced) by $1 million.

Expenditures that are eligible to serve as credits include donations of real property in the project area, costs of site clearance, project improvements, public buildings and facilities of direct benefit to the project, certain community-wide public facilities that contribute materially to the project, certain expenditures by colleges or hospitals and any tax exemptions given to a low rent public housing project on a site acquired from the urban renewal project. Credits are also received for the property tax revenues lost to the local government while the property is in the hands of PDC. Credits from all projects in a community are "pooled" so that if local credits generated by expenditures in connection with a particular project exceed the one-third local share of the project costs, they help provide the local share of other urban renewal projects undertaken in the community.

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(19) "Project improvements" refers to certain public improvements such as street repairs, lighting and sewers.


All project costs may be financed on a current basis by temporary loans from the Federal Government. Most often, though, PDC borrows these funds from private sources, relying for credit on the availability of federal advances. Interest charges on such loans are includible as project costs. The loans are repaid from proceeds of land sales and from payment of federal and local grants-in-aid.

To make funds available for payment of the local share of renewal projects in Portland, the Portland City Charter was amended by the voters in 1958 to authorize issuance by the City Council of up to $5 million worth of revenue bonds to be repaid from tax revenues that result from increases in true cash value due to redevelopment. The true cash value of the property in a renewal area is certified by the county assessor at the time the project is approved by City Council. Thereafter, at any time true cash value of property within the project exceeds this certified base value, the revenue realized from taxation of the excess value is placed in a sinking fund to retire the bonds. After bond retirement, the entire tax revenue is distributed to the taxing bodies in the usual manner. An amendment to the Oregon Constitution approving this procedure was passed by the voters in 1960 and implemented by legislation in 1961. To pay the cash portion of the local share of the South Auditorium project, the City of Portland issued, in 1966, $5 million of bonds under the above authorization. This $5 million amount has been allocated and spent as illustrated by Table 3.

| TABLE 3 |
|-----------------|------------------|
| Proceeds of bond issue | $5,000,000 |
| Less: costs of financing | -35,000 |
| Less: initial transfer to sinking fund | -500,000 |
| Plus: Interest earned | 90,000 |
| Available for use in the South Auditorium project | 4,555,000 |
| Less: Expenditures so far for local grants-in-aid | -3,134,000 |
| Balance | $1,421,000 |

Of the balance, PDC hopes to recapture for its unrestricted capital all or part of about $350,000 spent in the project from the money and property it originally obtained from the Housing Authority of Portland (HAP). The remainder is available for additional site improvements, such as parks and malls, in the South Auditorium project area.

As of April 30, 1971, the sinking fund for retirement of the bonds contained $2,178,136 which will be used, along with additional tax receipts, to pay the remaining $3,620,000 principal, plus interest. The last bonds mature on January 1, 1979, but they are subject to call and redemption beginning January 1, 1974. It now appears they can be retired soon after the call date.

The cash portion of the Albina Neighborhood Improvement Project was paid from PDC's own funds. The local share of other present and proposed projects has been or will be financed entirely from non-cash grants-in-aid or from cash grants-in-aid provided by institutional participants such as Portland State University and Emanuel Hospital. It is estimated that pooling credits totaling about $1.3 million are presently available. Upon completion of the South Auditorium project, a portion of such credits may be exchangeable with HUD for cash.

PDC's administrative expenses (approximately $830,000 in fiscal 1970) are paid for from two basic sources: (1) charges against the gross project cost of individual projects and (2) income (approximately $140,000 in fiscal 1970) from investment of capital funds. PDC's capital funds derive from an initial donation by HAP of $53,500 cash and about 95 acres of land in the Parkside Homes and St. Johns Woods housing projects, together with the proceeds of the $2 million tax levy approved in 1958 and collected from 1958 through 1964. As of March, 1971, PDC claimed an unallocated capital fund balance of approximately $3.5 million.

(23) City of Portland, Charter § 15-106.
(24) Oregon Const., art. IX, § 1c.
(25) ORS 457.410-450.
V. URBAN RENEWAL IN PORTLAND

A. Early History

In 1949, the Oregon Legislature passed, over opposition of rural legislators, a measure implementing the federal renewal act and permitting clearance, replanning and redevelopment of blighted or deteriorated areas by local public housing authorities. The constitutionality of this law was upheld by the Oregon Supreme Court in 1953. Attempts in the 1951 and 1953 Legislatures to restrict public housing and urban renewal efforts were unsuccessful.

Early in 1951, the Portland City Council, following recommendations of the City Planning Commission and the Housing Authority of Portland (HAP), sought and obtained federal funds for intensive study of three areas eligible for assistance under the 1949 Housing Act: (1) N. W. Vaughn Street and its immediate vicinity, (2) South Portland (now called the South Auditorium and Lair Hill Park areas), and (3) a section on the near east side labeled "West of Ladd's Addition," or Stephen's Addition.

On the recommendation of the Portland Redevelopment Advisory Board, a 39-member citizens' committee organized under the 1951 state enabling laws, HAP decided in September, 1951 on redevelopment of the Vaughn Street area, 44 acres lying northwest of Portland's central business district. The area contained unusually heavy industrial activity with accompanying noise and smoke. Many buildings failed to meet minimum code standards. Your Committee was also told that the Vaughn Street plan was selected because it called for less public housing than did the two alternatives.

Before HAP could undertake renewal action, it had to obtain City Council approval of a plan relating the project to local objectives and describing relocation procedures, proposed land uses and local methods for providing decent, safe and sanitary dwellings equal in number to the substandard dwellings replaced. Although by November, 1952, HAP had not presented such a plan to the City Council, the Council submitted a charter amendment to the voters providing for the sale of general obligation bonds not exceeding $2 million to cover the local share of urban renewal project costs. A substantial advertising campaign was undertaken in support of the amendment, but citizen sympathy for renewal and, in particular, for public housing, was slight. The measure was defeated by a vote of 94,547 to 76,244 and shortly thereafter City Council killed the Vaughn Street Project by refusing to provide the one-third share from general funds. The Council previously rejected, three to two, a HAP offer to provide the local one-third share from HAP's funds. The decisive factor in the Council's narrow rejection was apparently the strong anti-renewal sentiment of Vaughn Street area residents.

In February 1955, HAP requested permission from the City Council to use HAP funds to establish a "pilot" rehabilitation project in one or two deteriorated blocks of the city in an attempt to prove the merits of urban renewal. The Council never acted on this suggestion. In April 1955, on HAP's suggestion, the Mayor's Advisory Committee on Urban Renewal (MACOUR) was appointed.

Shortly thereafter, MACOUR presented to City Council a proposal for what became known as the South Auditorium Project. One of the concerns expressed by the Council was whether renewal authority should continue to reside with HAP since many people thought HAP should confine its activities to maintaining its existing inventory of public housing. In order to comply with existing state law, a contract was made whereby HAP delegated to the City Planning Commission responsibility for the proposed project. In May 1956, the Federal Housing and Home Finance Agency (HHFA) approved an $84,193 survey and planning grant and reserved $3,167,000 for the project, although it expressed some concern over the contractual arrangement and over Portland's failure to hire a full-time urban renewal director.

In 1957, the State Legislature, at MACOUR's suggestion, enacted the present urban renewal law (ORS 457.130 and 457.140) which permits a city to act

(26) Foeller v. Housing Authority of Portland, 198 Or. 205, 256 P.2d 752 (1953).
(27) A committee report favoring the measure was supported by City Club members. See City Club Bulletin, v. 33, no. 20, October 24, 1952.
as its own urban renewal agency or establish a separate renewal organization. The original provision in the law allowing a housing authority to act as a renewal agency was not repealed. Even today, HAP could exercise renewal powers.

The Portland City Council, with the strong leadership of the then new Mayor, Terry Schrunk, submitted to the voters in the May 1958 primary election the charter amendment creating the Portland Development Commission. The voters were also asked to approve a tax levy outside the six percent limitation in an amount not to exceed $400,000 in one year, with a total of not more than $2 million to be raised within a 10-year period to provide funds for PDC’s operations.

Prior to the vote, the news media featured pictures and articles about the proposed South Auditorium Project. Accompanying the favorable media coverage was broad-based civic support from 35 various organizations including the City Club, Multnomah Labor Council, Portland Realty Board and the Oregon Voter. The latter two opposed the 1952 bonding measure. The Urban renewal measure passed 56,904 to 53,963. In the November 1958 general election, the voters approved the tax allocation bonding measure appropriating $5 million as the local financial share of the South Auditorium project.

B. South Auditorium

The May 1956 HHFA Survey and Planning Grant for South Auditorium covered an 83½ acre area bounded by S. W. Market Street, Harbor Drive, Arthur Street and Fourth Avenue. Under contract with HAP, the City Planning Commission issued a Preliminary Project Report in May 1957, citing many factors indicating deterioration in the area, including overcrowding and mixed use of structures, nuisances, building dilapidation, congested streets, deficiencies in community facilities and over-occupancy of structures. The area’s juvenile delinquency rate was nearly three times, adult crime rate two and one-half times, and welfare cases almost four times the rate for the entire city. Over 62 percent of the 1,707 dwelling units in the area were substandard.

When the above report was prepared by the City Planning Commission staff, its Urban Renewal Division was directed and supervised by John Kenward. He was assigned to plan for the South Auditorium Project under the contract with HAP, and later joined HAP’s staff. When PDC came into being in the summer of 1958, Kenward and his assistants became its initial staff.

The initial Redevelopment Plan for the project was adopted by HAP in January 1958, revised in May and unanimously approved by City Council in June 1958 (following the election authorizing PDC’s creation). This plan called for clearance of the project area and redevelopment for low-density commercial and light industrial uses. It assumed that a proposed West Side freeway would follow a route along S. W. Clay and Market Streets and provided for several blocks of parking at the North end of the project near the freeway. This plan was approved by HHFA in December 1958.

Modification of the 1958 Redevelopment Plan was required when the Oregon State Highway Commission selected the so-called “Foothills” route for the new freeway rather than the “Clay-Market” route endorsed by Downtown, Inc. (representing certain downtown business interests) and the City Planning Commission. PDC had attempted to remain neutral. In late 1958, it did commission an independent consultant who studied each route and reported in favor of the Foothills alternative. The freeway decision required changes in the project’s entire interior street pattern and land use plan.

An amended plan was prepared by the architectural firm of Skidmore, Owings and Merrill, based on a “marketability survey” prepared by Real Estate Research Corporation. The location of the freeway allowed the project to be more closely integrated with the central business district rather than be separated from it as proposed by the 1958 plan. After much dispute with the City Planning Commission, the amended plan also reduced the amount of available on-street project parking space. The final Redevelopment Plan was approved by City Council in October 1961 and approved by HHFA on December 20, 1961.

(30) Id. at 35.
The urban renewal process which followed involved the acquisition of 303 parcels, relocation of 1,573 residents and 232 businesses, demolition of 382 buildings, placement of utilities underground and widening of major perimeter and interior streets. The 1961 plan called for offices, commercial services and retail stores, high-rise apartments and a motor hotel, with the balance of the land used for parks, malls, streets and the freeway. Four parcels were retained by their prior occupants. Estimated Gross Project Cost was $11,500,000 with a Net Project Cost of between $3,500,000 and $4,500,000. The local share of the Net Project Cost was to be financed by cash obtained through revenue bonding plus non-cash grants-in-aid for city funds spent in the project area for streets, curbs, sidewalks, sewers and water lines, a new fire station and contributions of city-owned land in the project area.

1. Housing

In the Preliminary Project Report of 1957, a 6.2 acre tract was tentatively considered for "medium density-low rent apartments to be developed publicly, or by a non-profit institution." The Report explained:

"... with the large proportion of families in lower income brackets and 30 per cent of the total population being elderly, it was felt that some special on-site relocation provisions should be made. In discussions with F.H.A., this premise was substantiated. ... The location and design of the apartments will be such as to discourage young or middle-aged couples with children. ... The units themselves will be designed to cater to the needs of the single and/or elderly individual. ... Should a shortage in demand occur, another potential source may well be students attending Portland State College and single working people who are employed downtown."

This housing proposal was not included in the 1958 Redevelopment Plan because it was believed there were sufficient sites for high rise development west and south of the Park blocks and because federal officials discouraged such a small isolated development surrounded by predominantly commercial and industrial uses.

The question of housing in the proposed project was again raised in connection with relocation of those displaced from the area. At a PDC meeting in early 1960, Mrs. Joy O'Brien, then PDC's director of relocation, indicated that "it is becoming more difficult to find vacancies in the Southwest area for the relocation of the South Auditorium residents. ..." Commissioner Vincent Raschio said he had received a number of inquiries, in connection with the relocation of elderly tenants, asking whether HAP had made requests for public housing within the project area. Both PDC Chairman Keller and Executive Director Kenward advised that no request for property in this project has been made by the Housing Authority of Portland; further, that the redevelopment plan does not permit the use of any of the project area property for housing. Mr. Keller suggested that any public housing should use land near to but not within the South Auditorium project area. He emphasized that no residential housing was contemplated in the South Auditorium Redevelopment Plan.

Yet, when the final Redevelopment Plan was adopted in 1961, it called for substantial residential use. The Real Estate Research marketability survey reported a demand for adequate housing facilities near the central business district, including students and resident interns at the University of Oregon Medical School and families displaced by public projects. The Planning Commission's review of the proposed plan amendment noted that some assumptions underlying the 1958 plan had been revised. Because of the change in the route of the proposed North-South freeway from the "Stadium" route to one along 13th and 14th Ave-

[(31) PDC, "South Auditorium Fact Sheet" (October, 1969).](31)
[(32) Portland City Planning Commission, Preliminary Project Report, supra note 29, at 44.](32)
[(33) Id.](33)
[(34) PDC minutes, February 19, 1960.](34)
[(35) Id.](35)
[(36) Western Real Estate Research Corp., Marketability Survey 3, 29-37 (April, 1961).](36)
The apartment developments that have subsequently been approved for the project have so far included 526 rental units at rates from $142 to $485 per month, and 330 condominium units selling at prices from $26,130 to $113,830. At least one more apartment complex will be developed, containing 282 units at similar rentals. Such housing has not to any significant extent met the needs of students or those displaced by highway construction and urban renewal.

At least one proposal by a private developer for low-income housing in South Auditorium was not accepted by PDC. Your Committee was told by PDC officials that the proposal was not feasible and that the Commission feels an obligation to the other developers who bought their parcels at a time when no subsidized housing was contemplated. The 1961 Redevelopment Plan approved by City Council and HUD did not, however, specify the rent levels of the apartments to be built. PDC officials suggested that it had always been felt that the appropriate place for low-income housing was "south of Arthur Street," in the area later chosen for the Hill Park project.

HAP officials maintain that public housing sites in South Auditorium were sought and denied, but your Committee has been unable to determine the precise timing or nature of such requests.

2. Relocation

Relocation services for the more than 1,500 displaced residents of the South Auditorium project were provided by PDC's eight-man relocation staff under the direction of Mrs. Joy O'Brien. MACOUR had a seven-member Relocation Committee, which was particularly concerned about the special problems of poor, elderly, single persons, who made up about one-third of those to be relocated. Summarizing some of the relocation experiences, Mrs. O'Brien commented:

"The majority of our elderly site population had thought to live out their days where they were. A number of them were reasonably comfortable, and at least they knew they could manage on their incomes—most of which were very small . . . in some apartment buildings . . . relocation means breaking up of years of close day-to-day associations. Even though many of these elderly people have better quarters than they had on-site, their displacement was a highly traumatic experience and one that few of them can possibly be happy about.

"For the elderly property owners, especially the Jewish and Italian families, the carrying out of the project also meant the end of a neighborhood. True, the dissolution had begun long before urban renewal planning began, but "South Portland" was still home—a familiar spot in a changing city and an unstable world." (38)

PDC officials believe that relocation efforts in South Auditorium were very successful, within the limitations of the federal benefits then available. Your Committee heard numerous comments from critics of PDC about the inadequacy of the South Auditorium relocation effort. (39) We were told by PDC that its relocation staff made calls, after several months, on a sample of those relocated, to check quality of the service, but made no effort to keep track of these people, since the staff felt strongly that:

"once the relocation process has been accomplished, people, for the most part, want to be left alone, and that further visits by still another representative of the Development Commission would be a dis-service and might well be resented." (40)


(39) Several cited a study made by a PSU student a short time after relocation was completed, indicating that very few displacees could be found in the units where they had been placed by PDC. Your Committee could not locate a copy of this study.

(40) O'Brien memorandum supra note 38.
Records show that few persons from South Auditorium took advantage of the first priority status for HAP housing available to those displaced by federal projects. One reason is that the $200 relocation payment was not available for those moved into public housing. HAP believes that many persons who first relocate in private housing, either on their own or with PDC assistance, are unable to manage and eventually turn up on the HAP waiting list, without priority.

One factor that appears to have caused substantial resentment of South Auditorium relocation is that, at the time they were moved, residents were told that there would be no new housing built within the project. Shortly thereafter, plans were changed to include a very substantial amount of housing, all beyond the financial means of most displacees. This experience gave rise to the charge that the poor were being displaced to make room for the well-to-do.

3. South Auditorium Urban Renewal Extension

In 1963 the concept of a 30-block northward extension of the main project area was considered. It would have expanded the project to S. W. Taylor Street and would have included new court, jail and office facilities for the city and county. Because City Commissioner William A. Bowes objected to closing Third Avenue and county officials believed the new space was not required, PDC prepared a plan for a more modest 16-block extension. An amendment to the South Auditorium Loan and Grant Application to include the extension area was approved by City Council in November 1965, and by HUD in August 1966. The extension is bounded by S.W. Market Street, Harbor Drive, Jefferson Street and Fourth Avenue, with one additional block bounded by S.W. Front and First Avenues and Madison and Jefferson Streets. According to the amendment, the expansion was:

"Compelled by the need to remove the blighting influence of the extension area on the new development, and to provide a suitable setting for the remodeled Civic Auditorium and the new Federal Office Building... in the broader sense, to establish an area which will enhance the health and growth of the Central Business District." (41)

Several businesses and organizations are to remain in the area (KOIN Radio-TV Studios, Boyd Coffee Co., Pendleton Woolen Mills and possibly the Sailors' Union of the Pacific). New parking structures and office buildings are being or will be built in the near future. One recommendation of the Planning Commission in its review of the plan was that no substantial development be placed between Columbia and Jefferson Streets near the waterfront because of possible relocation of the Hawthorne Bridge. This and other recommendations were not accepted by PDC and City Council, and the two-block Portland Commons Motor Hotel development has been scheduled for that site.

The marketability survey prepared for PDC in 1963 by Real Estate Research Corporation recommended using land in the extension area for a civic center, multi-family housing, highway access roads, secondary commercial parking and office buildings. (42) The Report's housing recommendation was:

"The South Auditorium Project extension is well located to accommodate a large-scale development of apartment dwellings.... Rapidly growing Portland State College is nearby, and the area is close to the downtown amenities desired by the elderly. We estimate that 240 apartment units can be absorbed annually in this area over a period of five years.... Apartment rental schedules must be designed to meet the modest income levels of young married persons, students and employees of Portland State College, and retired persons. The liberal financing provisions for college housing, retirement housing and moderate income housing of the U. S. Housing Act should be carefully considered to maintain economic feasibility at moderate rents, and to avoid direct competition for the higher income market to be attracted by Portland Center." (43)

(41) PDC, Urban Renewal Plan, South Auditorium Project Area II, at ii (Sept. 27, 1965) (prepared by Livingstone & Blaney, city and regional planners, San Francisco).
(43) Id. at 5.
An alternative objective of the 1965 plan for the extension was "provision of a site large enough to be relatively self-contained, for moderate rental apartments close to downtown." (44) PDC officials told your Committee that federal authorities eliminated all housing plans when the Loan and Grant Contract was approved.

4. Auditorium Forecourt

In 1964, the voters approved general obligation bonds for rebuilding and modernizing Portland's public auditorium between Market and Clay Streets in the extension area. PDC, the City Planning Commission and the Portland Art Commission agreed that an open space opposite the remodeled auditorium was essential. Since the owner, Benj. Franklin Federal Savings and Loan Association, was prepared to develop this property itself, PDC did not plan to acquire it as part of the urban renewal project. After lengthy negotiations, the Benjamin Franklin agreed to utilize only the west 125 feet and allow a small park, plaza or automobile turn-around to be constructed on the east 75 feet. This partial block proposal, although more desirable than no open space, was considered inadequate to complete the aesthetic and functional requirements believed necessary by the consulting architects and planners, Skidmore, Owings & Merrill.

PDC initiated a three-way land swap by commissioning a feasibility study which demonstrated the suitability of the block bounded by Madison and Jefferson Streets and First and Second Avenues as a city parking facility. The City of Portland agreed to sell the block it owned immediately west of the forecourt block to Benj. Franklin for $640,000 and Benj. Franklin offered to sell the forecourt block to PDC for $590,000. To complete the transaction, PDC sold the parking facility site to the city for $400,000. The city's $240,000 gain was put into a sinking fund to reduce the bonded indebtedness on the concrete parking structure, motor pool and communications center built on its new lot.

Initial plans for a landscaped traffic circle were discarded and PDC commissioned Lawrence Halprin & Associates, the San Francisco landscape architectural firm that had designed the Lovejoy Fountain, to prepare a plan for the forecourt in keeping with the auditorium and its architecture. The resulting proposal was enthusiastically received by most civic-minded groups and approved by PDC in July 1968. Construction was completed in June 1970, at a cost of $521,000, paid from funds remaining from the bond levy for the South Auditorium urban renewal area.

Halprin's "people's park", as he calls it, is a series of falls, terraces and steps with more than 13,000 gallons of water circulating per minute. The waterfalls, surrounded on three sides by grassy embankments, have drawn people from all classes and occupations and are becoming a Portland landmark. In a 1970 article, New York Times Architecture Critic Ada Louise Huxtable called the block "one of the most important urban spaces since the Renaissance." (45) In June 1971, it received one of the three honor awards of the American Society of Landscape Architects.

The original South Auditorium project is now nearing completion, with development proposals approved for all but one parcel on Fourth Avenue and Lincoln Street. This project, which has become the image of urban renewal in Portland, is dominated by Portland Center apartments, a much-praised complex including three high-rise towers surrounded by shops, restaurants, office buildings and two small parks. The Skidmore, Owings & Merrill design was cited as outstanding by the Tenth World Congress of the International Union of Architects.

The South Auditorium project and its extension are expected to have a final Net Project Cost of approximately $15.6 million. PDC officials now estimate that tax valuation of the area, upon completion of the project, will exceed the pre-urban renewal valuation by approximately $220 million, in spite of the removal of considerable property from the tax rolls because of acquisition by governmental bodies.

(44) PDC, Urban Renewal Plan, South Auditorium Project Area II, supra note 41, at 4.
C. Albina Neighborhood Improvement Project

The Albina Neighborhood Improvement Project (ANIP), Portland's first urban renewal project to include rehabilitation, is located in North Portland's Albina residential district. This area was built up before World War I and as early as 1940 began to show visible signs of deterioration such as poorly maintained structures, encroachment of incompatible land uses, substandard streets, damaged sidewalks and curbs, and inadequate street lighting. In 1950-51 the City Planning Commission study that led to the Vaughn Street project found six central city areas with critical blight problems, three of which were in or near Albina.

In 1958 the Albina Neighborhood Council, an autonomous organization made up of professional people and other interested citizens, began monthly meetings to define the area's needs and problems and to explore possible solutions. With advisory assistance from PDC and the Planning Commission, the Council began to investigate the possibility of a federally-assisted neighborhood improvement project. In the fall of 1960 several meetings were held in the area outlining the roles of PDC and various city departments, explaining available financial assistance and determining the interest of residents and property owners in making home improvements. The Albina Neighborhood Improvement Committee was formed with the Reverend Cortlandt Cambric as chairman.

Initial studies were started in an 18-block area between N. E. Russell and Fremont Streets and Union and Williams Avenues. In January 1961 the Neighborhood Committee, PDC, the Planning Commission and HAP agreed that the area was not suitable for a project because it was thought to be too rundown for rehabilitation, so that considerable money might be spent without lasting results and strong owner participation could not be expected. The Neighborhood Committee then concentrated on the 35-block, 96-acre residential neighborhood bounded by North Skidmore and Fremont Streets, Vancouver Avenue, and the alley between Mississippi and Albina Avenues, which became the ANIP area.

The Neighborhood Committee had a 17-member executive board with a number of standing subcommittees, special subcommittees, and section and block leaders, eventually totaling 82 persons. This organization provided the framework for reaching and maintaining contact with residents and absentee owners to facilitate understanding and participation in the development program.

In July 1961 PDC forwarded to HHFA a Survey and Planning Application which had been approved by the Neighborhood Committee and the City Council. The Application was granted in October 1961, advancing $77,000 for planning and reserving $668,000 in capital funds. PDC contracted with the Planning Commission for Survey and Planning and, based on its report, the Preliminary Application for Loan and Grant was submitted to HHFA in January 1963. According to the Application, the objective of ANIP was to remedy major and minor housing deficiencies, encourage new residential construction and improve and develop existing and needed local facilities, such as parks, in accordance with Portland's "long standing planning and zoning policy to maintain and support residential neighborhoods in close proximity to the central commercial area, thus affording people convenient access to major employment, shopping and recreation facilities." (46)

The final Application was approved by the city in April 1964, and forwarded to HHFA. A long delay ensued, caused primarily by the city's failure to obtain recertification of its Workable Program (see pp 63-64, infra). A $2.3 million Loan and Grant Contract was finally executed in July 1965.

In August 1968, PDC submitted an amended Application seeking a northerly extension of the ANIP area to include an additional 13½ city blocks adjacent to the original project. Approval of this request was again delayed because of the city's failure to obtain recertification of its current Workable Program. Recertification was finally granted in November 1968, and the ANIP extension was authorized in January 1969.

Residents continued to become more involved as the project developed. During the Survey and Planning phase, many residents, through the Neighborhood Committee, undertook a number of "bootstrap" improvements including a massive

cleanup of trash and abandoned cars from alleys and yards. Regular neighborhood meetings were held and subcommittees were established to provide citizen direction. A planning committee with tree program and street lighting subcommittees was formed in 1962. Over a period of eight months, these groups worked with representatives of the Portland Park Bureau, Portland General Electric Company, architects and landscape architects and developed a plan to install new street lights and modernize old ones, improve pole locations and replace deficient wiring systems and pole cross-arms, and remove undesirable trees, plant new ones and trim others.

The two electric utilities serving the project area agreed to help implement the Neighborhood Committee's proposals at no cost to the project area residents. As a result of this program, 300,000 feet of overhead utility lines and 200 power poles were removed, 31 new street lights were installed and 30 existing lights were modernized. The residents formed an assessment district to undertake public improvements, including paving of alleys and repairing and replacing curbs and sidewalks. This work was completed by July 1965.

The Loan and Grant Contract called for rehabilitation of dwellings through loans and grants to owners, spot clearance of badly deteriorated structures, redevelopment of cleared parcels for single and multi-family low-income housing and acquisition of a two-block, 4.5-acre site for a park in the middle of the project. A PDC site office was set up in the neighborhood where the staff worked on relocation of displaced residents, assistance with rehabilitation loans and grants, community organization and planning for the park.

Despite many obstacles, 585 of the 734 structures that remained in the project area were rehabilitated at a total cost of $1.05 million, of which property owners obtained $261,450 from private sources and the balance from federal grants and loans. Rehabilitation costs for each structure averaged $3,700 and the average increase in market value after rehabilitation was $2,000. Owner-occupants faced unfamiliar problems in dealing with lenders and contractors, together with increased costs for sidewalks and alley improvements, higher property taxes and rehabilitation loans. Residents and staff experienced substantial difficulty with HUD in processing rehabilitation loan and grant applications. Qualification requirements for such loans were thought too restrictive.

Extensive reliance on Albina area residents for staff and contractors included some without much experience. The principal complaints your Committee heard from project area residents were about difficulties with contractors. At the same time, developers and contractors have complained of the difficulties caused by the requirement of Neighborhood Committee approval of each redevelopment proposal and attendant uncertainty and confusion about when and how to proceed.

According to PDC, even more problems were experienced with absentee landlords (who owned about 45 percent of the structures). Because of federal income tax benefits, such landlords may earn as much as 20 to 30 percent return on investment and thus have little incentive to improve their properties, even with 3 percent money available. Housing under such ownership was often the most dilapidated and housed the poorest residents, who could least afford increased rentals. Over 28 percent of the residents were on welfare.

One hundred and twelve structures containing 144 dwelling units were cleared. According to PDC, only three of the 70 families and 21 individuals displaced objected to moving. Over all, the staff reported that less than 10 percent of those relocated from either dilapidated housing or the park site opposed the project. Fifteen people were relocated within the project area.

The park, designed by Robert Perron, a Portland landscape architect, was completed and turned over to the City's Bureau of Parks in November 1968. Acquisition of land for the park displaced 33 families and cost $257,600. The improvements which cost $277,771 were paid from PDC funds. The park was named in honor of DeNorval Unthank, M.D., a Portland physician, civic leader, and former member of the Emanuel Hospital medical staff, although the park is often referred to by neighborhood youth as "Malcolm X Park." A shelter located in the park and designed by architects Charles Colburn and George Sheldon was honored by the Portland Chapter of American Institute of Architects.
Forty-two new structures containing 83 dwelling units were built in the project area, all under various HUD and FHA programs. The new units include both single and multi-family dwellings, some owner-occupied. Fifty-six units are operated by HAP under its leased housing program.

The Neighborhood Committee has continued to function, addressing itself to such neighborhood problems as noise and disturbances associated with night-time use of the park by young people, vandalism and failure by some to maintain their properties. The project is scheduled for completion in the summer of 1971 at a Net Project Cost of $2.67 million, including $611,000 additional for the extension area. The $603,397 paid from PDC's capital funds, plus eligible non-cash credits totaling approximately $480,000 (generated by water tank additions and school curb, sidewalk and street improvements) will exceed the local one-third share by about $200,000, which may be pooled for the local share of other projects.

D. Linnton

In the spring of 1959, the State Highway Department advised the Linnton community of plans to widen and re-align St. Helens Road (U. S. Highway 30) in the Linnton District of Northwest Portland. The project was to be started in 1962 and was expected to remove a number of businesses which had been operating along the highway for many years. PDC staff members saw an opportunity to keep this business district from being extinguished and in May 1960, along with City Planning Commission staff members, approached the Linnton Community Center (a UGN-funded agency) and others with the idea of an urban renewal project to create a shopping center in which the businesses being removed by the highway project could be relocated. A number of Linnton merchants and other members of the community were enthusiastic and formed a new organization, "The Linnton Boosters Association", to pursue the project.

The Association established the Linnton Business Development Committee in February 1961, and formally requested assistance from the Mayor and PDC. The committee also formed a local development corporation, Linnton Strip, Inc., raised funds to begin architectural studies, consulted with the Small Business Administration about financing, agreed with PDC to share costs of a market feasibility study, and commissioned Frank E. Cox's Urban Research and Development Company of Berkeley, California, to conduct the study. Other work was done by volunteers and by architect Howard Leonard Glazer, who had been retained by the organization.

In October 1961, the Cox report suggested that a modern shopping center, consisting of 50,000 square feet of floor space and having adequate parking facilities, was feasible. Based upon this information, PDC prepared a Survey and Planning Application in March 1962, to cover 3.78 acres of land for redevelopment. On January 18, 1963, PDC received $24,490 for survey and planning with a capital grant reservation of $226,137.

The chairman of the Linnton Community Center told your Committee that he was very surprised to be told, on a chance meeting with PDC Chairman Keller prior to approval of the Survey and Planning Grant, that Mr. Keller opposed the project and thought his staff had made a mistake in recommending it. Your Committee also learned that Mr. Keller arranged a personal meeting with Mr. Cox in San Francisco and communicated his feelings about the undesirability of the project. After the grant was received, PDC ordered another analysis done by Real Estate Research Corporation of San Francisco. Its May 1963 report concluded that the area could not support the proposed shopping center.

At City Council hearings held on June 5 and 27, 1963, by request of a group of Linnton residents, it was charged that the Real Estate Research report, which contained some admitted inaccuracies, was ordered by PDC to kill the project. PDC representatives claimed that the inaccuracies were peripheral and the major thrust of the study was sound. The Linnton group suspected that some of the interviews allegedly conducted by Real Estate Research Corporation had been fabricated. The interview records were not made available on the ground that they were of a confidential nature and could not be disclosed to the public. The City Council did not require production of the records or pursue the matter further, apparently on the basis that it was a matter for PDC to resolve.
On July 16, 1963, PDC indicated that the project would not be pursued further and $17,612 of the Survey and Planning funds were never spent. PDC claims that besides the unfavorable findings of the Real Estate Research survey, some of the Linnton merchants feared the project would significantly raise rents and other business costs and, therefore, should be terminated. Another objection to the proposed project, raised by Mr. Keller at a City Council hearing, was the undesirability of purchasing land from potential developers, to whom it will be resold at a reduced price and with the various advantages of urban renewal assistance. There is a difference of opinion among Linnton residents over the merit of the proposal. Some residents are still indignant about what they feel was the high-handed manner in which they were treated and are still confused about the reasons for the negative attitude and approach of the PDC chairman, particularly after the initial encouragement of the PDC staff. Shortly after the project was terminated, PDC's Assistant Director, who had been its principal supporter, resigned.

E. Portland State University

In the late 1950's Portland State (then a college) formed a plan to acquire all land within its present boundaries. Because of the difficulties of land acquisition, lack of relocation facilities, and problems in obtaining vacation of streets, representatives of PSU approached the PDC staff as early as 1958 to discuss the possibility of using urban renewal to acquire land for expansion. In 1964 Portland State paid for a feasibility study leading to a Survey and Planning Application prepared by PDC. The Application was approved, apparently without controversy, by the City Planning Commission and City Council and was submitted to HUD in March 1965. HUD approved the Application in November 1965.

Under Section 112 of the urban renewal law, an urban renewal project that includes an educational institution or hospital may be funded "without regard to . . . requirements . . . with respect to the predominantly residential character or predominantly residential re-use of urban renewal areas."(47) Section 112 also permits non-cash local contributions based upon certain university expenditures, notably land acquisition, made during the previous seven years.(48)

The Grant Application approved by the City Council called for demolition of all non-academic structures on acquired land and clearance for new university buildings, including parking facilities. There were a number of high-density apartment buildings in the project area. The plan provided for relocation of 117 families, 835 individuals (mostly single, elderly persons),(49) 52 businesses and institutions, as well as closure of streets, site improvements and relandscaping of the South Park Blocks. Acquisition of land was completed in the fall of 1969. The Ione Plaza and Park Plaza apartments, the Campus Christian Center (Koinonia House) and the Division of Continuing Education were the only non-Portland State parcels within the project boundaries not acquired. Acquisition of the two apartments was considered too expensive.

The present budget calls for a Net Project Cost of approximately $12.6 million. The local share has been paid by PSU through cash advances and non-cash credits for other expenditures by the University. PDC will reimburse PSU for its cash grants-in-aid to the extent that PSU expenditures generate excess credits eligible for pooling.

The initial plan called for clearance of all acquired properties as soon as feasible. Acquisition proceeded ahead of schedule, and when it became apparent that the Legislature would not appropriate money for Portland State's building program as soon as expected, a student group proposed retaining some vacated apartments for residential use as a temporary solution to housing problems. This proposal resulted from a survey that showed students competing with elderly


(48)Housing Act of 1961, § 169, supra note 47.

(49)According to PDC minutes of July 10, 1968, "at least half are between 75 and 90 years old with more women than men."
people for housing in this area. At first both PDC and the Board of Higher Education balked at the idea. PSU representatives told your Committee that HUD put pressure on PDC to go along with the students; PDC claims that it convinced HUD. In any event, once they were persuaded that the student group — now Portland Student Services, Inc. — was responsible and competent, both PDC and the Board approved a short-term lease under which the student-run corporation took responsibility for managing 440 units of student housing. In April 1971, the lease was extended for one year. The corporation has since moved aggressively to develop additional student housing and has received a federal grant for construction of a high-rise apartment building in the Goose Hollow neighborhood west of PSU.

Both PSU and PDC officials attest to a smooth working relationship. In part this may be attributable to a rather complete division of responsibility. PDC apparently took responsibility only for acquisition, relocation and site improvements and also reviewed building design, as usual. PDC did not attempt to influence the University's land use plan, although staff members say they tried to persuade PSU to increase parking and to allow commercial uses in its buildings. Parking was increased. The Board of Higher Education did not accept the idea of commercial shops in academic buildings. Although PDC could have insisted on such uses, it took the position that the shops would have served primarily the university community rather than the general public and allowed PSU to decide on the needs of its own constituency. PDC wanted the University to take full responsibility for relations with its own students, faculty and staff.

The commissioners and staff of PDC often refer to PDC's role as an "agent" for the University in achieving the latter's purposes, doing what it could within the law to carry out policy made by Portland State.

PDC made no effort to encourage or affect citizen participation, leaving any such questions to the University. PSU essentially followed its usual administrative decision-making procedures, making no special effort to involve students, faculty or residents in the planning process, and the only public opposition to the project came with condemnation of a few businesses in the area. Resistance apparently involved only merchants, together with some student and faculty allies. According to PSU officials, the public outcry at that time was the work of "student activists", as the residents themselves did not complain. Some people have criticized the alleged failure to integrate the University into the surrounding community.

The net effect of the program has been to permit the University to proceed with its acquisition program through use of federal funds, at a saving to the State of Oregon estimated in the range of $5 million. University officials believe that the procedural requirements associated with urban renewal have resulted in superior design and in more thorough comprehensive planning for the future of the University. At the same time, the liaison with PDC has obviated any potential city-university conflicts that might have arisen in an expansion program undertaken by the University alone.

F. Pittock Acres

In 1963, it became known that the Pittock Estate in the Northwest Portland hills would be available for sale. There was substantial sentiment in the community for preservation of the mansion and surrounding grounds.

In February 1964, Portland's City Council budgeted $11,500 per year for a five-year period ($57,500) and established a single purpose trust fund to receive donations resulting from an organized appeal. The volunteer Pittock Acreage Retention Committee was organized to promote and supervise a broad-based public solicitation. That committee estimated public donations would reach $100,000, which, coupled with the city's $57,500 contribution, left a $67,500 deficit, as the cost of the Estate was in the neighborhood of $225,000.

At the request of Mayor Terry Schrunk, PDC prepared an application under the Open-Space provisions (Title VII) of the 1961 Housing Act which provides federal funds for acquisition of land for recreational, conservation, historic, or
scenic purposes. On the basis of the application prepared by PDC, the city received a $67,500 grant to purchase the 46.3 acre Pittock Estate as a final link in the seven miles of skyline green belt on Portland's west side, connecting Macleay, Holman and Forest Parks to the north, and Hoyt Arboretum, the Portland Zoo and Washington Park to the south. The Pittock mansion has since become a major tourist attraction.

G. Emanuel Hospital

In July 1970, the City Council approved PDC's final plans for a 55.3 acre urban renewal project in the Emanuel Hospital area, bounded on the north and west by the Fremont Bridge interchange with Interstate 5, by North Russell Street on the south and by Williams and Vancouver Avenues on the east. The cash portion of the one-third local share of the estimated $6.6 million net cost is to be paid by the hospital. To the extent that pool credits from other projects are used up, Emanuel will pay PDC for them in cash. The use of such cash will not be restricted to payment of urban renewal project costs.

Prior to 1950 the hospital, a private Lutheran-affiliated institution which has occupied its present location since 1915, began purchasing adjacent land in anticipation of future growth and development. On September 24, 1962 the PDC minutes noted that Emanuel Hospital had, by that date, purchased $170,000 worth of land "which would be used as a pool credit in lieu of cash if there were an urban renewal project in that area." According to PDC, studies by the Planning Commission in 1962 revealed that structural and environmental conditions in the area surrounding Emanuel Hospital were substandard to a substantial degree. Early in 1963 PDC staff members met with representatives of the Planning Commission, Emanuel Hospital, Lloyd Center, the E-R Commission and others to consider a possible urban renewal project. The PDC staff was authorized to make a comprehensive study. In 1964, the hospital commissioned a feasibility study intended to lead to a Survey and Planning Grant Application, the cost of which was to be paid by the hospital. The Application was filed in February 1967, and was approved in December 1968. The preliminary Loan and Grant Application was approved by HUD in May 1970.

The proposed use of the area was for an expanded hospital and related facilities, parking, employee housing, offices and housing for the elderly. Early in the planning for the Emanuel Project, HAP asked that PDC include a public housing project for the elderly but, according to HAP representatives, the only feasible site offered was adjacent to the freeway and unacceptable to HAP. Later, HAP was offered property acceptable to it, but, after some preliminary planning, was told that any such units would have to be built by Emanuel and leased to HAP. HAP representatives told your Committee that PDC was uncooperative and placed the hospital's wishes above HAP's needs. It now appears that agreement may be reached on a suitable site which may, in part, be the same parcel requested earlier by HAP and rejected by PDC.

HUD regulations required review of all federal projects in the Model Cities area by the Model Cities Citizens' Planning Board. The Board was concerned about the Survey and Planning Application's failure to provide for citizen review of the urban renewal process, and finally obtained promises from both the hospital board and PDC to keep the Citizens' Planning Board informed and involved in the urban renewal project.

Community response to the proposed renewal project did not emerge significantly until the fall of 1970 when a group of Albina citizens, assisted by a representative of the American Friends Service Committee, organized as the Emanuel Displaced Persons Association (EDPA). It sought and obtained a hearing before City Council on October 21, 1970, to voice its concern over the need for relocation assistance, fair prices for residents' homes, and adequate

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(51) D. West, A Case Study of the Planning Process in the Portland, Oregon Model Cities Program 139 (a Ph.D. dissertation on file at the Portland State University Urban Studies Center, 1969).
replacement housing. It objected to PDC’s failure to involve residents in the
decision-making process, stressing the lack of communication between PDC and
individuals whose lives are to be affected by the project. Two petitions were
presented by Mrs. Leo Warren, EDPA Chairman, asking the Mayor and City
Council to affirm the obligation to “see that those displaced can move with
dignity without suffering financial loss.”

Mrs. Warren commented:

“While going door to door for the EDPA, I found many homeowners
and tenants filled with tension and frightened as to what the consequence
would be because of moving from their homes. This was true of the
majority of the older people, especially of women who were alone. You
have to feel this feeling of fear to appreciate what many people are going
through.”

Mr. T. C. Williams commented:

“You are having us move; we don’t have any word to say. You’ve got
the thing all mapped out, from somewhere, and you must turn it over to
us, and we don’t have a word to say.”

Mr. Williams later told members of your Committee that his first contact
with PDC came when an appraiser knocked on his door.

Mayor Schrunk assured EDPA representatives that no relocated citizen would
suffer financial loss and all would be treated fairly.

During this Council session, PDC’s attorney, Oliver I. Norville, referred
to two informational letters mailed to the project area residents, the second of
which invited residents to a public informational meeting held August 21, 1970.
Your Committee found that the only letters sent to residents were dated January
28, 1969, a year and a half prior to the meeting, and August 31, 1970, 10 days
afterwards. Neither mentioned any public meeting. The second letter was reason-
ably informative. The first letter (Appendix G) was very difficult to understand.
In your Committee’s opinion, it exhibited a pompous, condescending attitude
and did not directly state the nature of the proposed project or its effect on
residents of the project area. Your Committee was advised that EDPA was born
because the PDC letters were not informative, PDC’s property appraisers were
rude, and many residents could not obtain from PDC answers to their questions.
PDC denied these accusations.

On November 30, 1970, EDPA, represented by the Legal Aid Service of
the Multnomah Bar Association, submitted to the HUD Area Director a docu-
ment challenging PDC’s “Relocation Plan” dated September 22, 1969, for failing
to comply with statutory relocation requirements. The PDC plan concluded
that ample housing was available and “no newly constructed public or private
housing will be required.” According to EDPA the plan outlined vacancy
rate data, failed to designate decent, safe and sanitary housing or housing
in reasonably close proximity to public utilities and public and commercial facili-
ties, and used obsolete data and failed to coordinate displacement activities.
PDC relied upon a February 1969 Portland General Electric meter reading survey
to support its determination that there was more than a 3 percent vacancy rate
in the area. Under HUD requirements, such a vacancy rate permits PDC to
rely upon the existing housing supply, rather than provide for new housing.
The relocation plan does not point out the obvious limitations of meter reading
surveys as a source of housing statistics. Several more recent studies, including
EDPA’s door-to-door survey of prospective displacees, indicated an increased scar-
city of standard low cost housing. EDPA also attacked the relocation plan for

§ 1455(c) (Supp. IV, 1965-68).
(55)PDC, Relocation Plan, Emanuel Hospital § R-223, at 9, 32 (Sept. 22, 1969).
(56)EDPA, Compilation of Relocation Data 6 (Nov. 30, 1970).
(57)Id. at 7-9.
(58)Id. at 10.
(59)Id. at 12-13.
(60)HUD Regional Circular 907, at 12.
(61)EDPA, supra note 55, at Appendix A.
failing to comply with Model Cities relocation requirements, to recognize and deal with minority group considerations required by law, particularly those pertaining to race, and to provide adequate personal notice of public hearings prior to land acquisition. On December 30, 1970, EDPA submitted additional documents in support of its request for a moratorium until PDC complies with the statutory law and regulations.

The HUD Area Director withheld approval of the relocation plan until discussions among EDPA, HAP, PDC, Model Cities Citizens' Planning Board, City Demonstration Agency and Emanuel Hospital could be held and an agreement reached. On January 18, 1971, PDC Chairman Keller initially contacted EDPA's attorney, Holman J. Barnes, Jr. After numerous negotiating sessions an agreement among the above agencies was reached on March 11, 1971. It provided that (1) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 applies to the relocation of residents from the Emanuel hospital urban renewal project, (2) "approximately 180 to 300 units of federally-assisted, low and moderate income housing, including public housing and supportive uses will be cooperatively developed subject to the Emanuel Hospital Project Urban Renewal Plan," (3) federally-assisted housing will be provided to replace "all existing housing units demolished as a result of the Emanuel Hospital Urban Renewal Project with not less than an equal number of newly-constructed standard housing units located within the Project Area or as near as possible to the Project Area and all within the Model Cities Area", and (4) PDC will comply with all HUD's laws, rules and regulations in connection with the Emanuel Project.

The HUD Area Director confirmed to your Committee that the principal problem behind EDPA's complaints was PDC's failure to provide an adequate relocation plan, backed by up-to-date information, which could assure residents of the area that they would be satisfactorily relocated. Two PDC commissioners acknowledged to your Committee that their agency simply had not done its homework. PDC Chairman Keller, admitting that a few "technical" failures to comply with HUD regulations were inevitable, told your Committee that it was a "dangerous" idea that a group like EDPA could get assistance from an OEO-supported legal office to slow down an urban renewal project that is "good for the community."

As this report is written, differences remain between PDC and the EDPA. The neighborhood organization has rejected PDC's offers to put some of its leaders on the PDC staff, and the possibility of giving the organization a contract to consult with PDC on relocation is being explored. EDPA officials and Legal Aid Service attorneys report that PDC staff has failed to advise residents of the full relocation benefits available and has attempted to pressure owners into accepting low offers without permitting EDPA representatives or attorneys to be present.

H. Portland's Community Renewal Program

The Housing Act of 1959 provided federal funds to a local government for two-thirds of the cost of preparing a Community Renewal Program (CRP), a 10-year prospectus for urban redevelopment. When properly completed, the CRP analyzes the overall needs and resources of the community by (1) identifying and measuring the extent of slum, blighted, deteriorated or deteriorating areas; (2) determining the financial, relocation and other necessary resources needed to renew these areas; (3) evaluating existing programs; (4) establishing program priorities and potential renewal project areas; and (5) scheduling and programming these activities.

...
The CRP is to be based upon an intensive study of community needs and actions essential to meet these needs. The major characteristics of this study are its

1. comprehensive and community-wide character;
2. consideration of both immediate and long-range needs and resources;
3. recognition of the importance of social and economic factors in renewal programming;
4. continuing nature.\(^\text{(67)}\)

The CRP is intended to stimulate renewal activity and make it a recognized and approved daily function of local governing bodies by encouraging them to coordinate capital improvements with urban renewal programs. Such coordination enables the community to take maximum advantage of provisions of federal law that permit capital improvements to be credited toward the local share of federally-funded projects.

The Portland City Planning Commission, assisted by PDC, HAP and various city agencies, prepared a CRP which was published in September 1967, and adopted by the City Planning Commission and PDC in 1968. The City Council, in March 1969, found that the Plan conformed to HUD requirements\(^\text{(68)}\) but did not formally adopt it.

Portland's CRP was "... focused primarily on the physical aspects of the city with some emphasis on the "... general extent of social problems. ..."\(^\text{(69)}\) The CRP found "... that Portland is not without blight and that it faces problems similar to those being experienced elsewhere."\(^\text{(70)}\)

The cost of bringing all structures up to code standards was estimated at nearly $200 million. Approximately half of the money would be spent on rehabilitation, with emphasis on middle-income residential neighborhoods; about $73 million was estimated for clearance and redevelopment, mostly of industrial and public facilities; the balance was for conservation of basically sound areas.\(^\text{(71)}\)

Portland's CRP describes the city's available financial, relocation, administrative, legal and social resources as follows:

**Finance:** "There is presently no source of continuing income and the cash assets now in hand must be maintained as a revolving fund to be invested only in projects from which they can be recaptured."\(^\text{(72)}\) Possible means of expanding the local financial base include: "State financial participation, issuance of tax allocation bonds, a special tax levy, and coordinating renewal action with programmed capital improvements."\(^\text{(73)}\)

**Relocation:** "The Portland housing industry seems capable of meeting demands for replacement housing, as well as providing housing for normal population growth. However, low-cost housing, both sales and rental, must be built in increasing amounts."\(^\text{(74)}\)

**Administration:** "Administration of past renewal action in Portland displayed no critical weaknesses. However, an increased renewal workload will demand some type of administrative coordination between major program participants (PDC, Planning Commission, City Bureau of Buildings and HAP). ... Project plans must be related to long-term comprehensive urban development, and not become planning entities of their own."\(^\text{(75)}\)

**Social:** "Local social service and welfare agencies should play a more direct role in urban renewal activity."\(^\text{(76)}\)

The CRP concluded by stating that Portland "could muster the necessary resources" to provide, over a 20-year period, the renewal treatment called for by the program, but noted:

\(^{(67)}\)Id.

\(^{(68)}\)See id. § 5, at 9.

\(^{(69)}\)Portland City Planning Comm'n, Community Renewal Program, Portland, Oregon 6 (1967).

\(^{(70)}\)Id. at 7.

\(^{(71)}\)Id. at 13.

\(^{(72)}\)Id. at 15.

\(^{(73)}\)Id.

\(^{(74)}\)Id., "Summary", ch. III.

\(^{(75)}\)Id. at 16-17.

\(^{(76)}\)Id., "Summary", ch. III.
"The most pressing problem is mustering the financing for renewal and the associated social and housing programs needed to back up the program. Actually, even financing is not the fundamental limitation. The City has the economic potential to support a CRP; it depends upon the priority attached to urban renewal by the officials, businessmen and residents of Portland."(77)

The CRP designated ten areas for first priority renewal treatment, all of which were "considered necessary to substantially eliminate the blight problem existing in Portland. . . ." The ranking on the list "was chosen for convenience, starting with the St. Johns district and proceeding clockwise around the city. No priority implications are inferred."(78)

1. St. Johns
2. Astor (adjacent to the University of Portland)
3. Kenton (near Delta Park)
4. Albina-Woodlawn (including Humboldt, Vernon, Emanuel and Irvinngton)
5. Central Eastside (including Brooklyln, Tibbets, Cleveland, Waverleigh, Ladd, Lone Fir and Sunnyside)
6. Montavilla-Tabor
7. Arleta (centering on S.E. Foster Road—Holgate Blvd.)
8. Lents
9. Sellwood
10. Westside (Couch-Northwest Industrial buffer strip and the Skidmore Fountain area)

Portland's CRP has not been revised or updated since its original publication.

I. Model Cities Area Neighborhood Development Programs

1. PDC's Role in Model Cities Planning

The "Demonstration Cities and Metropolitan Development Act of 1966" was passed to improve "the quality of urban life" by redesigning the method of delivering state, local and federal services to certain affected areas. Essentially, the Model Cities program promises supplemental funds and preferred treatment for existing federal programs such as urban renewal, in exchange for creation of a local mechanism for an integrated attack on the various social, economic and physical problems of troubled neighborhoods. A unique feature is that it requires strong control and responsibility by the city itself. The other notable feature is the requirement of widespread citizen participation.

The impetus for Portland's participation came from Mayor Schrunk, who was Chairman of the United States Conference of Mayors when the legislation was introduced. PDC officials were skeptical about its chances of success, but, according to PDC's Executive Director, PDC was the "sparkplug" that got Model Cities started in Portland. A Committee of PDC and other city officials prepared a planning grant application which was approved by HUD in November 1967. PDC claims that Portland was the first city in the country to get a contract for planning. According to one observer, "it was an open secret that Portland had received its Model Cities program despite a poor application" because of Schrunk's position.(79)

Although PDC seems to have been genuinely reluctant to take on the job, it technically assumed the role of Demonstration Agency for Model Cities, undertaking responsibility for accounting, payrolls and other ministerial duties, but declining any policy-making responsibility. Initial plans called for only a modest citizen role in planning, but a Temporary Citizens' Committee, approved by Program Director Paul Schulze, developed the structure that exists today: a 27-man Citizens' Planning Board with two elected representatives from each of the eight Model School neighborhoods, and 11 appointed by the Mayor. Despite some misleading suggestions to citizens by HUD staff, the Board does not control funds or staff hiring and firing. It was made clear, however, that no plans were to be submitted to City Council without prior Board approval.

(77) Id. at 19.
(78) Id. at 35-36.
(79) D. West, supra note 50, at 3.
Both the Planning Board and its working committees were jealous of any agency interference during the "planning year," and most agencies were happy to stay out of the way. PDC did not attempt to interfere in Model Cities planning, although it loaned staff, including Hazel Hays, a neighborhood resident who also became an officer of the Citizens' Planning Board.

A subcommittee of the Planning Board worked with PDC from May through September 1968, providing HUD-required review of pre-existing proposals for Irvington, ANIP and the Emanuel Hospital area. Irvington and ANIP were already citizen-controlled and presented no problem, but a dispute arose between PDC and the Board over the Board's continuing right to review development of the Emanuel project. PDC eventually agreed to cooperate.

By the fall of 1968, planning had made very little progress. Because HUD was pressing for submission of comprehensive plans prior to departure of the Johnson Administration, the Urban Studies Center of Portland State University was hired to complete planning. The resulting comprehensive Model Cities plan was approved by the Citizens' Planning Board and published on December 16, 1968. Prior to submission to HUD, it had to be approved by the agencies applying for categorical grants. PDC Chairman Keller wrote to the Mayor asking for "sufficient time" to study the proposals. The Mayor was urging prompt agency and Council review to meet the January 3, 1969 deadline required by the Johnson Administration, but other Council members adopted a "go slow" attitude. PDC did not respond to the Mayor's request for expeditious review.

Your Committee was told that, at about this time, Mr. Keller wrote the Washington HUD office attempting to have the San Francisco HUD official in charge of the Portland program removed from that responsibility. He also wrote the President of PSU asking that Urban Studies Center Director Lyndon Musolf's "function be reviewed before the indignant citizens of this community administer the cup of hemlock."

PDC principally objected to the problem analysis section of the plan which was strongly critical of existing agency and government efforts. Mr. Keller attributed this to the Urban Studies Center's "Socratic" technique of stimulating controversy, rather than providing strong leadership for positive solutions. In its January 13, 1969, review of the proposed plan, PDC criticized the feasibility of the proposed Model Cities structure and claimed that the plan did not embody the intent of the citizens.

The Planning Commission objected that it, rather than PDC, should be responsible for planning the urban renewal program. Eventually, the differences were negotiated and, in February 1969, PDC approved the plan with slight revisions, with City Council finally agreeing to submit the plan, virtually unchanged, in April 1969. Of the $4.9 million requested by the plan, $3.7 million was awarded by HUD in July 1969.

An independent City Demonstration Agency had been established in April 1969, directly responsible to City Hall. From the beginning, controversy surrounded its director, Alvin Batiste. With Mr. Batiste's well-known distrust of PDC receiving widespread sympathy, conflicts within the Citizens' Planning Board came to a head when the Mayor fired Batiste in January 1970, apparently at the request of its Executive Committee but without consulting the full Board. This occurred shortly after PDC's outraged reaction when Batiste distributed to the Citizens' Planning Board material presented by the Rev. Harper Richardson to your Committee. The material was a compendium of negative rumors circulating in the Model Cities neighborhoods about PDC. The dominant theme was that difficulties experienced by blacks in the area were the result of an organized effort by land speculators to improve Albina for commercial or high-income residential purposes at the expense of low-income housing. Reverend Richardson acknowledged that the rumors were unsubstantiated. Lee Kell, Chairman of the

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(80) Id. at 139.
(82) Letter dated Jan. 13, 1969, from PDC to Mayor and City Council, transmitting PDC's report on the proposed Comprehensive City Demonstration Program.
(83) The Oregonian, Jan. 8, 1969, § 1, p. 11.
(84) D. West, supra note 50, at 192.
Planning Board, described it to your Committee as a fair summary of what was being said by some people.

In its relationship with the Model Cities planning, PDC was anxious to insure that the program would be designed so that PDC could carry out its obligation with a minimum of interference and was willing to use whatever influence it had with HUD or City Hall to accomplish this end. In a letter to your Committee in October 1969, PDC Chairman Keller stated:

“We think we have done quite an outstanding job, especially until the last year or so when the Model Cities concept descended upon us. Since then we have not been able to accomplish as much as we were able and anxious to do. It seems that citizen participation is good in theory but difficult of accomplishment.”

Several people pointed out to your Committee that PDC’s lack of credibility among some Model Cities residents is essentially a problem of PDC’s relative strength and commitment to its own programs, together with an oversensitivity to criticism and a lack of sensitivity to the fears of Albina residents. The confrontation with the Urban Studies Center staff was the result of PDC’s refusal to accept the decision of the staff and the Citizens’ Planning Board to make the comprehensive plan primarily a citizens’ document and only secondarily a feasible program for urban reform. Mayor Schrunk, who supported the decision, did not try to influence PDC’s activities in this area.

2. Model Cities Neighborhood Development Programs

The principal Comprehensive City Demonstration Program proposal for which PDC was to be the contracting agency was a Neighborhood Development Program covering the Model Cities area, with interim planning to take place until NDP assistance could be obtained. Upon receipt of HUD approval of the first-year plan, it was determined, as PDC had earlier suggested, that application for NDP funds should be made on a single-neighborhood basis, rather than for the Model Cities area as a whole. At PDC’s instigation, the Citizens’ Planning Board agreed, apparently without significant dissent, that the Woodlawn and Irvington neighborhoods should be the subjects of an initial application, since citizen groups in those neighborhoods had been well established in advance of the initiation of Model Cities and there existed substantial consensus as to goals for those areas. In spite of the Board’s agreement on this decision, residents of some other Model Cities neighborhoods have expressed resentment that the most prosperous neighborhoods were the first to receive NDP dollars.

In August 1969, PDC applied for NDP funds for the Woodlawn, Irvington and Buckman neighborhoods, the latter in Southeast Portland. In April 1970, the Buckman portion of the application was withdrawn following HUD’s suggestion that funds would not be readily available for non-Model Cities neighborhoods. The first year contract was signed in June 1970.

The local financial share of the first year NDP activities in Woodlawn and Irvington comes from a credit for the construction of Adams High School.

Woodlawn

The Northeast Neighborhood Improvement Association was founded in 1965 out of concern for the area from Killingsworth to Lombard and Union to 33rd. According to Mrs. Bobbie Nunn, one of its founders, the main problems were movement of people into the area from the Lloyd Center and Memorial Coliseum sites, lack of adequate recreation, health and cultural facilities, vacant land, vacant houses and creeping blight. This organization was superceded by the Woodlawn Improvement Association (WIA), which is recognized as the representative citizens’ group for the Woodlawn area, with its geographical center at Woodlawn School and its eastern boundary at 19th Avenue. The area included about 2,000 families, approximately 63 percent white and 37 percent black, 47 businesses and 2,040 dwelling units (570 of which had structural deficiencies).

The Woodlawn first-year plan, initiated by the Housing and Physical Planning subcommittee of the WIA, called for acquisition of a park site adjacent to Woodlawn School, street improvements and rehabilitation of housing in a six-block “demonstration” area.
During the period since submission of the Comprehensive Development Plan, Woodlawn citizens have worked with James Howell, an architect, who gave professional consultation, first on a volunteer basis and later under contract with PDC. From the beginning of Model Cities, Hazel Hays has worked with the WIA, first as a Model Cities staff member, later as Coordinator of Community Services and Citizen Participation for PDC. In the summer of 1969, PDC opened an NDP site office at N. E. Union and Killingsworth, where residents could meet and where staff could direct efforts at citizen information, and relocation and community services. The citizen participation staff there is now headed by Marion Scott, who initially became interested as a citizen-participant in Model Cities working committee meetings. PDC has put a number of other neighborhood people on the payroll full or part time. The success of these agency-citizen contacts appears to be largely the result of strong citizen leaders having sufficient influence and contact with staff that the citizen group could keep abreast of bureaucratic requirements and changes without being suspicious of motives. The community association approved a park site plan involving demolition and relocation.

PDC has boasted quite extensively of the successful citizen participation in Woodlawn, and most of those involved seem to agree. Your Committee notes that these individuals are naturally in favor of the effort. The Committee tends to discount, however, assertions of some outside critics that important meetings are "packed" by PDC staff with citizens sympathetic to their point of view. Your Committee does not think it fair to encourage an agency to promote citizen support, then accuse it of packing meetings. It seems significant that none of PDC's critics within the Model Cities program found fault with the genuineness of the Woodlawn citizen support. At the same time, the Committee's informal survey of residents around the proposed park area disclosed that many people, including those most personally involved, were poorly informed and relatively apathetic about the programs of PDC and the Woodlawn Improvement Association.

Irvington

The Irvington Community Association (ICA) was formed in 1963 to do something about "blight" in the Irvington district (primarily deteriorating structures and services, increased traffic, incompatible land use and insufficient school and park facilities). From the outset, it has received substantial assistance from the City Planning Commission, and one of its major achievements has been a successful effort to rezone a large area from apartment to lower-density zoning, apparently the largest rezoning in the city's history. Another success was the installation of a traffic diverter at 16th and Tillamook. It was suggested to your Committee that part of the impetus in founding ICA may have been a desire to keep blacks out of the neighborhood. Whether or not this was true, it does not seem to be true today.

The ICA originally had geographic boundaries from Broadway to Fremont and 7th to 26th Avenues. To be recognized as a Model Cities neighborhood citizens group, it reduced its eastern and southern boundaries to 21st Avenue and Tillamook Street, respectively. Included were about 1500 families, approximately two-thirds white and one-third black, 10 businesses, and 1,626 dwelling units (536 of which have structural deficiencies).

ICA established contact early with PDC to investigate the availability of HUD-funded programs useful to the area. After substantial discussion, PDC began preparing, in early 1968, an Irvington conservation and code enforcement program. Before plans became final and after consultation with HUD representatives, both PDC and ICA concluded that funds were more likely to be forthcoming under the Neighborhood Development Program.

First-year NDP projects were street improvement, "demonstration" area rehabilitation and expansion of the Irvington School grounds. The neighborhood's decision to clear houses for Irvington School expansion was subsequently changed and a number of "mini-parks" are now planned.

During the past several years, the City Planning Commission has worked with ICA on a long-range plan for the Irvington area. ICA is enthusiastic about this plan, published in 1970 as the "Irvington Community Improvement Plan," and regards it as a statement of long-term goals. PDC has expressed reservations
about its publication, since it contains no plan for implementation of its goals, including acquisition of park sites, and thus casts a cloud over other development. PDC believes that, during development of such a plan, strong commitments should be obtained from area residents and relevant local and federal agencies for its implementation, otherwise it is just a dream that gets in the way of concrete improvements. ICA representatives report being very discouraged by this PDC reaction.

As part of the first-year NDP program, Robert Belcher was hired by PDC to develop plans for subsequent Irvington NDP activities. The ICA sees his role as that of an "advocate planner" for the neighborhood residents, but PDC emphasizes (as does Belcher's contract) the importance of timely completion of plans and of complying with other PDC requirements.

3. Pre-NDP Planning

On July 1, 1971, the King-Vernon-Sabin area was included in the annual NDP funding program. During the year, a plan for the area will be prepared by PDC and submitted to City Council and HUD for approval. If accepted, the neighborhood will be considered an "action area" and the residents will be eligible for rehabilitation loans and grants. The neighborhood residents are working with DeKanter and Holgate, architects, to formulate an acceptable plan.

The Eliot and Humboldt/Boise areas are currently in the "pre-NDP" planning period with funding from Model Cities supplemental monies. The San Leandro, California, architectural firm of Pierce-Ramey, through its local representative, Douglas Johnson, is planning with the Eliot area residents. Two Portland architects, Kenneth Kaji and Robert Perron, are planning consultants for Humboldt/Boise. All are under contract with PDC.

4. Community Attitudes

Some of those interviewed by your Committee either expressed the opinion that PDC controls the Model Cities program, or asserted that such a belief is widespread among neighborhood residents interested in the program. In each case, the foundation of the belief appears to be that the PDC-run programs have progressed much further and faster than other Model Cities programs, and that PDC's views always seem to prevail. From this, many infer that the influential members of the Citizens' Planning Board and those who are in leadership positions in the NDP areas are "hand-picked" by PDC.

Because we heard conflicting reports about the public acceptance of PDC in the Model Cities area, two of your Committee's research interns conducted an informal survey in portions of the Woodlawn and Humboldt neighborhoods in July 1970, talking to over 100 residents. They found that very few residents had any familiarity with PDC as an entity, even in neighborhoods included in ANIP and those near the site of the proposed Woodlawn park. Most had heard of Model Cities, but were either unsure what it was or were discouraged with the quarreling they observed. Those who were familiar with the Woodlawn NDP or with ANIP had generally favorable comments, although several complained about the poor work of ANIP contractors and about the dangers of Unthank Park because of its unconventional play structures and its attraction for teenagers at night. Many persons interviewed criticized the recently-completed Auditorium Forecourt Fountain which they looked on as needless beautification of downtown for the rich when poor East Side neighborhoods needed the money. (The money spent on that fountain was part of the tax allocation bond proceeds for the South Auditorium project and could have been spent only in that project area.)

Although the interviews conducted cannot be the basis for any specific conclusions, they indicate that ordinary citizens have a more favorable image of PDC than generally believed. Even in urban renewal project areas, most citizens were poorly informed, somewhat apathetic and distrustful of government agencies in general.
At the time Portland's Model Cities Program was under consideration, representatives of East-CAP, PACT and Washington High School, among others, recommended to City Council the inclusion of the Buckman, Sunnyside, Richmond and Brooklyn neighborhoods of southeast Portland in the Model Cities area. According to PDC staff members who were active in preparing the Model Cities application, HUD requested that the city include only a geographically coherent community containing a large concentration of minority group persons within the Model Cities boundaries, but not more than 10 percent of the city's population. Because it was thought that these criteria could not be met if the four Southeast areas were included, the recommendation was rejected in February 1968.

To assuage the disappointed Southeast Portland proponents, Acting Mayor Francis J. Ivancie instigated a locally funded program labeled Southeast Uplift.

The Southeast Uplift area includes all of Portland east of the Willamette River and south of the Banfield Freeway, taking in approximately 25 square miles (31 percent of the city area) and 155,000 people (41 percent of the city's population). In May 1968, a Citizens' Advisory Committee was formed, consisting of 13 delegates and their alternates, eight of whom were appointed by the Mayor and five appointed or elected by the following groups:

1. Sunnyside Community Improvement Committee
2. Brooklyn Action Corps
3. Buckman Community Action Committee
4. Richmond Community Action Committee
5. East-CAP Housing and Planning Commission

Shortly thereafter, a “clearing house” office was established by PDC on S. E. Hawthorne Street, providing staff and meeting room space for the committee. PDC was designated by City Council to disburse all funds (local and federal) relating to the administration of Southeast Uplift. Staff and office are paid for by PDC from its unallocated capital funds.

Later in 1968 a committee of Southeast residents, under PACT's guidance, applied to OEO for a grant for a project known as the "Portland Planning Institute" to provide "advocate planning" — technical planning assistance to the citizens without supervision from City Hall. PDC Chairman Keller reported to the other Commissioners on July 10, 1968 that he had officially protested to OEO and written to the Chairman of the House Appropriations Committee. Mr. Keller strongly opposed the idea of government-paid planners not under the control of city officials. Mayor Schrunk refused to endorse the proposal and the grant was never received.

In a December 1968 brochure published by the City Planning Commission and PDC, the goals of the Southeast Uplift Citizens Advisory Committee were stated as follows:

“The Southeast Uplift Committee has determined that Southeast Portland has many problems to solve and is considering ideas which will lead to their solution. Of these problems, the committee, through extensive review and discussion of orientation material, has determined what improvements in housing, employment and education are of prime importance and will emphasize action in these areas. Other areas proposed are improvement of street repair, traffic patterns, schools, parks and playgrounds, and transportation.”

In addition to providing direction to the staff in promoting improvements in the area, the Committee has passed on all Southeast zone changes prior to presentation to City Hall and has reviewed plans for location of access ramps for the proposed Mt. Hood freeway.

(85) A community action program sponsored by the Greater Portland Council of Churches on the near east side.

(86) Portland Action Committees Together, a combination of OEO-sponsored community action programs on the east side.
Initially, many people in the Southeast area were suspicious of the Southeast Uplift program. It was regarded as window dressing which ignored the real problems of the area and was not intended to produce significant results. Gradually these feelings appear to have been replaced by a spirit of cooperation between PACT and Southeast Uplift and by increased credibility for the program. The improvement seems attributable to the efforts of the PDC's project manager, Hal Lawwill.

2. Buckman Certified Area Program

In April 1970, PDC submitted to HUD an application for $73,500 to make 21 rehabilitation grants in a 20-block area of the Buckman district bounded approximately by S. E. Madison and Belmont Streets and 12th and 16th Avenues. The application also estimates there will be 22 rehabilitation loans amounting to about $60,000.

The program was designed to provide immediate rehabilitation and improvement for an area containing the "highest concentration of deficient structures in the Buckman neighborhood and suffer[ing] from the effects of undesirable influences," and is a prelude to the request for funds for more comprehensive neighborhood improvements described below.

Under the proposed project, PDC, through the Southeast Uplift office, is to provide referral services to other agencies, counsel property owners in selecting qualified contractors and making satisfactory financial plans, develop cost data and prepare the paperwork necessary for obtaining loans and grants. In April 1971 HUD approved the entire request.

3. Buckman Neighborhood Improvement Project

On January 13, 1971, PDC forwarded to HUD a Survey and Planning Application requesting $290,491 in federal funds to plan a residential rehabilitation project covering 347 acres in the Buckman area of Portland's near east side bounded by S. E. Ankeny and Hawthorne Streets and S. E. 12th and 28th Avenues. The area is described as a residential neighborhood with mixed land uses, high crime rates and a lack of public parks, occupied by many poor, transient and broken families and elderly individuals. Located within the project area are Washington and Central Catholic High Schools, Buckman Grade School, a small park and a large cemetery. The application requested a reservation of $7,190,416. Of this, $227,645 would be used for relocating 39 of the area's 3,222 families, about 100 individuals and 13 businesses, $1,470,000 for rehabilitation and the balance for acquisition, clearance and site improvements.

According to the Application, the project will concentrate on remediying the physical and environmental deficiencies in the Buckman area to "help prevent the spread of blight throughout the rest of Southeast Portland and create a definite boundary between industrial and commercial uses west and north of the project area and the predominantly residential uses in Buckman." This is to be accomplished by restricting the use of spot zoning, strengthening the predominantly A1 zone requirements, establishing sites for low and moderate income public housing by spot clearance and providing additional land for a one-and-a-half block park enlargement and an eight-block Washington High School expansion. PDC's discussion with HAP of possible public housing facilities has been minimal.

The proposed financing will be primarily federal, with support from non-cash local grants-in-aid of $1,118,700, most of which will be provided by the City of Portland in improving sewers ($1,000,000), expanding Summers Park

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\(^{89}\)PDC, Buckman Certified Area Application § X-103, at 1 (April 20, 1970).

\(^{90}\)PDC, Buckman Neighborhood Improvement Project Survey and Planning Application § R-103, at 1-3 (Dec. 31, 1970).

\(^{91}\)Id. § R-103, at 4.

\(^{92}\)Id. § R-103, at 5-8.
($59,500) and resurfacing streets ($3,000). A portion of the School District's local share of Washington High School's Open Space Expansion Program and shop addition will be available as a credit. As the result of these available local credits, the city's supply of pool credits will not be reduced by the project.

A Buckman citizens' committee has been in existence for more than two years. It was formed originally in connection with the NDP Application for the area that was withdrawn at HUD's request in May 1969. Nevertheless, at the January 6, 1971 City Council hearing, several businessmen and residents complained of inadequate citizen participation and insufficient planning for human needs and concerns. Commissioner Neil Goldschmidt, voting against the proposed Application, argued that a prior hearing by the City Council within the project area was extremely important. He favored the proposal, but strongly believed that information on citizens' views was lacking in spite of the significant resident involvement during the preceding two years. PACT and Southeast Uplift representatives favored the Application and City Council approved it by a 4 to 1 vote.

K. Good Samaritan Hospital

Good Samaritan Hospital has been at its present location since 1875. In 1963, its Board of Trustees, deciding to remodel and expand on the present site rather than leave the Northwest area for a suburban location, began planning an enlargement of the hospital's facilities, and embarked on a program to purchase property on the periphery of the present hospital grounds. This program was costly and time-consuming and could not solve the problems of inadequate parking facilities and intense traffic congestion. In 1968, Good Samaritan executives, complaining of difficulty in obtaining the necessary land for expansion, requested PDC's assistance.

The City Planning Commission's 1967 Community Renewal Program (CRP) discussed the high-density Couch area and the Skidmore Fountain section near West Burnside, but recommended that the first Northwest renewal project should be the establishment of "a firm line of demarcation between the apartment area and the adjoining industrial area to the north and east. . ." (93) The Good Samaritan Hospital area was not recommended as a primary target for renewal treatment within the 10-year period from 1967 through 1977, and was categorized as an area in need of "residential rehabilitation" rather than urban renewal clearance. (94)

The hospital believed there were strong public arguments for governmental aid to improve medical facilities on Portland's west side while eliminating a blighted section of a substandard area. The hospital learned that Consolidated Freightways contemplated expansion of its nearby facilities, and both the trucking firm and Physicians and Surgeons Hospital joined discussions with PDC to examine the possibilities of an urban renewal project. It was eventually determined that a private business could not be included in a Section 112 Hospital urban renewal clearance program and two separate projects did not appear feasible. Early in 1969, the parties decided to attempt a Neighborhood Development Program. In early May 1969, the newly-elected Nixon Administration announced that funding for proposed NDP projects would be limited to Model Cities areas. Since it appeared that Section 112 would have to be relied on, Consolidated Freightways withdrew from the program.

The Rehabilitation Institute of Oregon, a UGN-funded health care organization (since absorbed by Good Samaritan) joined in sponsoring the project. By early August 1969, Good Samaritan agreed to provide $6,546 to pay the cost of preparing the 112 Survey and Planning Application. The status of Physicians and Surgeons Hospital as a project sponsor has not been finally determined.

While the NDP option was under consideration, PDC began an effort to find a representative residents' group. Mrs. Hazel Hays, community representative for PDC, sought out the Rev. Edd Crawford, Executive Director of UGN-funded Friendly House, who agreed to help organize a citizens' group. Crawford approached others in the Northwest area, including the Rev. Llano G. Thelin, Pastor of First Immanuel Lutheran Church, who, in turn, began intensive organ-

(93) Portland City Planning Comm'n, supra note 69, at 71.
(94) Id. at 12.
izing activity of Northwest residents. On May 15, 1969, the first of two organizational meetings of the Northwest District Development Association (NWDDA, now the Northwest District Association) was held in Chapman School. At this meeting, attended by several hundred local residents, the NWDDA was organized "to preserve and to improve the livability of Northwest Portland while protecting the personal (human) and property rights of individual citizens." Five days later, the NWDDA again met in a stormy session regarding the basic philosophy of the organization, its purpose and its alleged attempt to promote an urban renewal area in the Northwest. Representatives of PDC, the City Planning Commission and Good Samaritan were present to provide information to the group of approximately 600 people. The meeting was disrupted at frequent intervals and adjourned without the scheduled election of officers. Before dismissal, however, several steering committees were appointed and directed to investigate the urban renewal proposal, the extent of Good Samaritan's involvement and the possible role of an organized citizens' group.

Shortly thereafter, a dissident "Committee to Protect Northwest Portland from Urban Renewal" was organized by Mrs. Louise Weidlich, a resident of Southwest Portland and a property owner in the Northwest area. Mrs. Weidlich arranged a meeting in Couch School and introduced Mrs. Mary Kangas of Scappoose as the group's "legal advisor." Mrs. Kangas, by one newspaper account, urged the group to demand that Mayor Schrunk dissolve PDC. Throughout the summer of 1969, there was continued anxiety regarding the impending project and in early August, Mrs. Weidlich attacked the NWDDA as a tool of PDC.

In late November 1969, PDC completed its Survey and Planning Application and prepared to present it to City Council. Shortly before the scheduled presentation, NWDDA called upon City Council to delay action on the Application. NWDDA, claiming it was "neither for nor against" the proposed hospital project, urged a comprehensive study for the larger section of Northwest Portland to determine what impact the proposed project would have on the area's social, economic and physical environment. The Planning Commission lacked adequate manpower or resources to conduct such a study, yet it agreed with PDC that the Survey and Planning Application should be forwarded to HUD because there were renewal application requests totaling more than $2 billion in the "HUD pipeline" and it was important to "get in line." NWDDA objected to immediate Council approval because it feared the only area studied would be the 50-acre Good Samaritan project site itself, and without area-wide planning the hospital project would be approved and developed without sufficient examination of its effect on the Northwest district.

At Mayor Schrunk's request, Commissioners Ivancie and Anderson investigated the possibilities for area-wide planning and recommended a program including (1) submission of the Survey and Planning Application to HUD, (2) development of a comprehensive plan for the Northwest area prior to or simultaneously with the urban renewal plan, (3) commitment by City Council of adequate funds for such planning and (4) involvement of area residents in comprehensive planning. At a public meeting on December 10, 1969, the Council voted to approve those recommendations and to commit up to $75,000 from the city's budget for the comprehensive planning effort. The Council's action was supported by NWDDA and opposed by Mrs. Weidlich and by her followers. Approximately $33,000 has been appropriated from the 1970-71 city budget, with the balance scheduled for appropriation in 1971-72. The area-wide plan is expected to be completed by February 1972.

L. Hill Park

On August 6, 1970 PDC transmitted to the San Francisco Regional office of HUD a request for $477,956 in federal funds to be used in the survey and planning of a 47.47 acre tract (approximately 25 blocks) in the Lair Hill Park area south of the present South Auditorium urban renewal site. The funds, if

[95]Quoted in a letter dated November 24, 1970, from Llano G. Thelin, President, NWDDA, to Terry D. Schrunk.

NWDDA representatives are now encouraged with the comprehensive planning effort and the apparent cooperation of the hospital approved, are to be used to determine whether an urban renewal project should be undertaken and, if so, the most feasible method of renewing this section of the city. These plans were first published in the daily newspapers when PDC approved the Application on August 3, 1970.

The proposed project area is a triangular shaped section of old South Portland, bounded generally by S. W. Arthur Street, Barbur Boulevard, Lane Street and Front Avenue, near the west end of the Ross Island Bridge. It is primarily a residential area, but also includes Lair Hill Park, a junior museum operated by the City's Bureau of Parks, Neighborhood House, churches, and several businesses. According to the Survey and Planning Application submitted by PDC, there are 161 dwelling units in the area with all but one rated as substandard, and 200 residents, although some who live in the area estimate at least twice that number.

The Lair Hill Park area has assimilated immigrants arriving in Portland since the 1880's. Today it is populated with a few old Jewish and Italian families and artists, craftsmen, students, blacks, elderly persons and "hippies".

The Lair Hill Park neighborhood was first considered for urban renewal treatment in 1951 at the time the Vaughn Street area was initially studied. Your Committee was told by city officials and planning and urban renewal staff, that the area has been regarded as a potential renewal area since that time, with lack of financing the only deterrent. The immediate impetus was an August 1967 memorandum originating in the Planning Commission offices.

Under a 1966 amendment to the federal renewal law, 25 percent (not to exceed $3.5 million) of local funds spent for expansion of the University of Oregon Medical School could be applied as a credit toward the local share of the cost of an adjacent urban renewal project that supported the school. Additionally, the excess of the available credit over the one-third local share of the urban renewal project costs becomes a pooled credit, which can be used to provide the local share of projects elsewhere in the city. The proposed project would make available an excess credit of approximately $1.2 million. PDC staff members have repeatedly stated that much of the credit will be available only if City Council approves a Loan and Grant Application for the Hill Park project by late 1972. However, your Committee determined that credits from the Medical School expansion nearly sufficient to pay the local share of the proposed project will be eligible for use for several years after 1972.

The 1966 Community Renewal Program lists the Lair Hill Park area as eligible for rehabilitation treatment but does not include it as one of Portland's first priority urban renewal projects. The proposed treatment is code enforcement and rehabilitation. Your Committee found PDC and its staff strongly stressing the deterioration of the area. PDC Chairman Keller was quoted as observing that "Some of those places are just awful—like something you'd find in the Tennessee mountains. It's worse than Albina."

The increasing need for student and faculty housing and more intensive land use close to the University of Oregon Medical and Dental Schools and to Portland State University was and often is cited as the primary reason for the Hill Park project. The residents point out that PDC had not been sufficiently interested in student housing needs in the past to include this type of housing in the South Auditorium project and extension.

In June 1970, the Planning Commission staff issued a report entitled "Portland State University Housing: A Proposal to Encourage the Development of Student Housing on Sites Immediately Accessible to the Campus," citing a May 1966 City Club study which concluded that additional student housing near PSU was needed. The planning staff added other reasons to support campus
housing. The desire to reduce both traffic congestion and on-street and off-street parking caused by commuting students. The June 1970 report named seven areas within walking distance of the PSU campus as possible student housing centers and gave particular prominence to the Lair Hill Park neighborhood because it is (1) potentially the largest single parcel of land close both to PSU and the University of Oregon Medical School, (2) within walking distance of the downtown area, (3) served well by buses and (4) well located both scenically and topographically. The Planning Commission suggested a "...kind of student village" including both low and high rise units for single and married students and faculty with shuttle buses operating as transportation to and from the Medical and Dental Schools and PSU.

In the late summer of 1968, Lair Hill Park was the focus of a campaign by City Commissioner Francis J. Ivancie to rid the city parks of illegal drugs and other non-conformist uses. Subsequently the City's Bureau of Buildings began to inspect, and in some cases strictly enforce the various housing, electrical, plumbing and heating codes. A number of buildings were closed and eventually destroyed. Some neighborhood residents believe that the proposed urban renewal project is a continuation of an effort to destroy their unconventional way of life.

Your Committee was repeatedly told by PDC staff members that the Hill Park project was not necessarily scheduled to be a clearance project, since the Survey and Planning money would determine the best use of the land. Nevertheless, local residents believed that a clearance project was imminent and their fears were supported in the Survey and Planning Application itself.

PDC's Application states that the Community Renewal Program's "holding action" proposal was "made on the basis of 1960 and earlier statistics," and that the contemplated treatment is "clearance and redevelopment." PDC claimed rehabilitation would only "prolong inefficient land use and circulation systems and give a few more years of life to structures..." and, since 94 percent of the structures are "deficient to some degree and 37 percent are substandard to a point warranting clearance," total clearance and redevelopment would be desirable. The Application identified the principal "blighting influences" as inadequate street layout, incompatible uses, overcrowding of structures and obsolete building types.

The Application goes on to state:

"The Hill Park Project is an opportunity to match local needs with available local resources. Implementation will provide a stimulus to growth, planning and improvement in the decaying southwest riverfront area; it will contribute a substantial number of low and moderate income housing units in close proximity to areas of critical need; it will provide an opportunity for the dispersion of minority concentrations in East Portland, and it will stop the growing entrenchment of decay, minority concentration, land use and circulation."

PDC did not discuss the proposed Survey and Planning Application with residents of the affected area prior to its submission to HUD. PDC solicited the support of institutions interested in the Lair Hill Park section, including Neighborhood House, the National Council of Jewish Women, Inc. (owner of the structure in which Neighborhood House is located), PSU, University of Oregon Medical School and Portland Community College, stressing the urgency of filing the Application in order to take advantage of the available credit. The replies expressed interest in the development of the area's future and tended to encourage an Application for Survey and Planning funds.

When questioned by members of your Committee about the advisability of consulting the neighborhood residents, PDC staff members pointed out that a Project Area Committee (composed of residents) was not required for a clearance...

(104)Id. § R-102, at 1.
(105)Id. § R-103, at 2.
(106)Id. § R-102, at 1.
(107)Id. § R-103, at 4.
(108)Id. § R-103, at 5.
(109)Id. § R-103, at 1.
project and expressed the view that any sort of resident participation in planning an area that was to be a clearance project would be useless and self-defeating. The Application’s entire “Report on Citizen Participation” is as follows

“Residential rehabilitation activities are not contemplated within the proposed Project Area, and the establishment of a Project Area Committee is not anticipated.”

On October 19, 1970, after knowledge of the proposed project became widely disseminated, the Terwiliger Community League invited the residents to hear presentations by John Kenward of PDC and Lloyd Keefe of the Planning Commission concerning PDC’s proposal. Many of those in attendance at the meeting were openly hostile to the speakers and others, less vocal, appeared distrustful. The residents’ principal objection was to the planners’ failure to consult the area’s inhabitants prior to formulating and submitting a proposal.

A few days later, a meeting organized by an industrial real estate broker was held at Neighborhood House. The persons present formed a new group called the Hill Park Association with a governing board representing tenants, resident and non-resident owners, Neighborhood House and the Council of Jewish Women. The Association’s immediate purpose was to stop the proposed renewal project. After studying the Survey and Planning Application, canvassing the Hill Park neighborhood, holding discussions with residents and inviting planners, public officials (including Multnomah County Commissioner Mel Gordon) and others to meet and discuss the proposed project, the Association requested that (1) HUD make no funds available for study and (2) the city make funds and planning assistance available to replan the entire Terwiliger area.

In October 1970, HUD notified all urban renewal agencies that Project Area Committees, formerly demanded only for rehabilitation projects, would henceforth be required for all urban renewal projects. Such committees are to be fully functional within 90 days after HUD approves funds for survey and planning. In January 1971, HUD’s Portland area director, Russell H. Dawson, apparently in response to complaints of the Hill Park Association, suspended review of the Application pending assurance by PDC that a representative Project Area Committee would be operational in accordance with HUD’s directives. Such assurance “should minimally include the approval of this application by a representative group in the proposed area and indications as to the structure of the PAC.”

Representatives of the Hill Park Association and PDC met periodically during the spring of 1971. At the same time, the Association’s board of directors was exploring other alternatives to the Survey and Planning Application on file. At a general meeting of the Association on May 12, architects William Church and William Kleinsasser proposed to help the neighborhood devise a unified plan in accord with previously established criteria for performance (or “impact”) zoning. Those present unanimously voted to request the City Council to withdraw the Hil Park Survey and Planning Application and declare a one-year moratorium on all zoning changes and major construction. These proposals were incorporated into a petition which was circulated throughout the Hill Park area. In late May, the Association submitted the petitions containing approximately 250 signatures to City Commissioners Goldschmidt and Ivancie. According to the Hill Park Association Board, the petitions represented approximately one-half of the property owners and 75 percent of the tenants.

PDC responded to these requests with a letter to City Council opposing withdrawal of the application. The letter recommended:

“. . . that the City Council inform the residents and owners in the Hill Park Project area that when, and if, the planning application is approved and funds provided, the City Council will hold a public hearing after which it will decide whether or not the planning function should proceed.”

(110)Id. § R-117.
(113)Letter dated June 1, 1971, from John B. Kenward to the Mayor and City Council.
On July 8, the City Planning Commission voted unanimously to recommend that the Survey and Planning Application be withdrawn unless PDC guarantees in writing that no plan will be implemented that is unacceptable to a representative citizens' organization. On July 15, City Council rejected, 4 to 1, Commissioner Goldschmidt's proposal to withdraw the Survey and Planning Application. A proposal for a six-month freeze on zone changes and permits for building in excess of $10,000 was referred to the Planning Commission for further study. Also at this hearing, City Council requested PDC to amend the Survey and Planning Application "... to allow and consider redevelopment and rehabilitation as a part of the application." PDC is currently revising the Application.

M. City-County Courthouse Complex

PDC is presently considering a non-residential urban renewal clearance project in a 7.6 acre four-block site east of Chapman and Lownsdale Parks in downtown Portland, bounded by S. W. Salmon and Madison Streets and S. W. First and Third Avenues. A Draft Survey and Planning Application, prepared in October 1970, at the urging of the City-County Coordinating Committee and updated as of January 7, 1971, would request $254,000 in federal funds for use in planning and survey activities and $6,000,000 to be set aside for capital grant and relocation efforts.

The proposed project seeks to culminate a long-desired objective of local governmental and civic leaders to establish a centralized location for administering city and county government. As early as 1912, a nationally known planner prepared a comprehensive plan for Portland and recommended this site as ideal for a government complex. Subsequent studies in 1919, 1929, 1944 and 1946 continued to stress the area now under consideration by PDC.

More recent studies beginning in 1963 led to submission in the November 1968 general election of a county ballot measure requesting approval of $4 million in general obligation bonds to acquire the site for a courthouse, a public safety building and a parking garage.[114] The measure was defeated. In the general election of 1970, the county's voters were again asked to approve a bond measure for the same purpose, but this time the funding request was increased to $5.5 million. Again, the measure was defeated, possibly because the voters were clearly informed that the $5.5 million price tag was only the beginning of a large financial undertaking.

The Draft Survey and Planning Application envisions a four-block City-County government complex immediately north of the proposed high-rise Federal Office Building, thus advancing the goal of a unified, downtown government center including City Hall, the Federal and Multnomah County Court Houses and the State Office Building. The area is described as "badly deteriorated," a condition aggravated by mixed land uses and high crime rates.[115] The Draft states that "execution of the proposed project will accomplish HUD's National Goals. A badly deteriorated section of downtown Portland will have been eliminated along with the attendant social problems that have plagued this section of town for many years."[116]

The Net Project Cost for acquisition, demolition, relocation and site improvement (but not building construction) would approximate $11.7 million. The city and county together would have to provide about $26 million for the new government structures with $5.8 million of that total being credited to the urban renewal project as local non-cash grants-in-aid. Since the local one-third share of Net Project Cost is only $3.9 million, the project as such would not require any local cash grants-in-aid and would generate approximately $2 million in pool credits for use in other urban renewal projects.

The Draft Application does not request planning funds for relocation or citizen participation and it allocates less than 3 percent of the reservation grant for relocation. The extent of citizen participation envisioned by PDC is best described by the Draft's "Report on Citizen Participation":

[114] A minority committee report favoring the measure was supported by City Club members. See City Club Bulletin v. 49, no. 22 (Nov. 1, 1968).
[115] PDC, "City-County Courthouse Complex Survey and Planning Application (Draft)", § R-103, at 6-8 (January 7, 1971).
[116] Id. § R-103, at 7-8.
The area residents are primarily individuals occupying transient housing (hotel) accommodations, and only two families reside in the area. Project activities will involve total clearance and the Portland Development Commission does not anticipate the establishment of a project area committee.

"However, the Portland Development Commission will cooperate with public agencies and other citizen groups in the planning and execution of project activities to minimize any problems that may arise as a result of proposed project activities." (117)

As to "Consultation with Minority Group Leadership," the Draft notes that:

"Only two families reside in the area in converted store fronts and 330 individuals occupy transient housing quarters. Therefore, there are no dwelling units as such, and no minority groups in permanent domicile." (118)

The Draft reports the proposed relocation efforts and effects on low income housing elsewhere in the city as follows:

"With the exception of two converted store fronts, all residential units are in the form of hotel rooms. These hotel rooms are occupied on a transient basis and the only families that now live in the area occupy converted store fronts. Displacement of residents in the area, therefore, will not generate a great demand for low-income housing. Preliminary investigation by LPA staff indicates that replacement housing in the City for displacees will be available." (119)

This conclusion is bolstered by a recitation of present and proposed FHA and HAP-sponsored low and moderate income housing programs and the statement that "indications show that this supply of low to moderate housing units is meeting the demand in Portland." (120)

The above quotations indicate that PDC believes that people who live in hotel rooms do not require the kind of relocation and citizen participation services ordinarily expected in an urban renewal project. The Draft ignores the October 1970 HUD directive that a project area committee be formed for every project. It also carries forward assumptions about the low income housing supply that were seriously challenged by the Emanuel Displaced Persons Association. No steps have been taken to inform the residents or businesses in the area of the proposed project.

Preparation of the Survey and Planning Application has been suspended pending a decision by the city and county as to the method of financing the cost of the buildings.

N. Riverfront

In February 1969, the City Planning Commission issued a publication entitled "Willamette Waterfront South of Downtown Portland: A Brochure Prepared to Stimulate Interest in Reclaiming Properties Along the Willamette River for Public Use." The proposal was advanced at that time because of City Council’s recent proposal to purchase the old Journal Building, the State Highway Department’s agreement to relocate Harbor Drive and the State’s proposal to create a continuous Willamette River Greenway from the river’s source to its confluence with the Columbia. The daily view of unsightly conditions from the newly built Marquam Bridge also disturbed many Portlanders.

The Planning Commission proposal focused on an 88-acre area extending from the Hawthorne Bridge to S. W. Gibbs Street south of the Ross Island Bridge and from the Willamette River to Harbor Drive and the Baldock Freeway. The land is occupied by an old plywood manufacturing and storage plant, Pacific Power & Light Company’s steam generating facility, several commercial and industrial operations and about 55 acres devoted to the scrap metal business. The report described the scrap metal areas as being:

"... very unsightly, as they are piled high with scrap and junk. The view of this particular area is probably the most depressing and disgraceful along the City’s total waterfront. These scrap metal industries also add to

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(117) Id. § R-117, at 1.
(118) Id. § R-103, at 11.
(119) Id. § R-103, at 6-7.
(120) Id. § R-103, at 10.
the area’s air pollution and are one of the major sources of oil discharge into the river.”

The proposal envisioned many commercial and park-type recreational facilities with major emphasis on the river, including a marina, a boat basin, a marine island with shuttle ferry service and a winding waterfront pedestrian way.

The proposal also suggested that immediate steps be taken to develop the concept more completely, to negotiate with the commercial and industrial organizations within the proposal area and assist with their relocation, to encourage strict enforcement of pollution controls and to encourage PP&L to “renovate the appearance of their plant and develop their adjacent land in accord with an overall development plan.”

It was suggested that funds for acquisition of land could be obtained through a bonding measure, the Willamette River Greenway Program, The Federal Open Space Land grants, Urban Beautification and Urban Renewal grants or special state or local money, coupled with federal matching funds for an urban state park.

Recently the PDC staff, starting with the Planning Commission’s Willamette Waterfront concept, has begun studying a possible “Riverfront Project,” covering an area from the Hawthorne Bridge to the Sellwood Bridge and from Front Avenue and Barbur Boulevard on the west to the Willamette River on the east. Your Committee was cautioned that the Riverfront Project is in the “preliminary analysis” stage, is not a firm proposal and has not been presented to any of the five members of PDC. Advance federal funds for surveying the area to determine whether an urban renewal project is feasible could be obtained under Section 102(d) of the Housing Act but must be repaid if money is made available to undertake an urban renewal project. Presently, the PDC staff is contemplating submitting a request for HUD feasibility funds under this Section 102.

Your Committee was also told that there are many unanswered questions regarding the project, such as the practicability of moving the scrap metal businesses, the necessity for river dredging, the “highest and best use” of the riverfront lands between the Ross Island and Sellwood Bridges, possible State Highway Commission plans for a new bridge between the Marquam and Ross Island Bridges and the proper utilization of the residential Terwiliger area. PDC hopes that its contemplated feasibility study will supply the answers. A PDC representative emphasized that the Riverfront Project would not deal with the land located between the Hawthorne Bridge north to the Steel Bridge, since the “Downtown Plan” presently being prepared will suggest proposals for this area.

At the present time, PDC has not formally consulted City Hall, the State Highway Commission, local business leaders or residents of the affected community. There is no target date for submitting the project to City Council.

O. Portland’s Workable Program for Community Improvement

In 1954 Congress enacted legislation requiring communities desiring federal aid for certain urban renewal and housing programs to prepare and keep current a “workable program for community improvement.” This requirement is based on the principle that federal assistance for these programs can bring permanent benefits only to those communities that are making determined efforts to overcome problems of slums and urban blight. Under federal law, no loan or grant contract may be entered into for an urban renewal project unless the Workable Program “is of sufficient scope and content to furnish a basis for evaluation of the need for urban renewal project; and ... such project is in accord with the program.”

HUD now requires that an acceptable Workable Program include the following:

1. Code Enforcement—requires the adoption of up-to-date housing, building and related codes and the development of an effective community-wide planning for community improvement.”

The proposal envisioned many commercial and park-type recreational facilities with major emphasis on the river, including a marina, a boat basin, a marine island with shuttle ferry service and a winding waterfront pedestrian way.

The proposal also suggested that immediate steps be taken to develop the concept more completely, to negotiate with the commercial and industrial organizations within the proposal area and assist with their relocation, to encourage strict enforcement of pollution controls and to encourage PP&L to “renovate the appearance of their plant and develop their adjacent land in accord with an overall development plan.”

It was suggested that funds for acquisition of land could be obtained through a bonding measure, the Willamette River Greenway Program, The Federal Open Space Land grants, Urban Beautification and Urban Renewal grants or special state or local money, coupled with federal matching funds for an urban state park.

Recently the PDC staff, starting with the Planning Commission’s Willamette Waterfront concept, has begun studying a possible “Riverfront Project,” covering an area from the Hawthorne Bridge to the Sellwood Bridge and from Front Avenue and Barbur Boulevard on the west to the Willamette River on the east. Your Committee was cautioned that the Riverfront Project is in the “preliminary analysis” stage, is not a firm proposal and has not been presented to any of the five members of PDC. Advance federal funds for surveying the area to determine whether an urban renewal project is feasible could be obtained under Section 102(d) of the Housing Act but must be repaid if money is made available to undertake an urban renewal project. Presently, the PDC staff is contemplating submitting a request for HUD feasibility funds under this Section 102.

Your Committee was also told that there are many unanswered questions regarding the project, such as the practicability of moving the scrap metal businesses, the necessity for river dredging, the “highest and best use” of the riverfront lands between the Ross Island and Sellwood Bridges, possible State Highway Commission plans for a new bridge between the Marquam and Ross Island Bridges and the proper utilization of the residential Terwiliger area. PDC hopes that its contemplated feasibility study will supply the answers. A PDC representative emphasized that the Riverfront Project would not deal with the land located between the Hawthorne Bridge north to the Steel Bridge, since the “Downtown Plan” presently being prepared will suggest proposals for this area.

At the present time, PDC has not formally consulted City Hall, the State Highway Commission, local business leaders or residents of the affected community. There is no target date for submitting the project to City Council.

O. Portland’s Workable Program for Community Improvement

In 1954 Congress enacted legislation requiring communities desiring federal aid for certain urban renewal and housing programs to prepare and keep current a “workable program for community improvement.” This requirement is based on the principle that federal assistance for these programs can bring permanent benefits only to those communities that are making determined efforts to overcome problems of slums and urban blight. Under federal law, no loan or grant contract may be entered into for an urban renewal project unless the Workable Program “is of sufficient scope and content to furnish a basis for evaluation of the need for urban renewal project; and ... such project is in accord with the program.”

HUD now requires that an acceptable Workable Program include the following:

1. Code Enforcement—requires the adoption of up-to-date housing, building and related codes and the development of an effective community-wide planning for community improvement.”

The proposal envisioned many commercial and park-type recreational facilities with major emphasis on the river, including a marina, a boat basin, a marine island with shuttle ferry service and a winding waterfront pedestrian way.

The proposal also suggested that immediate steps be taken to develop the concept more completely, to negotiate with the commercial and industrial organizations within the proposal area and assist with their relocation, to encourage strict enforcement of pollution controls and to encourage PP&L to “renovate the appearance of their plant and develop their adjacent land in accord with an overall development plan.”

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HUD now requires that an acceptable Workable Program include the following:

1. Code Enforcement—requires the adoption of up-to-date housing, building and related codes and the development of an effective community-wide
enforcement program, but with emphasis on areas having a high priority need for enforcement, including both blighted and basically sound but deteriorating neighborhoods. Portland's current Workable Program refers to an existing "systematic Code Compliance program" for inspection of deteriorating areas over a 10-year period.\(^{(127)}\)

\((2)\) Planning and Programming — requires development of a local planning and programming process, including comprehensive planning and "action programs to help overcome the major physical, social and economic problems of the slums and blighted areas." Portland's Program refers to the "Comprehensive Development Plan" adopted by the City Planning Commission in 1966, studies by CRAG, "major comprehensive studies" now underway in North, Northeast and Southeast Portland and preparation of a city Capital Budget Program by the "Mayor's Administrative Review Committee."\(^{(128)}\)

The Program also summarizes the findings of the CRP and lists as action programs the Model Cities Program, proposed Buckman NDP and the "city-wide housing conservation program" of the Bureau of Buildings.

\((3)\) Housing and Relocation — requires (a) identification of needs for low and moderate income housing and development of an action program to close the gap between needs and resources, and (b) development of a centralized or coordinated assistance program to meet the relocation needs of those displaced by governmental action (including freeways, government buildings, urban renewal, etc.)

The Portland Workable Program lists over 27,000 substandard dwelling units, 1500 vacant standard low-cost units and 1700 units planned for completion through 1971. No complete data are given on needs or resources. It indicates that PDC and the Highway Commission both have relocation responsibilities coordinated by PDC, and that adequate replacement housing will be available to the 1061 low income individuals and families to be displaced by government action. Your Committee found unintelligible the statistics cited to support this assertion.

\((4)\) Citizen Involvement — requires that the community provide for meaningful and effective citizen involvement, especially of "poor and minority groups" in the planning and development of HUD-assisted programs. Such involvement must include "clear and direct access to decision making, relevant and timely information and necessary technical assistance to participating groups and individuals in programs covered."\(^{(129)}\) Portland's Program describes the role played by the Model Cities Citizens' Planning Board, Southeast Uplift Committee, Northwest District Association, Buckman Project Area Committee, HAP Tenant Advisory Council and the Portland Citizens' Committee. The latter is a committee of 80 persons appointed by the Mayor, whose principal function is to provide citizen participation in preparation of the Workable Program.\(^{(130)}\)

The Workable Program requirement was intended to force a community to provide organization and direction of its efforts to meet defined housing and development goals. If well prepared, the document itself could be a valuable guide for public officials, planners and citizens. For whatever reason, those responsible for preparing Portland's Workable Program have treated it as just one more piece of red tape. None of the officials interviewed by your Committee indicated that the Workable Program is ever used as a guide for local action. It is apparent from reading the document that it could not be so used. Nor does it appear to us that its preparation has resulted in any meaningful agency coordination. Portland's Workable Program is simply a completed form that, as far as your Committee could determine, is of little use to anyone.


\(^{(128)}\) This committee, established in 1967, has 24 members, including "the heads of all bureaus and agencies administering improvement programs in Portland." Id. at 9. The first budget, entitled "Recommended 5-Year Capital Improvements Program for Portland, Oregon 1970-75," was published in October 1970 and currently is being revised.

\(^{(129)}\) City of Portland, supra note 127, at 47.

\(^{(130)}\) Id. at 50-51.
VI. ANALYSIS, CONCLUSIONS AND RECOMMENDATIONS

A. Relocation and Housing

Many people's fears of urban renewal stem from stories they have heard or beliefs they hold about the unhappy experiences of people relocated from past urban renewal and other governmental-sponsored projects. An urban renewal consultant told your Committee that relocation is the "Achilles heel" of urban renewal. In 1957, Joy O'Brien, then Chief Relocation Adviser for the Urban Renewal Division of the Portland City Planning Commission, warned the City Club against the dangers of unplanned relocation activities, pointing out that people displaced by government action may be moved into the path of another government clearance project or into already overcrowded low income neighborhoods. (131)

It is not hard to understand why relocation evokes strong emotions and raises difficult problems for the renewal agency. First is the simple, obvious fact that no one likes to be told he has to move. Besides the inconvenience, and the loss of familiar surroundings and associations is the inevitable hurt of being told one's use of the land is not as desirable as some other decided upon by planners and city officials. For the elderly, who are a large proportion of those displaced by urban renewal, the psychological impact may be particularly severe, and the trauma of moving may be related to their more rapid physical deterioration. Second, relocation places strong pressures on the supply of low and moderate income housing in the community. The short supply of decent low and moderate income housing is the genesis of the federal Housing Act of which the urban renewal program is a part. Almost every person displaced by urban renewal increases the number of people competing for such housing.

PDC has been accused by some of insensitivity to the needs of those it relocates. Your Committee has found it impossible to verify such accusations in past projects, but what we saw in the preparations for relocation from the Emanuel Hospital Project was not encouraging. And, regardless of the care with which individual relocation problems may have been approached, the loss to those to be relocated and the community's ability to make up the loss have not been seriously considered in the decisions to proceed with various projects. Relocation has been treated as a mopping-up exercise rather than a means for placing inadequately housed people in a decent living environment. Your Committee does not believe relocation will ever succeed unless it is done in the context of meeting the needs of the people involved, as the result of a decision in which they have had an opportunity to be completely informed and involved. We think the relatively successful relocation efforts in ANIP and Woodlawn tend to support this conclusion.

Urban Renewal in Portland has so far displaced approximately 580 families and 1,950 individuals, thereby creating demand for over 2,500 housing units, almost all in the low income category. Approximately 80 low income units have been added in ANIP, for a net loss so far of more than 2,400 units. Of the projects presently proposed, Emanuel, the NDPs and possibly Good Samaritan will have little or no net effect on the overall low income housing supply, while the City-County government complex could have a substantial negative effect.

Although a substantial number of new low income housing units has been and is being built in Portland under FHA and HUD programs (and possibly through conventional financing), there are no reliable statistics on the total number of such units. Nor is there any information about the extent to which such units meet the demand for low income housing. (132) During the past several years, the waiting list for HAP's public housing has grown to approximately 3,500 persons, in spite of a large increase in available public housing units. In addition, as a recent City Club report on HAP's policies and operations points out, Portland has

1(132)The two most comprehensive recent studies are CRAG's Housing Survey of the Portland-Vancouver Metropolitan Area-1969 and the PSU Urban Studies Center's Estimates and Projections of Low and Moderate Income Housing Needs: Portland Area (Jan., 1970). Both studies criticize the lack of available data and inadequate coordination of housing plans, and find an apparent urgent need for additional decent housing for low income families. The studies emphasize the need for consideration of human needs as well as mere statistics on standard units.
an unusually large population of elderly persons, and this portion of the population is increasing more rapidly than any other and has proportionately greater need for low income housing. The fact that urban renewal displaces a large number of elderly people obviously aggravates this situation.

So far, Portland's urban renewal projects have not themselves included significant new low and moderate income housing, although the rehabilitation programs in the Model Cities area are improving the quality of such housing, and a substantial number of new units may be included in plans for Emanuel, Good Samaritan and Hill Park. Federal law now requires that housing units eliminated by urban renewal must be replaced by construction of comparable housing.

PDC does not have, nor does it serve, any general long-range policy or goal with regard to meeting housing needs. In many cases, urban renewal plans have not even been reviewed by HAP. Recent efforts at inter-agency coordination of housing needs and programs have not been productive. Provision of decent housing and successful relocation have not been considered primary goals of urban renewal in Portland. Instead, most renewal decisions have been based on considerations of the appropriate re-use of the land and on the physical condition of the present structures.

These problems cannot be resolved by the Portland Development Commission alone. They demand that governmental authorities establish priorities giving more weight to the needs of residents and their ability to satisfy those needs out of their own resources, with a focus on their environmental, social, economic and health needs. A comprehensive housing plan should precede decisions about the re-use of land.

B. Citizen Participation

Today there is widespread lip service paid to citizen participation. Federal requirements for such participation in urban renewal projects have increased in recent years. All public officials and planners interviewed by your Committee endorsed the concept in some form. Two principal questions are raised: First, in what decisions should citizens be involved? It is important to distinguish between decisions, such as location of a neighborhood park, that affect only the neighborhood represented by the citizens in question, and decisions about major land uses or arterials that have an impact on the community as a whole. Another distinction sometimes made is between policy decisions appropriate for citizens and technical decisions which presumably would be more suitably made by trained professionals. Second, in what ways should citizens be involved? Citizen involvement could range from mere availability of information, through education in urban renewal plans and procedures, through giving citizen groups veto power over major or minor decisions, to giving them the authority and technical assistance necessary to devise alternatives on their own initiative.

Informing Citizens and Inviting Their Participation

Your Committee is convinced that the people affected should be fully informed about all decisions in the urban renewal process. There should be no point at which any information is withheld from citizens or at which responsible officials may not be questioned by them. Hostility towards PDC often occurs when citizens are not adequately informed of Commission plans (for example, Hill Park and Emanuel). Any advantage in terms of speed, economy and ease of planning and execution is far outweighed by the loss of valuable information and the negative impact on the community. Today, many citizens have become concerned sufficiently to organize resistance, and federally-subsidized legal services are available to help them stop or delay any project in which they have not been involved, cancelling even the short-range advantages of acting without them.

Prior to local approval of any application for federal urban renewal funds, including survey and planning advances, residents and other occupants of the proposed area should have full and adequate information about the proposal, including the opportunity to understand, question and oppose it. This should involve a number of neighborhood informational meetings and possibly formation of a local organization where none already exists. Such efforts need not cause significant delay since applications take a long time to prepare (PDC worked on the Hill Park Project application for at least a year prior to its submission to City Council).
The argument that there is no need for citizen participation in a clearance project seems particularly unwarranted to your Committee. It may be that area residents should not have veto power over such a decision, but it is an entirely different matter to deny them the opportunity to understand and object merely on the assumption they will oppose the project in any event. The argument that citizens will have a later opportunity to object at the survey and planning stage is spurious; if it is really intended that they be fully informed, it is better that the process begin at the outset. Moreover project funds are set aside by HUD on the basis of preliminary estimates at the time the Survey and Planning Application is approved, so that later changes in the basic nature of the project may be difficult to make.

Veto Power and Alternative Planning

Beyond the essential ingredients of full information and the opportunity to be heard, citizen involvement could include giving neighborhood groups veto power over any project that affects their areas and capability to devise and present constructive alternatives.

The veto power may not be meaningful if citizens are not fully informed and if they do not have the opportunity to use PDC, City Planning Commission or some other staff to work out alternative proposals. Your Committee heard many complaints that citizen groups were asked to approve proposals without adequate information, time and resources, so that the effective choice was "this or nothing." Such complaints are not necessarily the result of any desire on the part of PDC to deny citizens a full voice in the decision. HUD requirements are often ambiguous, subject to rapid change and difficult to apply to local situations. Further, the politics of the neighborhood may make successful relations extremely difficult. Nevertheless, PDC's staff has, on occasion, proven very capable of dealing with HUD and working with citizens. It is imperative that a high priority be placed on the goal of meaningful citizen involvement so that the desired staff performance takes place in every case.

The ability to present alternatives could, in its strongest form, be structured somewhat like legal services for the poor, with government-funded "advocate planners" developing plans on behalf of residents of the affected area and responsible only to the interests of those residents. As a lesser measure, staff time from a local planning agency could be made available to citizens. The latter approach, of course, assumes that the agency plays an impartial, technical role and does not itself advocate any particular viewpoint.

1. Neighborhood Projects

Projects expressly undertaken for the benefit of area residents should be subject to their approval. This has been the case in ANIP and the present and proposed NDPs. To supplement the right of approval, PDC, since 1970, has hired planners to serve the residents of the NDP areas, under contracts that make it clear they are responsible to PDC. More recently, the City Planning Commission, based upon its experience with the Northwest District Association and the Good Samaritan Hospital urban renewal project, has recommended to the City Council a policy statement calling for "District Planning Organizations" in neighborhoods throughout the city. Such organizations would have complete control over decisions having no city-wide implications, and would be allocated Planning Department staff to provide technical, not policy, guidance.

Your Committee agrees that neighborhood decisions, including urban renewal decisions, should be subject to veto of affected persons, supplemented by whatever means are necessary to permit citizens to present alternatives based on their own ideas. Ideally, this should not require the provision of planners independent of agency controls, since the agency should be making itself available to serve the citizens. This approach will work only if the agency is truly dedicated to playing that helping role. PDC has been moving closer to accepting the idea of acting as the servant of the residents in the NDPs, but has a substantial way to go.

PDC's concern throughout the Model Cities planning process and in its planning contracts for the NDPs is that the citizens, without PDC's guidance, will formulate a plan that is unworkable because of limitations of funds, time and federal regulations and will have to be rejected by PDC, City Council or HUD,
at some political cost to PDC and to the detriment of the citizens themselves. Too often, this concern of PDC's is perceived by citizens as an attempt to impose PDC's will upon them and deny them the right to make their own decisions. If PDC gives its contract planners a sufficiently free rein, its credibility with the citizens may be insured. If not, your Committee recommends removing the control that PDC maintains over the planners and making them responsible solely to the citizen group. All avenues for funding these planners should be explored. A planner has a professional responsibility to his clients to make them aware of the practical limitations. If knowledge of such practical limitations comes to the citizens from an independent planner, rather than from PDC, the chances of hostility will be decreased, as will be the chances that PDC staff might use the excuse of such limitations to impose their own ideas.

2. Area-Wide Projects

When decisions must be made with respect to programs intended to benefit the larger community as well as just the project area residents, those residents have not so far been given the veto. Although there is some merit in the idea that the urban renewal power should never be used without the consent of those affected by it, your Committee agrees that there may be instances where the greater need of the larger community must prevail over the wishes of individuals and that such political decisions should be resolved on a case-by-case basis by elected officials. However, your Committee most emphatically does not believe that project area residents have had sufficient opportunity to present their side of the story. We have already stated that we believe complete information and opportunity to respond should be available in every case. In addition, citizens should be permitted to present alternative plans of their own. For instance, it is conceivable that a solution to the needs that generated the Hill Park Project Application could be met by a plan that included residential rehabilitation rather than total clearance. The area residents should have the right not only to be informed of the PDC staff's plan, but also to present an alternative to the Commission and City Council. However, one universal characteristic of those who are potential subjects of urban renewal is that they are poor and cannot afford planning services. To give them the ability to influence the decision, your Committee believes that such services must be made available from PDC, city, federal or private funds or furnished on a volunteer basis.

No project should be approved by City Council unless the area residents have had such services available. Your Committee does not believe that such a program would result in a showdown in City Hall between Plan A and Plan B, although it could. The possibility of such a showdown would give both parties a strong incentive to work together from the beginning to develop a plan that would be acceptable both to the larger community and to the immediate area.

The above discussion of safeguards needed by the citizens of project areas assumes that urban renewal projects will continue to be initiated from various sources in circumstances where the citizens are forced to react on an ad hoc basis. The possible disruptive effect of such safeguards would be obviated if neighborhood and city-wide comprehensive planning were being carried on, in full cooperation with citizens, on a continuing basis. In this respect, the discussion of citizen participation is inseparable from discussion of comprehensive planning.

C. Comprehensive Planning

Urban renewal activities obviously have substantial physical, social and economic effects on the city and it is important to know the extent to which such effects are desired, anticipated and planned for.

When your Committee questioned officials of PDC as to the goals of urban renewal in Portland, we received no specific answer, but were referred to various benefits of urban renewal, such as retarding blight, upgrading neighborhoods, increasing the tax base and keeping middle class residents in the city. Beyond such generalities there appear to be no definite long-range plans, goals or priorities. The following quotation from Chairman Keller appears in the PDC publication, "Portland Builds":

"The objective of the Portland Development Commission is to help the people of Portland preserve the unique friendliness, livability and
economic soundness of our lovely city, and to do so simply, frugally, and equitably, which is the Portland way.”

The City Planning Commission has a “Comprehensive Development Plan” adopted by it in 1966 but never acted upon by the City Council. This plan is basically a map of the city showing existing and suggested land uses. It does not set priorities, propose financial means or establish a timetable for its accomplishment. The city also has a capital improvements budget which inventories capital improvements needs and suggests rough priorities and possible sources of funds. At present, there are no plans to raise funds for most of the suggested purposes. Purportedly, the Comprehensive Development Plan is consulted when urban renewal plans are developed and when they are reviewed by the Planning Commission, but your Committee found no evidence that it has any serious effect on urban renewal decisions.

The Community Renewal Program, as already mentioned, was prepared with funds from HUD and is specifically designed to provide long-range planning of urban renewal activities. It does, at least, set broad priorities and speak in terms of a time-span (i.e., it lists those projects that should be undertaken in the first ten years). It also speaks of a general goal for the "first ten years" of "preservation of a stable population base in the city by stemming the flow of middle-income families to the suburbs." But such prescriptions have proved meaningless since they do not suggest the means by which projects can be financed in accordance with the proposed timetable. Further, PDC has apparently not been willing to do any advance planning or research for the "first-priority" areas without someone else coming forward with a suggestion for funding. There is no source of substantial unrestricted funds and your Committee was told that PDC does not seriously consider the idea of going back to the voters for additional money to pay the local share of project costs. So far, all projects undertaken or proposed since publication of the CRP have been in response to some opportunity or pressure arising independently of that program.

The result of all this is that Portland's urban renewal program has not responded in any logical way to Portland's renewal needs. Instead, the city has had urban renewal proposals for those areas where a windfall made federal funds available (e.g. Lair Hill) or where other institutions were prepared to put up the cash (e.g. Good Samaritan). Consequently, residents, landowners, businesses and interested agencies lack information that could be very useful in making their own plans with respect to areas designated for early renewal treatment by the CRP or the Comprehensive Development Plan. Renewal programs sometimes come as a surprise in neighborhoods not so designated. Neighborhoods with severe renewal needs continue to deteriorate with no efforts made to provide renewal treatment. Sometimes decisions about an urban renewal project involve apparently competing needs of the residents of the proposed project area and of the community as a whole. Without a comprehensive plan, there is no adequate information as to what those needs are, or alternative ways of meeting them, and no frame of reference within which to resolve conflicts. Perhaps most serious, urban renewal has had a negative effect on the supply of low income housing in Portland.

A true comprehensive plan should be a continuing, flexible program bringing together inventories and projected needs and goals for land use, transportation and community facilities and services, taking into consideration the present and future social, economic and physical environment. Such a program, ideally on a metropolitan-wide basis, should include not only decisions about goals for the future, but definite commitments of specific resources to meet such goals. Your

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135Portland City Planning Comm'n, *Community Renewal Program*, supra note 69, "Summary", ch. IV.
Committee believes that such a plan could not be successfully prepared or implemented—particularly since it undoubtedly would require additional sources of revenue — without adequate citizen participation. Without comprehensive planning, we have seen that urban renewal (and other) decisions are inevitably made piecemeal, without the means for consideration of all relevant information, and may or may not serve goals that an adequately prepared community would choose for itself.

Because it has the ability to act and is required to adhere to no comprehensive plan, PDC fills the decision-making vacuum, in spite of its limited responsibilities. PDC's prime responsibility is for execution of urban renewal, and the tendency is therefore to opt for smooth execution, even though other goals might be more important. In addition, institutions such as PSU or Emanuel Hospital, that are willing to put up funds for renewal, may be able to achieve their individual goals without adequate reference to overall community needs.

All persons discussing the subject with your Committee agreed on the desirability of comprehensive planning. Blame for failure to achieve such planning was variously ascribed to the inadequacy of the City Planning Commission staff, the weakness of the members of that Commission, the inadequacy or weakness of the Columbia Region Association of Governments (CRAG), the intransigency of autonomous commissions such as PDC, HAP and the State Highway Commission, the lack of vision of the City Council or certain of its members, and the imperfections in the commission form of government. Your Committee believes that each of the individuals and agencies named could have a substantial effect on comprehensive planning if he or it chose to exert more effort in that direction. Primary responsibility, however, must rest with the City Planning Commission and its staff and the elected officials to whom they are responsible.

Since 1969, the Department of Planning has been the responsibility of the Commissioner of Public Affairs, Francis J. Ivancie. This assignment was made by Mayor Schrunk following the death of Commissioner Bowes, who had administered the Department for many years. C. Ralph Walstrom, a former Chairman of the Multnomah County Planning Commission, was recently appointed Chairman of Portland's City Planning Commission. Your Committee believes that Portland will have a true comprehensive plan only if the Mayor, the Commissioner of Public Affairs and the Planning Commission insist on and support efforts of the planning staff to produce such a plan and refuse to approve projects proposed by other agencies, including PDC, unless they conform to such a plan. In interviews with your Committee, these officials have recognized the need for a stronger, more aggressive role for the City Planning Commission and its staff. We concur. But we believe such a role must include the development of a comprehensive planning program that (1) establishes goals and sets priorities, (2) closely involves all elements of the community, (3) speaks to social and economic, as well as physical, needs and (4) provides for its implementation. Without this kind of planning, it is nearly impossible to assess the impact or ultimate value of programs such as urban renewal or to answer satisfactorily the objections of those who believe themselves disadvantaged by such programs.

Presently, some steps are being made toward a comprehensive plan through multi-faceted plans and programs being undertaken for the Downtown area and the Model Cities area. A plan is also being prepared for Northwest Portland in cooperation with the Northwest District Association. These efforts may provide valuable components of a city-wide comprehensive plan. However, both Model Cities and the Downtown Plan rely substantially on outside funding that may not be available for other parts of the city. True comprehensive planning can come about only if the city is ready to give it a high enough funding priority to make sure that the job will get done. If serious comprehensive planning is not begun, because of budget limitations or otherwise, your Committee does not believe that the city can afford continued urban renewal on an ad hoc basis. At the very least, PDC should be required to attempt to follow the timetable of the CRP by beginning preliminary studies and citizen communication in the areas designated by it as being of the first priority.
D. Autonomy

Our investigation confirmed that PDC has a striking degree of autonomy. Basically, this autonomy stems from the Commission's complete control over its staff and budget. Unlike other city departments, PDC need not approach the City Council for funds from the general city budget, nor does the Council have administrative authority over the Commission's employees. PDC is, of course, accountable to the city for money spent from taxes raised or bonds issued by the city, and to HUD for money spent from federal sources, but within broad boundaries the Commission exercises its own discretion with regard to any given expenditure. The basic controls that the city does have over PDC are (1) the power to appoint (although not to discharge during the term of office) members of the Commission and (2) the authority to withhold approval of urban renewal plans (and numerous related matters such as zone changes and street closures), thereby preventing PDC from receiving federal funds.

The controls that City Council does have are sufficient only if it desires to use fairly drastic sanctions such as stopping renewal activity. In practice, the Council has given PDC a very free rein in choosing and carrying out urban renewal projects, although of course the opinions of city commissioners may be given some weight. Since City Council need not take direct responsibility for staff performance and since it need not weigh competing requests for limited funds, the natural tendency is to allow PDC to do its job with as little supervision as possible.

Another important factor contributing to the autonomy of PDC is the personal influence (and willingness to use it) of its chairman, Ira Keller.

The principal advantage claimed for putting an autonomous commission of unpaid laymen in charge of urban renewal is that this isolates the urban renewal function from direct control by politicians. The constituencies of the city commissioners, including both voter and financial support, need not be given as much weight in making decisions about where to undertake preliminary renewal studies or whose development proposal to accept. Another advantage is that plans can be made without excessive bureaucratic review and coordination, so that things do not get bogged down from the very beginning. Finally, the city gets the benefit of very capable management talent, without cost, in the persons who serve on PDC and similar commissions. Such people are likely to serve only if they are given substantial freedom to operate.

The same features that are claimed as advantages of this structure may also be considered disadvantages. Delegation of renewal authority to a volunteer board makes sense only if one assumes that (1) urban renewal decisions are technical, not political, and can be made by reference to accepted principles and objective evidence, or (2) although urban renewal decisions are political, they are still best made outside the political process because of the inadequacy or corruption of that process. Your Committee believes that the first assumption is untrue, since it is obvious to us that renewal is not and cannot be a science. This is apparent from the many changes that have occurred in urban renewal principles and practices locally and nationally. The second assumption may be accurate in a time when citizens generally are apathetic about city politics, and political power is exercised by a few interested people and corporations. In 1971, however, when interest in these matters is running high, it is particularly important to give all citizens the opportunity to exert maximum control over government. In many instances decisions concerned with urban renewal are inherently political decisions involving the balancing of competing interests within the community. By delegating them to an independent, volunteer commission, the City Council can duck the tough political decisions and permit them to be made by a group that is only remotely accountable to the citizens.

Freedom from bureaucratic review and control, which has the advantage of increased effectiveness, can also mean freedom from the necessity to coordinate plans with other agencies or to make urban renewal subservient to community goals and priorities. It may be too much to expect an autonomous agency to do so voluntarily.

The advantage of obtaining the unpaid services of capable, experienced managers may be offset by a number of problems it raises. First, the interposition of
powerful community leaders between government employees and elected officials helps to compound the problem of accountability. Second, such people are subject to critical conflicts of interest, e.g. Mr. Look’s position on the Good Samaritan board and Mr. Keller’s support of Commissioner Ivancie’s re-election. Third, those appointed may not fill the need for independent, representative citizen participation in government, since the people with the time and capabilities required to do a thorough job usually tend to be those in executive positions who may not be representative of broad community interests.

Finally, PDC is responsible for spending approximately $10 million annually. This is an important city resource, and the manner in which it is used has important effects on relationships between citizens and government, but is largely beyond the control of the officials elected by those citizens.

Your Committee has found that PDC exhibits both the advantages and disadvantages of a high degree of autonomy. Urban renewal actions in Portland have been, since PDC’s creation, well insulated from political pressure. The agency has been able to work smoothly and fairly quickly. And, in Mr. Keller, it has attracted and retained a strong, capable, volunteer executive. At the same time, as we have previously discussed, the agency has too seldom taken human needs into consideration or responded adequately to citizen complaints. Further, urban renewal activities have not been well coordinated with other community plans, and those responsible have not actively sought comprehensive planning.

Because we believe that the shortcomings of PDC’s performance are, in part, the quite natural results of the autonomy it has heretofore enjoyed, and because we believe that the disadvantages of this degree of autonomy outweigh its advantages, your Committee would like to discuss some suggested alternatives.

E. Alternatives

1. The Status Quo

Even if no formal reorganization takes place, it seems quite plain that conduct of urban renewal in Portland is bound to change. The degree of autonomy that PDC has enjoyed may be limited by the possible emergence of a strong City Planning Commission and by the increased resistance of citizens in proposed renewal areas such as Hill Park, Emanuel Hospital and Good Samaritan Hospital. With the assistance of volunteer or government-sponsored lawyers and volunteer architects, citizens are increasingly able to put pressure on PDC through HUD and the Portland City Council.

Your Committee once hoped that, with these pressures, PDC might remedy some of the weaknesses in its performance without more drastic changes. However, the experience with the Survey and Planning Application for the Hill Park Project was very disappointing. It demonstrated to us PDC’s failure to learn from its own experience the danger of not involving residents at an early stage. It also indicates that PDC’s avowed belief in “citizen participation” may be only lip service. As this report is published it appears to us that the same failures are being repeated in the proposed city-county courthouse complex. For these reasons, your Committee believes that affirmative action is required to insure that any future urban renewal activity meets the standards we have suggested.

2. Personnel Changes

A number of people have suggested to your Committee that the deficiencies in the local urban renewal program could be cured by replacing some current personnel on the commission and its staff with individuals who are more committed to the goals of citizen participation and comprehensive planning. Although this idea seems attractive, your Committee is not convinced that it would be very productive. We think the main difficulties stem from PDC’s autonomy. Its leaders too easily believe that their agency, independently, can solve the problems it faces, and the agency can too easily effect its own solutions. Other individuals in the same positions, with no change in roles and power relationships, might be inclined to behave the same way. The remedy is to reduce the autonomy of the Commission.

To the extent that autonomy could be reduced by personnel changes, we believe that such changes are in order. We have noted that one reason for PDC’s autonomy has been the relative weakness of the City Planning Commission
and its staff. Recent developments there may be improvements and your Committee encourages additional appointments of strong-minded individuals to that Commission, as well as any staff additions or changes that would increase the ability to act decisively. Recent changes in City Council personnel may be bringing closer scrutiny of PDC activities and your Committee urges all the Council members to take a more active interest in urban renewal.

On the Portland Development Commission itself, the factor most responsible for autonomy has been Chairman Ira Keller’s influence relative to the other commissioners. Mr. Keller’s contribution to the city has been considerable, but your Committee believes that a strong chairman should be balanced by the appointment of other commissioners of strong views who may be expected to have different perspectives from that of the chairman. Although the qualities of the individual are paramount, the Commission might achieve broader representation from the community through appointment of younger people, women, blacks and those with social service careers. Another desirable step would be to limit each individual to a maximum of two three-year terms on the commission. Your Committee regrets that such considerations did not prevail in City Council’s reappointment on July 21, 1971, of one commissioner to serve a third term, despite the alternatives suggested by several neighborhood citizens’ groups.

It is desirable for an urban renewal agency to be able to act quickly and flexibly, and this requires strong executive leadership. That leadership is now provided. We recognize that making PDC’s membership more representative may dilute that executive leadership. In short, your Committee suspects the problems of autonomy may be closely tied to the existence of a commission of volunteer executives. If the Commission chairman dominates his fellows, there may be insufficient checks on the agency’s autonomy. But if his power is continually challenged by other commission members, the agency may become unmanageable. Although your Committee believes a more balanced commission is imperative if the present structure is retained, we believe a new organization might solve the dilemma.

3. Creation of a New City Agency

A suggested means of reducing the problems of lack of coordination and remoteness from citizen influence is for the City of Portland itself to become the Local Public Agency for urban renewal, with a city department rather than an autonomous agency performing the renewal function. Such a change would make the renewal staff directly accountable to City Hall and would prevent City Council from passing the buck to the autonomous commission.

Many observers would combine such a proposal with other proposals to merge the functions of PDC, Portland City Planning Commission, the Housing Authority of Portland and the city’s Bureau of Buildings, which is responsible for code enforcement. Because of the passage of HB 1054 by the 1971 Oregon Legislature, providing the means for creation of a charter commission to design a new, consolidated government for Portland and Multnomah County, the time seems particularly appropriate for making an organizational change.  

Such a combined agency would have a single staff director immediately accountable to the governing executive, with appropriate subsidiary divisions. Your Committee recommends that there be a citizens’ advisory group to which all proposals of the agency would be referred for comment, but we believe that citizen participation in all the activities of such an agency should come from neighborhood organizations.

The principal argument against such a combined agency is that it would be a bureaucratic monster unable to act creatively or flexibly. In particular, some critics believe the planning function should not be combined with the execution functions of HAP and PDC. It is said there is a healthy tension between the two and their combination in a single agency would prevent an imaginative job in either one. Although your Committee sees some validity in these arguments, we think the present lack of coordination is much more damaging. We also note that the only persons who have expressed these concerns to us are members

11361Your Committee has not included in its study consolidation of agencies with jurisdiction outside the City of Portland.
of HAP or PDC and their staffs, who presumably enjoy their present independence from the planners.

It may be true that autonomy promotes creativity and excellence and one might well ask whether an innovative design like the Auditorium Forecourt would have been produced by a large city department. The answer depends on how the department is administered. That administration at least, would be the direct responsibility of elected officials. If mediocre results are obtained, citizens would know whom to blame. Under the present state of affairs, each agency blames the others for any failures, and City Council, which is theoretically responsible, has every incentive to avoid that responsibility.

Your Committee believes that the best possible organization would be for urban renewal to be performed by a city department, preferably one that also has responsibility for planning, housing and code enforcement. In interviews with your Committee, at least three of the present City Commissioners have stated that, in setting up a new local government, they would favor such an organization.

If such a change does not seem immediately feasible, however, we recommend that PDC be merged with the Housing Authority of Portland to form a single agency with responsibility for both public housing and redevelopment. These agencies were split in 1958, apparently with the thought that the two functions were both so controversial that they were better pursued independently. It is certainly true that both agencies have thrived under the present arrangement. But your Committee believes that too often they have worked at cross purposes, with PDC eliminating low cost housing and adding to HAP's waiting list, a list which is growing rapidly anyway. PDC has not taken any responsibility for the effects of its activities on the low income housing market and has not sought to improve the supply of low income housing through its projects. This is not to say that urban renewal should serve only the goal of increasing low income housing. But the two are so inextricably related in both practical effect and federal legislation that they must be carefully coordinated. The Portland experience has been that two independent autonomous agencies have provided virtually no coordination. Such coordination could be forced by consolidating, once again, the responsibility for both functions.
VII. SUMMARY OF RECOMMENDATIONS

As more fully set forth above, your Committee makes the following recommendations, intended to apply to any additional expenditures of federal urban renewal funds in Portland:

1. The highest priority should be given to satisfying the needs of people in planning and undertaking future urban renewal projects. Exercise of the extraordinary power of urban renewal is not justified simply to achieve the "highest and best use" of land, in terms of dollars.

2. Urban renewal should be undertaken only as part of a determined comprehensive planning effort that includes goals for all types of physical development, intended to meet social and economic needs, with particular emphasis on housing for low and middle income residents. Such a program must be an ongoing effort that sets priorities in time and money and provides the means for its implementation, and must be developed with the full cooperation of citizens on the neighborhood level.

3. Plans for expenditure of any urban renewal funds must be developed from the very beginning with the assistance of citizens, particularly those who live in the affected area. Plans at all stages must be widely disseminated at neighborhood meetings and through other media with ample opportunity for objectors to be heard. A single hearing at City Hall is not sufficient for this purpose. Involvement of neighborhood citizen groups in comprehensive planning will make urban renewal a part of an integrated process of community growth and change.

   (a) In projects undertaken specifically for the benefit of residents and other users of a particular neighborhood, those people, through a representative organization, should have power to approve or veto any aspect of the project.

   (b) We refrain from taking the position that residents should have the right to veto any project undertaken within their neighborhood, since instances may arise where only the elected City Council should decide whose interests must be represented. In such cases, however, the residents must be given the technical assistance to develop their own proposed solutions and the full opportunity to present such proposals to City Council.

4. Subordination of urban renewal to comprehensive community planning can best be accomplished by abolishing the Portland Development Commission as an independent, autonomous agency, and creating a city department to undertake urban renewal. Such a department should also have responsibility for the functions of the City Planning Commission, the Housing Authority of Portland and the Bureau of Buildings. At the very least, PDC should be merged with HAP.

5. Until the recommended organizational changes can be accomplished, your Committee urges the appointment to the Development Commission of individuals representative of diverse views, including the perspective of those threatened with displacement by urban renewal. No member of the Commission should be reappointed after serving a second term.

6. Until urban renewal expenditures are brought within the direct control of City Council, your Committee urges that members of the Council exercise more actively the control they now have.

Respectfully submitted,

Ralph F. Appleman
Scott Durdan
Clyde H. Fahlman
Neil Farnham
John A. Mills
Peter H. Paulson
Robert R. Rogers
William C. Scott, Jr., and
A. Thomas Niebergall, Chairman

Approved by the Research Board July 15, 1971 for transmission to the Board of Governors.

Received by the Board of Governors July 29, 1971 and ordered printed and submitted to the membership for consideration and action, with Walter Gordon abstaining.
APPENDIX A

AUTHORIZATION FOR CITY CLUB RESEARCH PROJECT

URAL RENEWAL IN PORTLAND

Urban renewal in Portland, administered by the Portland Development Commission, has increasingly been criticized for its alleged failure to deal effectively with a variety of environmental problems.

Questions have been raised concerning the relationship of PDC to the city government, its coordination of programs with the Planning Commission, and the role it has played in solving (or intensifying) the problems of low income housing.

Two recent projects have come under sharp attack from persons not basically opposed to the concept of urban renewal (as well, of course, as those citizens who have traditionally opposed the idea):

(1) the present program for Portland State University, and
(2) a new proposal for Good Samaritan and Physicians and Surgeons Hospitals in Northwest Portland.

Since there are a number of important questions being raised, it is recommended that the City Club appoint a study committee to survey:

1. The history, structure and past and proposed programs of the Portland Development Commission within the framework of the Federal Urban Renewal Law and the State Enabling Act;
2. The relationship of urban renewal programs to a comprehensive city renewal plan and to overall community objectives;
3. The relationship of PDC to the problem of low and low middle income housing;
4. The programs of PDC in relationship to community participation, in particular the Neighborhood Development Programs authorized by Congress to encourage close community participation; and
5. The advantages and disadvantages of an autonomous agency controlling urban renewal programs.
APPENDIX B

PERSONS INTERVIEWED OR CONSULTED

Stan Amy, then President, Portland Student Services, Inc.
Lloyd E. Anderson, Commissioner of Public Works, City of Portland
Francis H. Andrews, Realtor
Robert S. Baldwin, Planning Director, Multnomah County
Byron E. Barnes, Planning Vice President for Daniel, Mann, Johnson & Mendenhall
Holman J. Barnes, Jr., Supervising Attorney, Albina Office, Legal Aid Service
Vivianne Barnett, Realtor, former Assistant Director, Model Cities Program real estate agent
Emmett J. Baskett, former Chairman, Citizens' Planning Board, Model Cities Program
Alvin R. Batiste, former Director, Portland Model Cities Program
Ogden Beeman, former President, NWDA
Robert H. Belcher, Chairman, Housing & Physical Planning Committee of Model Cities; Planning Consultant to PDC
Ben L. Bernhard, then Chairman, Irvington Community Association
Norm Boice, General Manager of Operations, Portland Student Services, Inc.
Frank E. Brawner, Vice President, Oregon Mutual Savings Bank
Douglas L. Bridges, Planning Consultant
Sandra Britz, then Communications Secretary, Black Panther Party
Ronald A. Buel, Administrative Assistant to Commissioner of Public Safety, City of Portland
Lee S. Burns, Associate Dean, School of Architecture and Urban Planning, University of California at Los Angeles
Dale D. Canady, Assistant City Planning Director, Portland City Planning Commission
Homer C. Chandler, Executive Director, Columbia Region Association of Governments
A. J. Clemons, Director of Facilities Planning, University of Oregon Medical School
Arnold M. Cogan, former Director of Planning & Development, State of Oregon; former Planning Manager, Port of Portland; Engineer, Edmundson Kochendoerfer and Kennedy—Daniel, Mann, Johnson & Mendenhall
Joseph G. Colistro, Supervisor, Catholic Family Services
Mary Conzelman, Principal Accountant, City of Portland
Bill Cooley, Co-owner, Cooley Construction Company
Frank E. Cox, President, Urban Research & Development Company, Berkeley, California
Edd W. Crawford, Director, Friendly House Inc.
Floyd Cruze, then Minister of Information, Black Panther Party
Russell H. Dawson, Director, HUD Region X, Portland Area
Mihail Dumbelik-Czernewicky, Urban Environmental Consultant
Richard L. England, Executive Director, Redondo Beach, California, Redevelopment Agency; former Assistant Executive Director, PDC
Dorothy Kikis Fones, Legal Counsel for Committee to Protect Northwest Portland from Urban Renewal
Howard Leonard Glazer, Architect
Neil Goldschmidt, Commissioner of Public Safety, City of Portland
Walter Gordon, Architect, Resident Design Consultant to PDC
William Gordon, Assistant Executive Director, Jewish Community Center
Charles M. Grossman, former Chairman, Linnton Community Center
Paul R. Hansen, Administrator, Emanuel Hospital
Francis J. Ivancie, Commissioner of Public Affairs, City of Portland
Glenn L. Jackson, Chairman, Oregon State Highway Commission
John H. Jackson, Pastor, Mt. Olivet Baptist Church; Member, Citizens' Planning Board, Model Cities Program
Kenneth Kaji, Architect
Lloyd T. Keefe, Director, Portland City Planning Commission
Lee D. Kell, then Chairman, Citizens' Planning Board, Model Cities Program
Charles K. Landskroner, Deputy Executive Director, Housing Authority of Portland
William T. Lemman, Jr., Vice President for Business and Finance, PSU
Julian H. Levi, Professor of Urban Studies, University of Chicago
Robert J. Lindh, City Planner, Portland City Planning Commission
Doyle Long, Seattle Renewal Assistance Office, HUD
Jim Lyon, Co-owner, Cooley Construction Company
Roger E. Martin, State Representative (R-Clackamas County), then Chairman, Legislative
Interim Committee on Mass Transportation and Urban Affairs
C. L. McDonald, Owner, Albina Real Estate
J. Malcolm McMinn, Director of Facilities Planning, PSU
Gary Michael, Chairman, Civic Design Committee, Portland Chapter, AIA
Edgar C. Mitchell, then Chairman, Albina Citizens Together (ACT)
Lyndon R. Musolf, Director, Urban Studies Center, PSU
Robert E. Nelson, Staff Member, American Friends Service Committee
Bobbie Nunn, then the elected Woodlawn Representative to the Model Cities Citizens' Planning Board
Josiah J. Nunn, then Chairman, Woodlawn Improvement Association
Josef F. Nunn, former Director of Relocation, South Auditorium Project, PDC
Rodney L. O'Hiser, Senior Planner, Portland City Planning Commission
Kenneth C. O'Kane, Urban Planner
Stanley H. Pansky, Architect, Skidmore, Owings & Merrill
John G. Perry, Senior Planner, Portland City Planning Commission
Herman C. Plummer, former Project Director (ANIP)
Portland Development Commission

Members of the Commission
John S. Griffith
Ira C. Keller, Chairman
Edward H. (Ned) Look
Vincent Raschio

Members of the Staff
J. W. Bigham, Jr., Assistant Director
Michael Cook, Assistant for Plans and Programs
John R. Douglas, Accountant
Hazel G. Hays, Coordinator of Community Services and Citizen Participation
Mulvey Johnson, Planning Engineer
John B. Kenward, Executive Director
Jean Kraus, Special Assistant to the Director
Hal Lawwill, Project Manager
Orville Nilsen, Supervisor of Applications and Processing
Charles E. Olson, Coordinator of Planning
Edwin C. Parker, Community Services Supervisor, then ANIP Project Director
Marion Scott, Community Services Supervisor
Donald Silvey, Supervisor, Housing, Rehabilitation and Development (Woodlawn NDP office)
Charles E. Taft, Director of Operations
Ernest R. Wiley, Assistant Chief of Relocation Property Management
Ernest L. Yuzon, Project Planning Manager

Other
Oliver I. Norville, Legal Counsel
Alvin Ragner, Director, Jewish Family and Children's Services
A. Harper Richardson, Pastor, Centenary-Wilbur Methodist Church
Fred M. Rosenbaum, Chairman, Housing Authority of Portland
A. William Houzie, Architect, Skidmore, Owings & Merrill
Clifford T. Safranski, Special Assistant for Planning Requirements, HUD Region X, Portland Area
Terry D. Schrunk, Mayor, City of Portland
Paul Schulze, former Model Cities Director
Jeanne Searls, Community Worker, PACT, Inc.
Sumner M. Sharp, then Research Associate, Urban Studies Center, PSU
A. C. Siddall, Assistant Administrator, Good Samaritan Hospital and Medical Center
Donald J. Sterling, Jr., then Editor of the Editorial Page, Oregon Journal; Chairman, Inner City Committee, Tri-County Community Council
Howard N. Steward, Jr., Project Director, PACT, Inc.
Chester L. Stocks, Administrator, Good Samaritan Hospital and Medical Center
Llano G. Thelin, former President, NWDA; Pastor, Immanuel Lutheran Church
Frederick H. Torp, Trustee, Good Samaritan Hospital and Medical Center
Joseph F. Uris, Graduate Student, Department of Sociology, PSU
Edgar Waehrer, Chairman, NWDA Planning Committee
Robert S. Walsh, Member, Board of Directors, Hill Park Association
Tom Walsh, Contractor
C. Ralph Walstrom, Chairman, Portland City Planning Commission; former Chairman, Multnomah County Planning Commission
Harry Ward, Field Representative, Oregon State Employees Association
Edward J. Warmoth, Mayor, Schrunk's Staff Coordinator for Model Cities
Louise Weidlich, Chairman, Committee to Protect Northwest Portland from Urban Renewal
Dennis L. West, Associate Director, Urban Studies Center, PSU
John W. Willard, Northwest Regional Office, Seattle, American Friends Service Committee
Roy Willett, former resident, South Auditorium Urban Renewal Area.

(1) Commissioner Harold Halvorsen declined your Committee’s request for an interview.
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D. Unpublished Materials
In addition to published materials, your Committee examined all the minutes of the Portland Development Commission, minutes of numerous City Council and Portland City Planning Commission meetings, City and PDC financial records and numerous files and informal memoranda of PDC, some of them specially prepared for us. Members of your Committee also attended a number of meetings of various community associations and government bodies concerned with urban renewal.
Your Committee sought to obtain a copy of a masters thesis in Sociology by Joseph F. Uris, PSU graduate student, which discussed the attitudes and reactions of residents threatened by urban renewal and other governmental action. The study focused on the Lair Hill Park area. We were denied access to this study because of the City Club's policy of sex discrimination in membership.

APPENDIX D
Committee Members
Ralph F. Appleman (age 55), Architect
Scott Durdan (age 53), Associate Professor of Finance Law, PSU
Clyde H. Fahlman (age 39), Public Relations Supervisor, Pacific Northwest Bell
Neil Farnham (age 54), Architect
John A. Mills (age 40), Vice President for Urban Affairs, U.S. National Bank of Oregon
Peter H. Paulson (age 50), Director, Northwest Pilot Project
Robert R. Rogers (age 52), Realtor
William C. Scott, Jr. (age 28), Lawyer, Rives, Bonyhadi, Hall & Epstein
A. Thomas Niebergall (age 39), Chairman; Lawyer, Georgia-Pacific Corporation
APPENDIX E

MAP OF PDC PROJECTS

1. South Auditorium
2. Albina Neighborhood Improvement Project
3. Linnton
4. Portland State University
5. Pittock Acres
6. Emanuel Hospital
7. Model Cities
8. Woodlawn NDP
9. Irvington NDP
10. Southeast Uplift
11. Good Samaritan Hospital
12. Hill Park
13. City-County Courthouse Complex
14. Buckman Neighborhood Improvement Project
15. Riverfront
APPENDIX F

(On Letterhead of Portland Development Commission)

January 28, 1969

To: PROPERTY OWNERS AND MANAGERS OF PROPERTIES IN THE PROPOSED EMMANUEL HOSPITAL URBAN RENEWAL PROJECT AREA (AS OUTLINED ON THE ATTACHED BOUNDARY MAP):

The purpose of this letter is to advise you that the Portland Development Commission is the duly designated Urban Renewal Agency of the City of Portland; and, further, that this Commission will soon be undertaking a survey of the physical condition of structures in your area for the purpose of gathering information necessary to prepare an application for federal financial assistance from the Department of Housing and Urban Development. Upon approval, the project will be carried out by this Commission with the financial assistance of the Federal Government and the Emanuel Hospital.

The information gathered is to be used for the purpose of determining the condition of the structures in the proposed project area as a whole in order to comply with requirements of Federal, State, and local laws. This survey will be conducted by building inspectors of the City of Portland working under contract with this Commission.

For budgeting purposes it shall be necessary that we gather information pertaining to current property values. Therefore, independent fee appraisers shall be employed to prepare estimates of property values.

In addition, several members of our staff will be gathering information about the relocation needs of businesses, families, and individuals in the proposed project area. If the project becomes approved, this Commission will provide certain assistance to businesses, families and individuals who must move as future hospital development takes place. It is, therefore, necessary for this Commission to acquire a great deal of information about you and others who live or have places of business in the proposed project area.

Since we may not at this time be aware of your property possibly having been sold on contract, leased, or rented, it would be of immeasurable assistance to the inspectors, appraisers, and members of our staff in obtaining the required information if you would notify other parties who may have an interest in your property about the forthcoming activities of this Commission.

Your cooperation and assistance in these surveys will be truly appreciated. Through the combined efforts of citizens and government we may realize the development of increased and improved hospital facilities which will contribute to the health and welfare of the citizenry of the entire metropolitan area. At the same time, we will be able to make plans to assist in relocating those businesses, families, and individuals in the proposed project area. We shall be pleased to respond to any questions you may have. Visit or call the Portland Development Commission at 1700 S.W. Fourth Avenue, 226-4036.

Respectfully,

/s/
John B. Kenward
Executive Director

Attachment
APPENDIX G

Abbreviations and Technical References Associated with Urban Renewal

ANIP — Albina Neighborhood Improvement Project
BNIP — Buckman Neighborhood Improvement Project
CRAG — Columbia Region Association of Governments
CRP — Community Renewal Program
EDPA — Emanuel Displaced Persons Association
FHA — Federal Housing Administration (insures private loans for financing of new and existing housing and for home repairs and improvements)
HAP — Housing Authority of Portland
HHFA — U.S. Housing and Home Finance Agency (predecessor of HUD)
HUD — U.S. Department of Housing and Urban Development
ICA — Irvington Community Association
LPA — Local Public Agency (the PDC in Portland)
MACOUR — Mayor's Advisory Committee on Urban Renewal
NDP — Neighborhood Development Program
NWDA — Northwest District Association
OEO — Office of Economic Opportunity
PDC — Portland Development Commission
PSU — Portland State University
WIA — Woodlawn Improvement Association

Section 112 Universities and hospitals are allowed local credit for certain expenditures made in or near an urban renewal project including the cost of acquiring real estate and demolishing structures, but not the cost of constructing new buildings. The university or hospital need not conform to standard urban renewal residential re-use requirements. (Portland State, Emanuel, Good Samaritan)

Section 110(d)(3) Any publicly-owned facilities may be eligible as non-cash local grants-in-aid to the extent of 25 percent of the cost of building the facility or $3.5 million, whichever is less, if the facility:
1. Is used or will be used by the public for cultural, exhibition, or civic purposes, is a city hall or a public safety building, or is constructed or rehabilitated by a public university and devoted to the treatment of physical or mental disabilities and illness or to medical research;
2. Is located within, adjacent to, or in the immediate vicinity of the urban renewal project;
3. Is found to contribute materially to the urban renewal plan; and
4. Is not otherwise eligible as a local grant-in-aid (Hill Park)

Section 115 Grants up to $3,500 are available to rehabilitate structures located in urban renewal and code enforcement areas (increased from $3,000 in 1969 Act) (ANIP, NDP, Buckman CAP, BNIP)

Section 312 Direct 3 percent loans may be made to property owners to rehabilitate their properties located in urban renewal areas. (1964 Housing Act) (ANIP, NDP, Buckman CAP, BNIP)