Portland Student Services, Inc. : the establishment of student-run housing in Portland, Oregon, 1969-1971

Michael Keith Brewin
Portland State University

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Portland Student Services, Inc. (PSS), a non-profit student housing corporation, was created under circumstances that were especially arduous. Although thousands of students attending Portland State University in the late 1960s needed housing, state law prohibited the university from providing residential facilities. Many students lived in dilapidated apartment buildings in downtown Portland and faced dislocation from urban renewal...
programs initiated by the Portland Development Commission. Activists who set out to establish student-run housing also faced hostility from policymakers who resented student-led initiatives in politics and university governance.

However, these dedicated student activists aligned with members of the Portland business community and overcame formidable obstacles in establishing permanent student-run housing. In the process, PSS had to contend with difficult political, socio-cultural, and environmental issues.

The student founders of PSS fused notions of participatory democracy with inclinations to work within the "system." Nevertheless, the corporation faced unresolved problems regarding its commitment to the democratic principles which fueled its existence. Indeed, PSS's success raised questions concerning the price of survival and the relationship of an institution to the values upon which it was founded.

The founding of PSS, in many respects, is a quintessential case study which accurately reflects significant dilemmas representative of the nationwide student empowerment movement of the late 1960s and early 1970s.

The present study focuses on four major themes: 1) the character of the student housing problem and related legal issues; 2) creation of Portland Student Services; 3) the
early operation of PSS; 4) the struggle over construction of off-campus housing.

Research involved use of PSS corporate archives; City of Portland, State of Oregon, and U.S. government records; newspaper files; documents in the Branford P. Millar library; and personal memorabilia and taped interviews with four of the principal participants.

This study was conducted under the supervision of my graduate advisor, Professor David A. Horowitz of the Department of History.
PORTLAND STUDENT SERVICES, INC.:
THE ESTABLISHMENT OF STUDENT-RUN HOUSING
IN PORTLAND, OREGON, 1969-1971

by

MICHAEL KEITH BREWIN

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The members of the Committee approve the thesis of Michael Keith Brewin presented November 15, 1989.

David A. Horowitz, Chair

Jim F. Heath

Bernhard G. Fedde

Norman Wyers

APPROVED:

Bernard V. Burke, Chair, Department of History

C. William Savery, Interim Vice Provost for Graduate Studies and Research
PREFACE

Portland Student Services, Inc. (PSS), a non-profit student housing corporation, was created under circumstances that were especially arduous. Although thousands of students attending Portland State University in the late 1960s needed housing, state law prohibited the university from providing residential facilities. Many students lived in dilapidated apartment buildings in downtown Portland and faced dislocation from urban renewal programs initiated by the Portland Development Commission. Activists who set out to establish student-run housing also faced hostility from policymakers who resented student-led initiatives in politics and university governance.

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CHAPTER I

THE CREATION OF PSS

THE STUDENT HOUSING DILEMMA

The creation of Portland Student Services, Inc., a student housing corporation in Portland, and the salvaging and rehabilitation of nine apartment buildings on Portland's South Park Blocks was accomplished despite both substantial legal and organizational obstacles. Significantly, the enabling legislation which established Portland State College (PSC) in 1955 prescribed that the institution would be "a downtown city college, and shall not be a college of the campus type." Although Vanport College, Portland State's predecessor, had provided some housing facilities for returning World War II veterans and their families, the chartered city college was not intended to compete with the state four-year residential universities.

The directive set by the State Board of Higher Education (OSBHE) served as a precedent in the college's long-range planning. When the State Board adopted a new plan for Portland State in 1962, it included no provision for dormitories or apartment buildings. But during the next few years, increasing numbers of married and international students caused some PSC administrators to change their
views on student housing. A 1965 survey of graduating seniors revealed that 51.1% were married, and that although 85.5% were living at home when they first enrolled at the college, that only 59.8% lived at home throughout their college years. Furthermore, the survey noted that special housing needs existed for international students and economically disadvantaged students.

However, another Portland State position paper (dated Dec. 2, 1965) stated quite emphatically that Portland State College is not in the housing business... It does have a direct concern with the efforts of private entrepreneurs in the housing market and it may at some future time be faced with those institutional problems which flow from the housing activities of fraternities, sororities, and cooperatives.

Aware of the housing shortage for Portland State students, and sensing a golden commercial opportunity, the Dan Davis Corporation constructed the Viking Residence Hall on Southwest Sixth Avenue, opening the dorm-style structure in September, 1966. Of the over 700 original occupants of the building, 586 were Portland State students.

During the same year, the Portland City Club published a report entitled "Supervised Housing for Minors and Young Single Adults." It recommended that the OSBHE provide housing at Portland State. The City Club concluded that a serious housing problem already existed at PSC and that increased enrollment could aggravate matters, since Portland already faced a shortage of low-income housing. The report
also noted that it appeared "inconsistent to provide housing for students at all other state institutions of higher education and not to provide housing for that portion of Portland State University students needing it."  

Responses to the City Club report were mixed. The State Board did decide to relax its blanket ban on PSC housing. On December 13, 1966, the board stated that its new policy was "to provide residence halls for single students in order to insure adequate educational opportunity." The following day, an editorial in the Oregon Journal noted that PSC and the State Board had been "shortsighted in the past in their general attitude that how the students at Portland State College live is entirely their own business."  

Despite these changes in outlook, the PSC administration continued to balk at the idea of student housing. Indeed, President Branford Millar objected to the City Club proposals. The college did acknowledge that "perimeter areas outside the academic development could be planned for student housing as it is needed." Yet no plans for student housing had surfaced by 1968, and the State Board's master plan contained no such provisions. 

During the late 1960s the housing market in the PSC area actually shrank. As part of the City of Portland's urban development program, dozens of older apartment
buildings in the South Park Blocks vicinity faced destruction. A 1969 PSC Student Housing report estimated that demolition displaced over four hundred PSC students in 1968 alone. Portland State itself contributed to the problem by replacing apartment buildings with parking structures, college facilities, and even an open field. Although the Portland Planning Commission issued a report in January 1968 that defined areas to the south and west of the campus as suitable for student and faculty housing, no plan emerged to construct residential facilities.12

Meanwhile, the political climate on campus began to change. In 1967, Professor Charles Bolton, head of the PSC Sociology Department, conducted a survey that indicated that the typical Portland State student was more independent than counterparts of previous eras. Bolton reported that 92 percent of surveyed students lived away from their parents. Of those who had not originally designated PSC as their first choice college, nearly 54 percent cited living away from home as their reason. More than 68 percent of all respondents cited cost as the primary factor in dictating their enrollment at Portland State. These figures reflected the fact that graduate enrollment in American colleges with more than ten thousand students jumped from 15 percent to nearly 25 percent in the 1960s.13

As the demolition of apartment buildings in the PSC neighborhood proceeded, tensions flared. Two administrators,
Dean of Students Channing Briggs and Director of Educational Activities Kay Corbett, responded by lending their support to the idea of PSC student housing. At the same time, Stan Amy, a student who had been forced to move from three successive buildings, served as chairman of the "Wednesday Forum," a student program in which issues received public airing. Concerned over the fate of their neighborhood, Amy, John Werneken, Anthony Barsotti, and several other students began to consider ways in which they could save the remainder of the community from destruction and also provide for student housing. In the Winter of 1969, they decided to create an urban studies class which would investigate the student housing problem and propose constructive solutions. Professor Sumner Sharpe, a social activist who taught courses on housing, served as supervisor for these efforts. Black student anger over demolition of a nearby community center contributed to the sense of urgency over the PSC housing crisis. The "College Housing Project" (Urban Studies 401) was set up for the Spring term of 1969 as an elective seminar.

Urban Studies 401 consisted of eight or nine students who were assigned independent study projects by Professor Sharpe. The students were to address several questions in their projects: Why should the state change its PSC housing policy? [PSC became Portland State University (PSU) on February 14, 1969.] Why would the public be interested in
doing something for the PSU student body? To answer these questions, Stan Amy and John Werneken used the facilities of Amy's Wednesday Forum office in Educational Activities as a base (for office space, telephone, and mimeograph machine), and conducted a computerized survey of over 1,000 PSU students. This study revealed that over 50% of the students were older, "non-traditional" students, and that a need existed for housing. When all the student reports in the College Housing Project class were compiled, a single, fifty-page synthesis was released, entitled "Student Housing: Determination of Need." The class study demonstrated that there was a critical need for student housing, that physical accessibility to the university was a problem, and that students were competing with other low-income groups in Portland for housing.

When the class had compiled enough information to document the need for student housing, they contacted Norm Boice, the Assistant Director of Facilities Planning and Operations for PSU, for his assistance in the class project. Boice concluded that the university would not be building on the land where PDC intended to demolish apartment structures, since funding from the state legislature could not be assured. Boice agreed that there was a need to restore the property for use, and it was therefore necessary to stop the demolition of the apartment buildings, at least on a temporary basis.
After interviews with President Gregory Wolfe and Dean of Faculty Dr. Howard Boroughs in April 1969, Boice and the class received important support in their efforts. Wolfe believed that PSU was making the transition from an obscure commuter college into a full-fledged, major urban institution. In fact, the State Board not only amended the institution's status, upgrading it to a university in February 1969, but also authorized it to develop a doctoral program in Urban Studies. Wolfe also appeared sympathetic to the plight of the students, and already had confronted PDC Director Ira Keller about plans to immediately demolish the Park Blocks apartment buildings.18

In May 1969, Boice's office released a report entitled, "Student Housing." It essentially recapitulated part of the study done by the College Housing Project class. It also provided pertinent student statistical information from the college's Office of Facilities Planning and Operation. Boice presented the report and the recommendation for the creation of housing from the Urban Studies class to President Wolfe.

During the Spring term of 1969, students Stan Amy, John Werneken, and Jeff Goldsmith approached PDC Director Ira Keller and PDC's attorney, Ollie Norville, regarding the possibility of preventing the demolition of the targeted apartment buildings. From this meeting came the idea for the class to prepare a proposal to acquire the buildings
through PDC and then rehabilitate them. The university actively assisted the students by publicly supporting the recommendations of the class report, and by letting Mel McMinn, Director of the PSU Physical Plant, employ Stan Amy part-time in the Planning Office. Amy used his time to compose the housing proposal and seek approval by the appropriate state agencies.\(^\text{19}\) Amy, in turn, hired John Werneken to assist him.

The State Board of Higher Education provided the first target for these efforts. The housing class determined that the Board would not accept Portland State as an owner/landlord of student housing, since that would place the institution in competition with the larger state universities to the south. Additionally, in the agreement which turned over the buildings in the Park Blocks to PSU, PDC specified that any development of the land by PSU would be for educational purposes. Consequently, both students and administrators agreed on the need to create an intermediary, non-profit, independent corporation to administer the properties, which would not be subject to the State Board of Higher Education.\(^\text{20}\)

The plan which Amy and Werneken formulated consisted of the following: 1. demonstrate verifiable student support for the housing proposal; 2. draft incorporation papers for a non-profit corporation to administer housing; 3. lobby the state and the Oregon State Board of Higher Education
(OSBHE) for the authority to lease nine buildings involved for an initial period of two years.\textsuperscript{21}

In demonstrating verifiable student support of the proposal, Amy and Werneken used a computerized survey conducted by the housing project class. Over 3,000 registered PSU students responded by signing up for a housing waiting list.\textsuperscript{22} This compilation was continually updated during the term, until the class compiled a full printout of the totals ready for submission to the appropriate authorities.

Stan Amy and Sumner Sharpe had already determined that a fledgling non-profit corporation would have to establish institutional credibility by forging a link with community and business leaders. Through Gerson Goldsmith, a prominent Portland attorney who was the father of student Jeff Goldsmith, Amy and Sharpe won the support and participation of Portland business leaders, such as Lyman Seely, President of the First Interstate Bank (of Oregon) and William Wessinger, Chairman of the board of Blitz/Weinhard. President Gregory Wolfe connected Lou Perry, President of Standard Insurance, a member of Wolfe's "kitchen cabinet" at PSU, who assigned one of the corporation's officers, John Olsen, to work with the students.\textsuperscript{23}

Amy and Werneken laid the groundwork for the legal establishment of a non-profit corporation through researching and composing its articles of incorporation and
bylaws. They named it Portland Student Services, Inc. (PSS). But they first needed approval by the State Board. To accomplish this, Amy worked with Steve Forrester, editor of the *Metropolis*, a periodic supplement to the PSU student newspaper, and son of the president of the State Board. Through this contact, Amy managed to gain access to this all-important body. On May 20, 1969, Amy made his initial student housing presentation to the State Board of Higher Education. Earlier, President Wolfe had emphasized that "some housing should be provided for disadvantaged students." Wolfe expressed the view that some special programs for "disadvantaged students, counseling and tutorial services can be provided best in live-in environments." The president also indicated that he would request $30,000 from the board for "PSU housing coordination personnel," and characterized the providing of some student housing as part of the function of an urban university.24

Stan Amy's presentation centered on a state-of-the-art slide show. He then deposited the complete results of the College Housing Project class' survey, on the center desk of the OSBHE. Amy requested the State Board's assistance in acquiring some of the older buildings slated for demolition, and said that any "initial cost to the higher education system would be repaid from rentals."25 Although the OSBHE would not underwrite the property acquisition proposal, some board members were impressed enough by Amy's presentation
that they wanted to study it further. Amy also requested a three-month "stay" to allow the university to examine student housing and formulate a plan to present to the board during the summer.2

The securing of Portland Development Commission approval was another ongoing process. On May 29th, Amy, Werneken, and Barsotti outlined a housing plan at a conference with John W. Kenward, executive director of PDC, and Malcolm (Mel) McMinn, director of facilities planning for PSU. This proposal called for the two-year interim use of existing housing in the campus area that was scheduled for destruction. It also foresaw the gradual establishment of satellite enclaves of student housing throughout the city, serviced by public transportation, a process designed to alleviate the housing shortage in the downtown area and mitigate traffic and parking problems.

McMinn then presented this proposal at PDC's June 9 meeting. He recommended that PDC immediately transfer its buildings to PSU, which would then lease them to a nonprofit student-run housing corporation. McMinn informed the committee that he considered the housing proposal to be "one of the most innovative suggestions we have heard," and emphasized that the plan had the support of PSU President Gregory Wolfe. McMinn said that the housing proposal came about when it became evident that the state legislature was not going to fund any construction at PSU during the current
session, "meaning that the land will not be required for buildings for at least two years." The two year "pilot project" would test the creation of "enclaves of student housing in four or five places around the city." The university would not exercise any control over the housing, which would be overseen by an independent, non-profit corporation directed by students and "by leading businessmen."

If these enclaves were successful, McMinn continued, then revenue from student rentals would be used to purchase other apartment clusters throughout the city, "particularly in the Southeast area." Noting that "accessibility to Portland State is the chief impediment to its growth," McMinn focused on the college's problems with "living, transportation, and parking." He stressed that the student group felt that the satellite enclaves could serve students who wanted apartments, and that these housing complexes could centralize them in clusters for easier shuttle transportation to the downtown campus. Gregory Wolfe had referred to this process as "spreading the influence of the university beyond its campus boundaries." Only half of PSU's students lived at home, McMinn noted, with the rest living in 3,500 apartments throughout the city and compounding the city's transportation and traffic problems. Some 80% of the PSU senior class lived in apartments, the computerized survey suggested.
Despite the strength of the McMinn presentation, PDC Chairman Ira Keller reiterated his position that "this is not our responsibility." Keller also expressed reservations concerning the ability of students to manage a cooperative housing project without professional staff. He further requested a statement from Gregory Wolfe to the effect that PDC was not responsible for the present housing situation, and that any approved student housing project would be for interim use of the property only, with the property to be ultimately "redeveloped in accordance with the original PSU Urban Renewal Area Plan." The executive director of PDC, John W. Kenward, noted that five of the ten buildings listed in the proposal were "below city code standards." Two other PDC commissioners expressed opposition to the student housing proposal; Harold Haverson maintained that the tenants of the buildings had been "dispossessed and relocated" on the premise that the structures would be razed to enable construction of university facilities; Vincent Raschio claimed it was against his "principles" and "compromises the integrity of the commission" to remove tenants from apartments and "then turn around and lease them out." Commissioner Edward Look reminded PDC that the proposal was "contrary to the concept of PSU as a nonresidential university." Some of the board members felt that any delay in the demolition of the PSU area buildings might jeopardize the projected
purchase and redevelopment of twenty-one other apartment buildings by PDC.

Nevertheless, PDC was looking for a graceful way out of an awkward situation. Once commissioner A.V. Fonder reaffirmed that "the buildings which are usable might logically be used for student housing" in the interim period before the university embarked on campus construction, chairman Keller invited PSU President Wolfe to appear before the commission. Demolition of the Queen Louise, one of the buildings cited by the students for rehabilitation, was on the agenda for PDC's June 23rd session.

Amid considerable publicity concerning the fate of the apartment buildings in the South Park Blocks, PDC leaned toward serious consideration of proposals presented by PSU President Wolfe and representatives of the Student Housing Committee. According to the plan presented on June 23rd, buildings earmarked for destruction would be managed for two years by a nonprofit student corporation. Wolfe explained that "seed money" from rentals would then be applied toward the purchase of other apartment complexes in the city.

By creating off-campus residences, the Student Housing Committee hoped to resolve the housing shortage for Portland's low-income students. It envisioned an off-campus student center that would provide jobs and other services for its tenants. Both Wolfe and the student housing representatives stressed that the initial experiment would
only be temporary, and that it would be a preliminary means of creating other housing clusters from which students could be shuttle-bussed to the PSU campus. Wolfe emphasized that the parking situation had no immediate prospects of relief, since the state legislature had refused to authorize the construction of a proposed multi-level parking structure for the following year.38

Although PSU had not abandoned its plan to build on the sites acquired by PDC, Wolfe pointed out that the capital construction projects approved by the Legislature "did not include any buildings at Portland State."39 The PSU president also submitted copies of a letter which he had written to the higher education chancellor, Dr. Roy E. Lieuallen, in which Wolfe proposed the purchase of up to eleven buildings over a two-year period. One of the structures would be administered directly by PSU under the Project Teach program for disadvantaged students. The rest would be rented by the university to the new student housing corporation.40 Speaking as chairman of the Student Housing Committee, Amy sought to assuage any qualms about the conversion of a large parcel of urban property to student control. He assured PDC that the non-profit corporation would "seek counsel from an advisory board of Portland business people" and would be responsible to ensure the safe and sanitary conditions of the apartments.41
The PDC responded affirmatively to the June 23rd presentation. "There's nothing about any of this that we'd do anything but help with," chairman Keller declared, noting that the plan would be "an interesting social experiment." But he also warned that demolition delays would still require clearance from the U.S. Department of Housing and Urban Development (HUD).42

After a moment of deliberation and consensus-taking, PDC unanimously approved the plan formulated by the Student Housing Committee and directed its staff to work with Portland State in securing HUD's permission to make the necessary modifications in property acquisition terms. The apartments involved were the King Albert, King George, Queen Louise, Parkway, St. Helens, Martha Washington [now Montgomery], Birmingham, Blackstone, Mary Anne, and the Parkway, with the King George to house the Project Teach students. After HUD approval, the housing committee would begin renovating the on-campus apartments in August. PSU would initially assist with financing the $135,000 restoration, but the Student Housing Committee would repay the university through rents received.43 Meanwhile, Portland State's Office of Facilities Planning continued to provide office space and funding for Amy and Werneken. PSU President Wolfe also requested that the State Board of Higher Education fund an advisor to assist the student committee.
Wolfe presented the student housing plan to a June 30th meeting of the building committee of the State Board. The PSU president cited the critical need for low-cost housing and called for the board to support the "student initiative to help solve urban problems." Yet some of the board members had reservations that the state would be put "in the position of providing PSU student housing via the back door, and underwriting student housing but having no control in the operation of the housing." Accordingly, the board committee postponed a decision on the matter, agreeing to consider the proposal again at a meeting of the full State Board on July 21st, when the entire plan could be presented in more detail.

Although the Oregonian characterized the delay as a "snag" of sorts, the postponement provided Amy and Werneken with time to carefully prepare their formal presentation. HUD had already provided the crucial approval of the project during the week preceding the June 30 State Board meeting. This allowed student activists to focus on financing and organization. In July 1969, the Student Housing Committee began accepting applications for apartments for the fall term. The committee projected that 440 units would be ready by fall, with the prices ranging from $25 to $85 a month. Student housing leaders also prepared the Articles of Incorporation and Bylaws of the non-profit corporation and filed them with the state.
THE BIRTH OF A CORPORATION

The articles and bylaws of Portland Student Services, Inc. (PSS) were drafted almost entirely on July 8-9, with John Werneken working late into the night to make final adjustments. In formulating the governing rules, Amy and Werneken made specific provisions for student control of the corporation. In fact, the notion of student control over their living environment proved to be one of the most compelling rallying points for the student housing movement at Portland State. At one time or another, hundreds of students actively participated in the creation of PSS.°

Strongly influenced by their own experiences with student politics and activism in the protest era of the late 1960s, Werneken and Amy created a corporation designed to give students legal power over their housing environment. According to the original bylaws, the student/tenants would elect tenant representatives from each building to serve on a Tenant Council. This Tenant Council was empowered to represent "the members of the corporation as tenants in their relations with management and the Board of Directors and to assist management of the corporation in the operation of housing units within their representative districts." The Tenant Council could also "propose rules and regulations for the occupancy of the facilities provided by the
19
corporation." However, the PSS Board of Directors was given ultimate authority over PSS policies and whether any recommendations of the Tenant Council would be adopted.51

The Board of Directors was to consist of seven members, subject to change by a majority vote of no less than five of its board members. A concurrence of at least five board members could amend or repeal the bylaws or articles of incorporations. Four of the seven directors were to be student, or "tenant" directors, who would be elected at an annual meeting of the Tenant Council, and serve for two-year staggered terms. The three other board members were designated as "public" members, who would be drawn from the outlying Portland civic and business community and be elected by a majority vote of the tenant directors. Such provisions were intended to ensure that the students would control the majority vote on important company matters, and assumed that the student directors would agree on most issues; the combined vote of the four tenant directors outweighed the vote of the three public members.52

Checks on the possible abuse of power were written into the original bylaws. If necessary, the Tenant Council could call a special meeting where, if a majority of its eligible members were present, it had the "sole right" to remove all or any of the Board of Directors by a simple vote.53 Furthermore, each tenant was a voting member of
the corporation. A quorum of members would consist of 25% of the total membership at regular meetings. A majority of the members casting their votes in person or by proxy could take action on such matters as property transactions, excepting mortgage, mergers, consolidations, and dissolution, and any amendments to the articles of incorporation. Provisions were made for the holding of annual meetings of corporation members. Special meetings could be called by the president, the board of directors, or "upon written request of members entitled to cast one-quarter of the votes of the membership."^4

By these bylaws, the Student Housing Committee hoped to ensure that the student-tenants' interests would prevail, and that students living within the corporation's housing would feel that they were a part of a community where their concerns might be addressed. The Student Housing Committee also sought to guarantee that student residences at Portland State would not revert to the practice of "in loco parentis," wherein the university or the respective housing authority assumed the role of parental control of its student-tenants. Similarly, the committee felt that democratic tenant involvement on campus would lessen toleration for off-campus "slumlords."^5

The bylaws represented Stan Amy's concept of "market aggregation." While individuals alone were virtually powerless, united they possessed the legal power to make
official decisions affecting their environment. Since students had usually been considered short-term tenants, college housing administrators often distinguished between the interests of short-term users of housing and the long-range interests of universities and housing authorities. PSS proposed to vest power with students themselves. 56

PSS held its first formal meeting on July 17, 1969. Key participants included students John Werneken, Stan Amy, Anthony Barsotti, and Richard Solomon and their corporate supporters John Olsen, Lyman Seely, and William Wessinger. Also present were PSU official Norman Boice and Gerson Goldsmith, PSS attorney and acting secretary. Presiding as chairman of the meeting, Amy appointed Olsen, Seely, and Wessinger as public directors of the new corporation. The three then drew lots to determine their respective terms of office, with Wessinger to serve until March 1970, and Olsen and Seely to serve until March 1971. 57 Amy then appointed the tenant directors of the corporation. Lots were again drawn to determine the length of terms of office, with Solomon and Barsotti serving until March 1970 and Werneken and Amy to March 1971. The board then adopted corporation bylaws. Following that, the student board members elected Amy as president, Werneken as vice president, Barsotti as secretary, and Dick Solomon as treasurer. Gerson Goldsmith was designated to serve as the assistant secretary, responsible for recording board transactions. The initial
meeting room of the corporation at the Boise Cascade Building remained the temporary registered office of the corporation. Goldsmith was also designated as the registered agent of Portland Student Services, Inc. (PSS).  

Discussion at the initial PSS meeting focused on the proposed lease of nine apartment buildings from the State Board of Higher Education, an arrangement intended to last until the structures were due to be demolished in two years. The PSS directors decided that the lease would be negotiated by the corporation's officers, subject to the approval of the board. The board also established a policy to employ qualified professional management to manage such facilities.

On July 21, 1969, Amy, the other members of the Student Housing Committee, some PSU officials, and student housing supporters went to Ashland to secure permission from the Oregon State Board of Higher Education to lease the apartment buildings. To the surprise of the group, the OSBHE unanimously approved the proposal by a 9-0 vote, following Amy's presentation. State Board officials later credited the PSS president with excellent preparation for the encounter. Amy stressed the importance of issues raised earlier in the student housing debate, particularly the need to enhance access to Portland State through available housing.
While the State Board consulted the attorney general on the legality of support for student housing at PSU, on-campus sentiment rallied behind the PSS concept. An editorial in the Portland State Vanguard rejoiced over the cooperation between students, faculty, university administration, the city, and PDC. It also referred to the interim use of the apartment buildings as a "laboratory" which would provide the housing management experience necessary to achieve the ultimate goal of satellite complexes. The editorial emphasized that the housing plan would "keep PSU out of the housing business and maintain the university's "non-loco parentis" policy." "The university does not want to baby sit," argued the Vanguard, "nor do the students (average age 24) want paternal guidance from PSU."1161

The PSS Board of Directors met again on July 28th to discuss the management of the apartment buildings and the handling of the company's projected finances. John Olsen expressed the board's consensus that it was "desirable ultimately to have the corporation's own management team," but that in the "short time available it might be desirable to employ a professional property management firm."1162 The board then directed the president to prepare a proposal to several property management firms and consult with the PSU Office of Facilities Planning.
The PSS Board next employed the law firm of Goldsmith, Siegel, and Engel to be the company's official legal counsel. Gerson Goldsmith had already been processing the corporation's official papers and had been instrumental in getting the Student Housing Committee and the public board members together. The directors also decided that PSS would establish its financial accounts with the First Bank of Oregon, the U.S. National Bank of Oregon, and The Bank of California, with any two of the PSS officers being authorized to sign corporate checks.53

Discussion then turned to matters which related to the anticipated tenants. Questions of how to deal fairly with applications, housing priorities, and rental structure were delegated to a newly appointed committee, consisting of John Werneken, Tony Barsotti, and William Wessinger.54 The directors also discussed whether the apartments should be rented furnished or unfurnished, since the Volunteers of America had offered to sell PSS furnishings sufficient for fifty-one apartments for the low price of $3,800. The board resolved that PSS would provide only stoves and refrigerators. However, the corporation would tender an offer to acquire furniture from the Volunteers of America, as the price was exceptionally low. Before adjourning, the board discussed long-term plans, including the projected acquisition of additional rental property and the construction of student housing complexes.55
In keeping with its decision to allow Portland State to use newly-acquired property for housing, PDC met on August 4 and amended its urban renewal plan to state that buildings acquired for demolition could be "rehabilitated and used for university-related housing" by the State Board or its agents within the next three years. The commission told reporters that such an amendment was necessary to comply with its HUD loan and grant contract. But plans for the rehabilitation project suffered a severe reverse when the State Emergency Board's subcommittee on education unanimously rejected the proposal on August 23rd. The final version of the plan, as worked out with the OSBHE, had involved a request for $205,373 to cover the costs of renovation and eventual demolition. A state guarantee of credit for the amount was required in order to implement the project. Both PSU president Wolfe and Chancellor Lieuallen spoke in support of the proposal. But the legislators were not malleable, apparently concerned about the enabling legislation which prevented Portland State from operating dormitories. Speaking for the subcommittee, Ways and Means Committee Co-chairman Representative Stafford Hansell (R-Hermiston) argued that a "policy change of this magnitude should rest with the entire Legislature, not the emergency board." At least one member of the subcommittee, House Speaker Robert Smith (R-Burns), asked Wolfe where the affected students would live. Wolfe replied that they would
have to find low-cost or slum areas in the city, adding that already 3,000 students at PSU were living away from home. Although disappointed by the Emergency Board's response, Wolfe later said that other alternatives would be sought to utilize the vacant housing, including the possibility of asking PDC to change its position and assume direct administration of student housing.

Although the Emergency Board session went poorly for PSS, Amy sought out subcommittee member Senator E. D. Potts (D-Grants Pass), and asked if the panel might approve the housing project if no state funds were required. The Board eventually embraced this position and ruled that PSU's enabling legislation would not be applicable. Following the session, however, an Oregonian editorial portrayed the housing plan as having encountered "insurmountable obstacles." The newspaper reported PDC Chairman Keller's admonition that even if the university approached him, PDC could not get directly involved in the matter. The editorial called the Emergency Board's action "understandable" and stated that, while the present prohibitive policy might need revision, "the whole Legislature, not just the Emergency Board, should make the decision."

The Oregon Journal proved far more optimistic about student housing prospects. In a lead editorial, the daily argued that the "imaginative proposal...is not dead, nor
should it be." The Journal castigated the Emergency Board for clinging too strictly to an outdated policy. It further bemoaned the plight of students, who, with limited incomes, were "often forced into semi-slum dwellings and into competition with the elderly for scarce low-rent housing," which the proposal aimed at relieving. The Journal also mentioned that only $21,000 in actual cash would be needed for repairs to the buildings before occupancy. The greater problem was PDC's estimate that projected demolition costs could run up to $185,000.

Area television stations also lambasted the board's decision. For example, television news reporter Malcolm Cross did two news features on the story during the week of the housing proposal's rejection. On July 25th, Cross attributed the outcome not only to the Emergency Board's refusal to help, but also to the "cursory look they gave the problem." Characterizing the rural-based board as consisting of a "hog raiser from Hermiston, a pear orchardist from Ashland, and a rancher from Burns," Cross attacked the panel for its ignorance of urban problems. He stated that the board would not have been so insensitive had the emergency consisted of "wheat smut, a mysterious epidemic of hog disease or a rampant spread of hoof and mouth disease."

In another report on the subject, Malcolm Cross addressed the frustration of students, and student radicals
in particular, in dealing with the establishment. Cross also interviewed Stan Amy at length regarding the plan's predicament. He reported that the plan had the support of Oregon Governor Tom McCall, that Senator Mark Hatfield had expressed a "willingness to help," and that the project was not "dead" yet, despite an air of "gloom" cast by the Oregonian editorial. Cross also said that PDC wanted to help the project but was limited by the law. The report characterized the issue as echoing the "sound of generation gap," with the PSS students representing a valiant attempt to work within the "system" which was being thwarted by "cry babies, and those who snivel around in fear that the next turn of the world will deprive them of some advantage." Cross stated that it was this very pattern that had led student radicals at PSU, and nationwide, to believe that the "system" did not work, and that there was a "conspiracy of those in power and the snivelers in the wings." Comparing the PSU student housing issue to refugees "rotting alive" on the Gaza Strip, a "minority hemmed into the ghettos of Northern Ireland," and black Americans "pushed toward insanity," Cross said that the disgust and anger of the young militants was partially in reaction to grown men approaching "adult problems in childish ways," leading to non-performance by society's leaders. Taking another jab at the Oregonian, Cross declared that the "insurmountable obstacles" mentioned in the editorial were "largely in the
mind," and that with such a mental block it would have been inconceivable for George Washington to have forded the Delaware on a winter night. The report also emphasized the relatively insignificant amount of money the students had requested, and the fact that the students had major business leaders on their Board of Directors. Cross then closed his report with a final "swipe" at the Oregonian, stating that the only thing "stale" about the situation was the newspaper's editorial.\footnote{81}

Amid the growing plethora of publicity surrounding the issue, Speaker Robert Smith (R-Burns) directed the House Interim Committee to review the legislative policy forbidding student housing at Portland State. Smith clearly blamed the OSBHE for not referring the matter to the Legislature, where the policy had originated. "This policy might well be ripe for change," Smith wrote to Interim Committee Chair Floyd Hart (R-Medford).\footnote{82}

Members of the Portland State community also pressed the legislature to act. Judah Bierman, English professor and chairman of PSU's Commission on Institutional Goals, wrote to the Oregonian that the ruling created "two very unfortunate impressions." First, Bierman protested, it reaffirmed that the "Legislature and the board never did intend Vanport, PSEC, PSC, PSU to be anything but a streetcar, lunchbox school," a secondary status. Second, argued Bierman, the ruling served to falsely put the issue
in the context of building dormitories and "preserving the custodial role for which the state is so ill-fitted," one which had "no proper place in the development of this university." Bierman emphasized that students were attempting to use private enterprise and initiative, and were only asking the state to guarantee, not pay for, the experiment in student housing. His letter closed with a plea that those in "middle America" remain committed to assisting "young Americans learn that democratic capitalism can be made to work and that private initiative can find ways to solve some of our problems." Sounding a note of warning to those concerned about the rise in student radicalism, Bierman declared, "If you keep closing the doors on those students who try to live within the structure of our society, you will find all students out on the streets."

Despite such reasoning, support for PSU's housing scheme was not state-wide. Bend's newspaper, The Bulletin, entitled its editorial on the subject, "PSU guessed wrong." It argued that the Legislature and the Emergency Board were justified in their opposition to student housing at PSU, because most of the university's students lived at home and Portland contained adequate housing. PSU had deliberately chosen the tactic of delaying until after the legislative session ended before raising the issue, the Bulletin alleged, in order to avoid going before the entire
Legislature. The Central Oregon paper also objected to the Portland media's ridicule of "farmers" on the State Emergency Board.87

While PSS awaited legislative approval, it also struggled for authorization from HUD. Although federal housing officials had promised support for the PSU project, the plan evidently met opposition from HUD's regional staff in San Francisco. To prevent a bureaucratic bottleneck, PSS succeeded in scheduling a meeting with the Under-Secretary of HUD in August 1969. These matters concerned the August 20th meeting of the PSS Board.88 At the same time, the directors created a property management committee to determine policies for managing housing and hired the auditing firm of Hewitt, Rathje, and Thompson (CPAs) to handle financial records. Board members felt the firm "would have a special interest in the affairs of the corporation," since several of its partners taught in PSU's School of Business.89 PSS attorney Gerson Goldsmith also reported that he had been in touch with the state attorney general's office, and that a draft of a lease would be ready within one week. Gerson also reported on conversations with the Multnomah County Auditor over the assessed value of the apartments and tax-exempt status for the non-profit corporation.90

Just when it appeared that the housing plan was becoming hopelessly bogged down in a bureaucratic maze, the
OSBHE took it upon itself to act decisively. On Monday, September 8th, the Board of Higher Education (OSBHE) voted unanimously to approve the PSU housing proposal. With the fall term fast approaching, board members improvised a clever method to sanction the housing plan and to avoid the necessity of legislative approval. State guidelines stipulated that the OSBHE could approve expenditures that did not exceed $50,000. Consequently, the Board worked out a plan whereby PSS would lease nine apartment buildings for $49,500. The lease would be self-supporting and self-liquidating from student rent, and would be for a duration of two years (until June 30, 1971). According to the plan, the chancellor was authorized to sign whatever contracts were necessary to effectuate the lease.91

Although Board member and former governor Robert Holmes described the housing proposal as "an imaginative program," some legislators (mostly Republicans) believed that the plan's departure from public policy required airing before the Legislature. To some critics, the decision appeared to be in direct conflict with the Emergency board's August veto. "There wasn't a whisper of this during the session," Representative Stafford Hansell (R-Hermiston), co-chairman of the Joint Ways and Means Committee, complained. "I'm surprised that anyone with the intelligence of ex-Gov. Robert Holmes [a new board member] would say that this doesn't put Portland State into the student housing
business,"continued Hansell." Representing the legislator indicated that in the past he had been opposed to taking a "line-item" approach to the higher education budget, he now felt that perhaps this was the "only way we can be sure of what they're going to do..." Representative L.B. Day (R-Salem), another powerful legislator on the Ways and Means Committee and the Emergency Board, concurred and exhorted, "No more blank checks." Similarly, Senator Lynn Newbry (R-Talent), another Ways and Means Committee and Emergency Board member, felt such a policy decision "rightfully belonged to the Legislature."

In contrast, legislative Democrats mainly supported the ruling by the OSBHE. State Senate President E.D. Potts (D-Grants Pass), who chaired the Emergency Board, said that his board had not been opposed to the housing plan "if some other financing could be arranged." Potts argued that the Emergency Board's rejection did not apply to the concept, but rather to the specific plan presented, one which was not as favorable to the state as the terms later settled upon by the OSBHE. Senator Berkeley Lent (D-Portland), another Ways and Means Committee member, likened the OSBHE's action to an "end run on what they were turned down on," but expressed admiration for the ingenuity of the PSU students. "As long as the stuff doesn't come off the tax rolls," he stated, "I applaud it heartily." Chancellor Lieuallen
explained that the OSBHE had acted in order to "make it unnecessary for the Emergency Board [to] go on record."

Finally, the Oregonian editorialized that the housing plan involved "an arrangement which cannot be faulted" and was the result of a "welcome show of student initiative and responsibility." The editors also advocated a change in long-range student housing policy at PSU. Such a downtown enclave would be "quite big enough...without the addition of dormitories," the newspaper explained. The Oregonian also called for the creation of off-campus housing complexes, and applauded the fact that the OSBHE had leased an apartment building from PDC for "needy" students.

Once the State Board approved the housing plan, federal and municipal agencies followed suit. After contact with Washington, D.C., the regional HUD office in San Francisco finally approved the OSBHE agreement with PDC regarding the use of properties and the twenty month lease with PSS. Approval from the city of Portland, which had to amend its urban renewal plan to permit retention of the relevant apartments for residential use, came a few days later.

The PSS Board of Directors met on September 15th to begin operational procedures. PSU's Office of Facilities Planning had already worked with student volunteers to begin cleaning the nine buildings. Preparations had progressed to the point that, between the King Albert, Stratford, and
Adeline, 115 units would be ready by the end of the week. Over 550 students had expressed interest in these apartments; of those not able to be accommodated immediately, another 149 could move into the converted Martha Washington hostel by late fall.\textsuperscript{104}

Stan Amy proposed that the renting of apartments should be centrally operated, rather than by each apartment building. Building maintenance, accounting and bookkeeping, and office management were also required. The Office of Facilities Planning was contracted to handle maintenance, while John Olsen proposed hiring management consultants Norris and Stevens to assume both management and accounting functions until June 30, 1970, by which time PSS would have its own general manager. Accordingly, the board designated Norris and Stevens to manage the property and assist in setting up permanent PSS management for a fee of 4\% of the gross rentals. In order to cover these costs, the board made it a policy to establish rentals in such a manner that the corporation would receive a 10\% profit of the gross rentals, above and beyond all expenses and taxes. Similarly, the policy of requiring rental and cleaning deposits was also established at this meeting.\textsuperscript{105}

On Wednesday, September 17, Oregon Representative Floyd Hart, a Medford Republican and chairman of the Legislative Interim Committee on Education, told the State Board of Higher Education that he had asked the state
attorney general for an opinion regarding the legislative ban on state sanctioned housing at Portland State. Hart felt that while the Legislature should not try to be a "90-member board of education," the OSBHE should also not try to be a "16-member Legislature." While Republican opponents of the PSU student housing initiative waited futilely for a last-minute decision against the fledgling corporation, PDC formally authorized its chairman to sign the agreement with the State Board of Higher Education. Upon the signature of Chancellor Lieuallen, the State Board would be free to lease the nine apartment buildings to PSS.

According to PSU President Wolfe, the student housing project was "a marvel of ingenuity and performance." In an era when student attempts to effect meaningful change had been thwarted on many other campuses, the PSU administration demonstrated a willingness to respond to the housing problem by actively supporting the student housing committee throughout its planning stages and at the various presentations before governmental bodies. This recognition of student initiative and social concerns helped to temporarily avert the frustration with institutional red tape and benign neglect that characterized many American universities of the volatile period surrounding the Vietnam War.
CHAPTER II

THE STRUGGLE TO SURVIVE, 1969-1970

Having been legitimized as the formal, autonomous institution of student housing at PSU, Portland Student Services embarked upon the ritual of day-to-day operations and management. As more apartment units were prepared for vacancy, students settled into the customary procedure of applications and queues for the limited number of apartments that were then available, at this initial stage of housing operations. For instance, on November 20, 1969, about 75 PSU students camped out in PSS's ground floor headquarters in the King Albert building, while waiting to sign up for the other housing which would shortly become available to them. Cooking hot dogs on hibachis, the students waited patiently to sign up for a limited number of apartments. Stan Amy indicated that there were between 6-10 applicants for each unit that PSS actually had ready for occupancy.¹ Students had gathered in the rain outside PSS's temporary offices to wait overnight for the "first-come-first-served" waiting list for apartments; but as nightfall approached, PSS decided to open up two vacant apartments for these determined students to wait in.
Meanwhile, the PSS Board of Directors met on November 10th. There it received official notice that the lease between PSS and the OSBHE had been "ratified in all respects" on September 26th.² The board was also reminded that, according to the lease, "occupancy must terminate on or before June 15, 1971," as the apartment buildings were still scheduled to be demolished.³ Terms of the lease stipulated that the corporation would find additional housing within two years. Consequently, the session included the first serious discussions about possible sites for additional apartments. PSU President Wolfe, who attended the meeting, reported that there was a parcel of property near the university (south of the I-405 freeway) that was available, due to a mortgage default. The land comprised 88,000 square feet, sufficient enough for several apartment buildings and a parking lot. Wolfe wondered if PSS was interested. However, PSU did not have legislative sanction to hire a housing coordinator to investigate the various opportunities. PSS would therefore have to pursue housing expansion on its own. Consequently, the PSS Board pondered whether to retain its own manager for development of housing facilities. The board concluded that, before embarking on such a project, it needed to first define the corporation's goals on housing. It decided to use the preliminary report of the Student Housing Committee from
earlier in the year as a guideline in planning this expansion. ¹

The PSS Board initiated several important policies at the November 10 meeting. It agreed that PSS would employ College Work Study students, with 70% of the funds being paid with federal funds and 30% by PSS. This arrangement would mean a significant savings for PSS, while providing students with paid training and job experience. Olsen also set a corporate precedent by asking to abstain from voting on an authorization to purchase appliances from the Ione Plaza, since his parents were the managers of that apartment building. ² On a fiscal matter, John Werneken reported a theft loss of petty cash, resulting in a board resolution that rents would thereafter be paid only in checks or money orders. Regarding insurance coverage, PSS established Alfred J. Davis as the corporation's insurance adviser. Finally, PSS hired its first project manager, Barry Solomon, an employee of Norris and Stevens, and agreed to pay half of his $650 monthly salary, as the board had not originally included property management as part of his services. ³

After it was reported that the King Albert, St. Helens, Adeline, and Stratford apartment buildings were operating at 100% occupancy, and that the Blackstone, Birmingham, Parkway, and Mary Anne would open soon, Werneken reported on the need to establish the boundaries, jurisdiction, and operation of the Tenant Council. The
board adopted a motion to create Tenant Council election districts in each of the buildings then occupied, and to provide for more districts as the other buildings were opened. The directors also granted a requested delay in opening the Martha Washington apartments, as the present owner had not completed the new structure where the occupants were to be moved, and as the PSS Board had not yet determined who would handle the food service at the building, which was to be the only building operated as a dormitory.  

The primary focus of PSS soon shifted toward the matter of expansion. On November 21, Stan Amy addressed the Portland City Club. He cited the example of students waiting outside in the rain and camping overnight to sign up for housing as demonstrating the urgency of the housing shortage in southwest Portland. He also mentioned the fact that students were competing with the large elderly population for low-income housing, and that no such housing had been built in Portland within the last ten years. Amy said that the "establishment" needed to be aware of the essential differences and needs of an urban university, such as Portland State, from the other rural-based institutions in Oregon. In the spirit of student activism, Amy observed that when the "body politic is sick, the fever is confrontation," and that a service institution "ought to be
available to the persons it serves. Portland State is not."

At its last meeting of 1969, the PSS Board calculated that it could reduce office expenditures by hiring its own manager. PSS personnel were already handling many areas of service; it therefore seemed timely for the corporation to have its own office manager by 1970. Accordingly, the president recommended that board member Dick Solomon, who would be leaving PSU after the winter quarter (and relinquishing his board position), be hired as PSS's manager, and that Norris and Stevens be retained as consultants. Amy and Werneken also reported that the corporation was getting along well with its tenants and that tenant council elections were proceeding smoothly.

The young corporation was already showing indications that there would be a favorable cash flow by the spring of 1970. However, the PSS Board quickly perceived the risk in running the Martha Washington as a residence hall with dining facilities; ten of the twelve vacancies in PSS housing were sleeping rooms in the building, and there was virtually no response by students to an advertisement in the Vanguard soliciting feedback about dining facilities. There was, therefore, a discernable preference for units with kitchens. Stan Amy, in receiving food service bids, also noted the expense of food service equipment and contracts. If occupancy in the program was low, he warned,
"substantial losses could develop." The lack of demand for such services apparently reflected the student community's preferences, which did not include dormitory accommodations. In response to this situation, the board discussed other uses of the Martha Washington, including leasing the top three floors as dorms and using PSU's food service, leasing the same floors to PSU as faculty offices, and leasing the basement for a commercial restaurant. Finally, the board decided to furnish the Martha Washington, rent the top three floors as sleeping rooms, not go into food service "at this time," and investigate the possibility of renting out the basement and first floor as retail space, or lease rooms to PSU as faculty offices, in the event that the sleeping rooms were not rented.

Stan Amy directed the board's attention toward the company objectives of replacing the present housing that would be lost in two years. He recommended that the corporation consider new construction rather than rehabilitation, in order to further alleviate the Portland housing shortage. Amy expressed the view that any arrangement might be used to provide more housing, so long as the location, type, and rental were suitable for PSS requirements. Lastly, Amy felt that PSS would need to employ a manager by the end of the two-year lease to coordinate these activities. He mentioned that a group was forming to organize a Portland housing development.
corporation that would provide additional low-income housing in Portland; if such an organization required a manager, perhaps PSS could work in conjunction and contract management services for one year. The PSS Board concluded that there needed to be a job description and a search committee for an operations manager.\textsuperscript{13}

The PSS Board decided to employ an operations manager on December 26th. The operations manager would be responsible for the direction of all PSS employees, and set up and supervise the management, maintenance, and rehabilitation of apartments.\textsuperscript{14} The board provided for salary adjustments, "as the proficiency of the individual or the level of responsibility changes."\textsuperscript{15} It then proclaimed Richard B. Solomon "satisfactory for employment as operations manager providing that he first resign from the Board."\textsuperscript{16} PSS would now be able to completely manage its own operations.

In January, 1970, the Oregon Legislative Interim Committee on Education met to review developments in the higher education system. OSBHE Chancellor Lieuallen informed the committee that the apartment buildings had been rehabilitated principally by PSU students, that monthly lease payments were being made promptly, and that enough revenue was being generated from the venture to set aside funds for property taxes. By housing 600 students on-campus, PSS had also alleviated the downtown low-income
housing situation somewhat, as well as traffic and parking congestion. Based on positive reports from Lieuallen and PSU President Wolfe, the committee decided to commend PSS to the Legislature.¹⁷

By February 1970, PSU's non-profit corporation was showing an operating profit of $8,000. The PSS Board of Directors now determined to implement a corporate program for construction as soon as possible. In order to begin focusing on the development of additional housing, however, the board required a full-time general manager, who presumably could involve students in the development process through research and seminar programs. Amy therefore appointed a committee of three board members to select a general manager. He and John Werneken also announced their intention to attend a student housing conference in Detroit and a Washington meeting with HUD officials concerning available federal grants for housing developments.¹⁸

While protests against the Vietnam War held the attention of many PSU students in the Winter and Spring of 1970, Amy and Werneken (who had been elected the PSU student body president) planned the expansion and survival of PSS. In late February the two student board members learned of low-interest loans that were available from the College Housing Division of HUD. An amended version of the Housing Act of 1950, the program extended up to $3 million loans to non-profit corporations or institutions established
to provide student housing. Loans could be negotiated for a forty year term at 3 percent interest. 19

Upon returning to Portland from conferences with college housing officials at HUD, Amy and Werneken turned their attention to the property south of campus suggested by Wolfe. PSS contacted Evan Kennedy of the local firm of EKK-DMJM regarding the site, located in an area within walking distance of the university. Although the hillside it occupied was steep, Kennedy informed PSS that housing could be built for about $12,000-14,000 per apartment unit. However, after sketches had been prepared, PSS management concluded that the $2.5 million costs of the project would necessitate rents beginning at $160 per month, about twice the original estimate. This prompted PSS to drop the project on April 1, two weeks before the HUD application was due. 20

Now the corporation considered a location at Mountain Park, one and one-half miles south of the Interstate 5 Capitol Highway exit near Portland Community College's Sylvania campus. The site was zoned for 240 apartments, and in contrast to downtown locations, the land at Mountain Park was relatively low-priced. By linking a Mountain Park housing complex to PSU with a continuous shuttle bus, PSS could contribute toward alleviating the downtown congestion and air pollution. The Board also intended to provide housing for nearby PCC students, particularly since many
community college students subsequently enrolled at Portland State.21

On April 7, the PSS Board of Directors was informed by management that both PSU and HUD had requested information pertaining to PSS's proposed housing project. Accordingly, the Board authorized its officers to submit a description of its long-range off-campus housing and service center plans to HUD.22 At the last minute, Werneken and Amy put together the application materials and had the packet delivered to the HUD office in Seattle. This allowed PSS to be considered for future grants for off-campus housing.23

The day after the HUD preliminary application had been delivered, the PSS Board met again, and confirmed Craig Donaldson as a newly elected tenant director. The board also elected the following members as PSS officers: Stan Amy, president, John Werneken, vice president, Craig Donaldson, secretary, and Andrew Forsberg, treasurer. The directors also learned from management that drug use had become a problem in the PSS buildings. Since PSS had a firm commitment against assuming "in loco parentis" authority, the Board instructed Dick Solomon to contact the Tenant Council and handle the matter at that level. The personnel committee then recommended that Norman Boice, a PSU instructor of Business Administration, be hired as the PSS general manager, at an annual salary of $15,000. The board thereupon retained Boice, and decided that the general
manager would function as a chief executive officer (CEO), reporting directly to the board, while the operations manager would report to the general manager. Boice assumed his duties on June 1.

PSS's interest in housing complexes near the community colleges also began to generate interest from other PCC campuses. Cascade College, which had a dorm, approached PSS about taking over the facility and the Davenport Apartments located near the college. PSS appeared as an attractive alternative to educational administration because it was addressing student housing problems in Portland, and because it represented a fresh, progressive and constructive apparatus for change.

When Norm Boice assumed his duties as the general manager on June 1, he began to evaluate the corporation's situation and its opportunities. This culminated in a lengthy June 16th report to the PSS Board. Among other items, the report discussed the pros and cons of the proposed project at Mountain Park or at other alternate sites. In fact, PSS also researched possible expansion at a hillside property on Sam Jackson Rd. near the Oregon Medical School, on forty-four acres off Fairmount Blvd., at the Gordon Court apartments at SW 16th and Montgomery, on twelve acres near Saint Vincent Hospital, at several Corbett area sites, and at the Cascade Dormitory. Boice recommended that PSS proceed with the Mountain Park project by engaging
an architect. He also advised that PSS should prepare an economic study of the Gordon Court site, conduct an analysis of the Corbett area, and continue HUD discussions concerning the Cascade facilities.25

Boice's report also recommended extending the existing lease of the nine buildings with the OSBHE past the 1971 expiration date, providing 500 units off-campus for Portland students within two years, and developing 500 units in accordance with the "Nucleus of Neighborhood Services." But its most unique suggestion was the replacement of the student-run corporation with a more stable corporate structure. Reacting, perhaps, to examples of campus militancy, such as the May 1970 PSU strike in protest of the Vietnam War, Boice expressed concerns over potential exploitation of PSS's democratic structure by groups with their own political agenda. "As the Corporation acquires substantial assets," he warned,

the advisability of maintaining this structure with its potential instability is questionable. When Portland Student Services owns rather than leases its rented properties the temptation to any group (political or otherwise) to attempt to gain control over and use the assets of the Corporation for ulterior purposes will be much greater. It, therefore, seems appropriate to consider creating a new corporation with a more stable structure in which all or a majority of the board seats would be self perpetuating.26

Boice recommended that a model for this new corporation be prepared immediately. By so doing, he sought to circumvent those elements of PSS organized on the basis of democracy.
The following week, Boice recommended that the PSS development and operations offices be consolidated at one location, the Montgomery Building. Amy also reported that the State Board had extended permission to use the Montgomery Building for community services, such as a recycling center, cafeteria, a sewing cooperative, record cooperative, photography cooperative, child care center, and a park-and-ride shuttle bus to serve 1,000 PSU students. The Board further authorized Boice to proceed with discussions concerning lease renewal on PDC properties.27

The PSS directors also continued discussions regarding the HUD project. Boice had submitted the final application under Title IV of the HUD Act, but board members worried that construction bids might be too high. If land costs were excessive, could PSS buy parcels elsewhere? Once Boice assured the Board that it could back away from any impractical projects, the directors instructed him to investigate other sites besides Mountain Park and authorized funds to conduct a feasibility study for each of the alternate sites. The PSS Board also acted upon Boice's suggestion to create a separate corporation for the acquisition of new property, with a self-perpetuating board instead of one elected by a tenants' council. Significantly, this proposal actually was introduced by Stan Amy.28
Two weeks after receiving the loan application from PSS, HUD informed the Board that $3,000,000 would be reserved for the corporation's housing project. By demonstrating that it could successfully operate housing and by fulfilling its obligation to build new facilities within two years, the corporation had gained the credibility needed for its lease renewal negotiations with the State System of Higher Education. The continuous existence of PSS now seemed assured.
CHAPTER III

GOOSE HOLLOW AND THE CONFRONTATION OF CULTURES,
1970-1971

During the summer of 1970, PSS management investigated a number of alternative project sites in the event that the Mountain Park proposal was not feasible. Altogether, Norm Boice researched twenty different sites; six were given further study, including Mountain Park. Among them were Lambert Gardens, the Jones Lumber Co., land below St. Vincent's Hospital, the Northwest Ice Arena, and the Kamm House site. All these locales were rejected, due to zoning, financial or topographical considerations.

Boice had also made a trip to Seattle to meet with HUD officials. HUD gave approval to PSS to change its plans from a garden court apartment concept to a medium-rise structure, should physical property features warrant such a change. PSS had until September 30th to present a financial report to HUD regarding the application, based upon a given structure and site. Yet it began to appear that the Mountain Park site would be unacceptable for construction. Geological test borings revealed that the land was unsuitable for the PSS project. Therefore, the PSS Board began to consider finding some property where they could build a "15 or 16 story structure, consisting of one tower,
Public Director John Olsen felt that this switch to a high-rise structure represented a significant enough turnabout in plans that student sentiment should be considered. Upon his request, the student directors were queried as to possible "student reactions to high rise structures as opposed to garden type structures." The directors indicated that "the principal preference of students would be based not so much on the type of structure as the closeness of the location to Portland State University."

As the HUD deadline approached, PSS took action based upon the opinions voiced at the August board meeting. The corporation signed an agreement with the Goose Hollow Investment Company and one with Elmer Kolberg and Associates for some land parcels at the city block between Southwest Market and Clay and 17th and 14th Streets. Located in an historic neighborhood of old Portland, called simply the Goose Hollow (GH), the land lay in a valley that once had ponds which attracted migrating geese. During the course of the 1960s, however, this neighborhood was bisected by the Sunset Highway (U.S. Route 26) and by Interstate 405. Nevertheless, the remaining portion of the community still retained a cohesive identity and contained a number of old Victorian buildings. The neighborhood was zoned A-0-5, designed for apartment and commercial development with signboard control.
PSS paid the Goose Hollow Investment Company $336,950 for its 53,167 sq. ft. block of real estate. As a condition of the sale, P.S.S. would "manage the eleven houses that are located on the property until they are removed for construction." PSS was to be reimbursed for direct expenses entailed in moving the structures, and would receive 10% of the gross receipts from the sale of the houses in compensation for its overhead. The student corporation agreed to pay Kolberg $50,000 for 10,000 sq. ft. on the same block, with no management agreement involved. PSS also negotiated for a third parcel of land, consisting of 5,833 sq. ft., owned by a property holder who appeared willing to sell. All told, the total size of the property involved in these transactions was about 69,000 sq. ft., and the total price ultimately reached $421,948 (an average of $6.12/sq. ft.). According to Portland city building and zoning ordinances, a high rise structure and a parking lot were suitable for the site. In fact, the apartment building could not be legally built, without an accompanying parking lot to provide off-street parking for at least 160 vehicles.

At its regular monthly meeting on September 16, the PSS Board discussed the design best suited to the property and determined that a 16 story building (comprised of 7 studios, 5 one bedroom, and 2 two bedroom apartments per floor) would accommodate the number of units (220) specified
in the HUD application. The gross square footage of the building would be 149,776 sq. ft., of which 127,630 (or 85.25%) would be usable. The architect, Steve Johnston (of the firm Travers and Johnston), also estimated that both the building and the 160-space parking lot could be built within the HUD budget. Construction time would range from six to eight months. The PSS Board ratified the acquisition agreements and formulated a time schedule for completing the loan, design, bidding, and closing on the project. PSS then prepared to manage the property in the interim. It no longer expressed an interest in purchasing the Cascade dormitory. With the corporation now committed to the Goose Hollow project, it could not afford to tie up any of its working capital in any other endeavors.

Right after PSS assumed control of the Goose Hollow property, PSS management began informing the current tenants of the houses of its intentions. In a September 23 letter to the Goose Hollow residents, PSS said, "We are now planning to demolish several houses in the Goose Hollow area in March or April of 1971 in order to build a 200-unit building on that site." The letter continued,

If it becomes necessary to remove your residence to allow P.S.S. to build on the site, we will make every effort possible to find comparable housing for you in another of our buildings in this area, or in private housing if necessary."
HUD officially approved the PSS project on October 10th, and informed PSS that a loan agreement would be ready to sign by November 15th. PSS had already paid Travers and Johnston $36,800 for architectural fees and was obligated to pay them the remainder of their fixed fee of $143,500, unless the project could not be bid within the $3,000,000 budgeted. The target date for the bid was January 15, 1971.

On November 15th, HUD and PSS signed the $3 million loan, and PSS began working on floor plans for the high rise. A design review committee had been meeting with the architects, but some PSS tenants objected that there were no Tenant Council members on the committee and only one student board member (Andrew Forsberg). Stan Amy also sensed a growing discontent among students and residents of the Goose Hollow neighborhood concerning the plight of the soon-to-be displaced PSS tenants there. The PSS Board therefore directed management to hire a part-time student employee to assist in tenant relocation. However, although eighteen structures were to be demolished, only 20% of the existing tenants would be eligible for PSS housing. While agreeing to give the matter "further consideration," the PSS Board decided that "for the time being the corporation should make no public commitment to assume a responsibility but should offer privately such assistance in relocation as might be feasible." This public benign attitude would soon be
interpreted by some observers as a sign of corporate insensitivity. Viewed in the context of year-long campus political activism at PSU, the PSS approach was perhaps unwise.

The week after the PSS Board's November meeting, the Willamette Bridge, an alternative weekly, began featuring articles on the fate of the Goose Hollow neighborhood. In its first piece on the subject, entitled "Cooking the Goose," the newspaper assailed PSS. The Bridge blamed the creeping demise of the neighborhood on "brutal urban development" by land speculators, and exhorted the community to fight back:

the big city is eating away at what used to be a decent residential neighborhood...when the last inroads are made, the old places, the well-remembered shady streets, will be gone forever...There are no clear ways to stop this kind of brutal urban development, except brave fights which win piecemeal victories. A community of people can stop or divert development if they are together enough, and that has almost never happened when a poor community was threatened. In Goose Hollow, a hopeful new start toward community has started, centered around the Friends in Food co-op grocery at 17th and Market. For the first time in a long while the people in Goose Hollow have a reason to fight to maintain their turf.13

Battle lines were beginning to be drawn between Goose Hollow neighborhood advocates and the recent saviors of student housing at PSS. Despite offers by PSS to help the Friends in Food store relocate, co-op members regarded the store as the center, the focus, of community identification, and indicated that they would fight to prevent the
construction of the sixteen story high-rise on the block. Speaking for PSS, Amy argued that development was inevitable in the area, and that PSS offered the "least evil alternative":

If PSS did not build in Goose Hollow, the property would be sold for parking lots and low-rise commercial uses. Our effect on the neighborhood could be detrimental—or it could be helpful.\(^4\)

The *Willamette Bridge* also characterized PSS as being tenant-run on paper only, because tenants took no active part in the corporation.

The *Oregonian* editorial staff was also becoming interested in the PSS project. An internal document entitled "The Goose Hollow Project" was compiled by members of the newspaper's editorial department, upon consultation with PSS representatives. This report recapitulated the studies that had already been done on student housing, and recounted the efforts of PSS. The paper described the project, due to be opened for occupancy in January, 1972, as an apartment building that "has been designed to fit in with the existing neighborhood."\(^5\) The authors also felt that the project was unique, in that it would integrate students with the city, instead of being dorms cloistered on a college campus. Finally, the document equated PSS with "Students Working for Students."\(^6\)

By January 1971, the radical wing of student politics at PSU had seized on the Goose Hollow issue as a "cause celebre." The radicals formed a natural partnership with
the Goose Hollow residents and an ironic relationship with opponents of student empowerment and student-run housing, such as Portland City Commissioner Frank Ivancie. On campus, the Goose Hollow episode pitted conservatives and liberals against the radicals. Amy believed that the radicals tried to take over the Tenant Council but failed in 1971. Bill Nygren, PSU leader of Students for a Democratic Society (SDS), was the principal on-campus organizer against PSS during this period.

On January 8, PSS began accepting bids for the GH project. During the month of January, PSS and HUD began receiving inquiries as to whether the GH project could be relocated, in order to preserve the low income neighborhood. However, both organizations declined to comment. A group of Goose Hollow residents then banded together and began meeting with like-minded PSU student supporters, holding the first public discussion at the Blackstone apartments, a PSS building, on January 19th. The prime organizer of that meeting, GH resident Nancy Sanders, presented the issue as a case where "the whole community is getting ripped off in the name of the students...The city people can't relocate us and if they try to relocate us in other low cost areas the housing will be below code standards." Other residents also voiced their concerns that low-rent housing for city residents was being supplanted by student housing. By the
next issue of the Vanguard, letters began to flow in from students disturbed about the project.19

Bitterness toward PSS prompted some critics to associate the corporation with PDC and other downtown interests. Activist Michael McCusker's account in the Bridge portrayed PSS as a simple front for PDC's efforts to carve a nest of high rises out of the neighborhood. GH neighborhood activist Nancy Sanders claimed that the PSS Tenant Council was a "eunuch keeping the slaves [the 1,000 PSS tenants] out of the master's hair."20 Such interpretations of the issue fanned the flames of student and neighborhood emotions.

Meanwhile, Oregonian Associate Editor Malcolm Bauer wrote a glowing account of the "positive side of student behavior" in describing PSS's initiative in privately creating low-cost student housing. Bauer contended that PSS had taken 600 students out of the "low-rent housing market, making conditions better for competitors in that market, including elderly residents of low-income."21 He concluded his piece by stating that PSS should be commended to the Oregon Legislature. Curiously, Bauer made no mention of the Goose Hollow project. But the next day, the Oregonian ran an article about the $3 million GH project, in which Amy and Werneken recounted their efforts to find a solution to the housing problem after their apartment buildings were torn down for urban renewal. The two student leaders also
reiterated the opportunities that PSS afforded students for involvement in their environment, citing PSS's innovative recycling program and the dozens of student jobs which PSS provided.\textsuperscript{22}

On January 25th, the OSBHE passed a resolution giving its blessings to the PSS building project, although it assumed no responsibility for it. OSBHE's attorney, John Mosser, had been concerned that "Uncle Sam will be looking to us to bail this project out if it runs into difficulty."\textsuperscript{23} But HUD required the OSBHE's approval before PSS could receive the $3 million loan. The State Board obliged by describing PSS as "a well established, competent and responsible organization with continuity of operation."\textsuperscript{24}

While these events transpired publicly, PSS privately enlisted the support of politicians to counter the threat from Goose Hollow neighborhood activists. On January 20, PSS general manager Norm Boice wrote to Charles T. Hoy, an administrative assistant to Congressman Wendall Wyatt. "Your help in getting factual information to Congressman Wyatt I'm sure will prevent any misunderstandings," wrote Boice. "You mentioned that you had received no indication of any problems in the Washington office concerning this project. If any do arise, please let us know so that we might get the facts to you."\textsuperscript{28}
A letter from Lloyd T. Keefe of the Portland Planning Commission to Stan Amy revealed the commission's conversion to the idea of student housing in Goose Hollow. "Because of its close proximity to the [PSU] campus," Keefe wrote, we now think Goose Hollow's best use is for student housing, as brought out by our Portland State University Housing report...Change is inevitable in the area and it can best be done by agencies who have the resources to acquire several parcels of land and rebuild according to a unified plan.25

PSS's plans were in line with the City of Portland's own designs for comprehensive development of the Goose Hollow neighborhood.

Norm Boice was also privately corresponding with the offices of Oregon's senators, Packwood and Hatfield. In a letter to Packwood aide Edward Kemp, Boice enumerated a series of supporting facts to underscore the PSS position. He cited ownership by non-resident investors, the disrepair of the mostly wooden structures, and the opinion that the area was "considered unsafe by most students as an undesirable place to live because of the unsafe conditions related both to the structures and to the incident of crime. (Last year a boy died in a house fire on the land we are purchasing.)"27 Boice augmented his letter with a packet of materials, including a letter from PSU President Wolfe, the OSBHE statement of approval of the project, the first annual survey of PSS residents, and a statement of support from the Portland Planning Commission.
A letter from PSU president Wolfe to Senator Mark Hatfield was even more revealing of the desire to develop the entire Goose Hollow area:

I am pleased to note that there has been no question as to the need for safe, convenient and economical housing for our students which this building will help provide, and I am satisfied that most people endorse its proposed location and construction details...Persuasive arguments could be made on ecological or aesthetic grounds, I suppose, that there is no acceptable location for large apartment complexes. The facts in this case, however, are that the Goose Hollow area has now been isolated by two freeways, it is no longer in individual ownership, it is zoned for high density residential development, and it has been deteriorating steadily for several years...I hope you and the Department of Housing and Urban Development continue to share with us the belief that this apartment complex may serve as a catalyst in the redevelopment of the area into a student community of which the city and the University can be proud.28

PSS began making efforts to inform its tenants of the terms of its lease, which implicitly stated that the arrangement with PDC would terminate unless the student corporation built new housing. In an open letter to its tenants, the corporation stated that, as an organization of tenants, it was in everyone's best interest to "break the cycle of profit-oriented development...[in order to] save the apartments we live in from the wrecking ball by getting an extension of our lease which is up in five months June (15)."29

PSS presented the argument to the tenants that the State would not initially allow PSS to use the buildings on-campus because, with the demolition of those apartments
slated in the near future, there would be no off-campus housing available, and the State would be blamed for evicting 600 students. Therefore PSS had taken the stance that, while providing directly needed housing in the interim, the corporation would also construct new housing to make up the difference. According to PSS, this argument "won the battle for us...the end of the two years is five months from now: if we are to keep the State Board's confidence and thus our housing, we must be building new housing in five months." PSS also presented the Goose Hollow situation as one in which the neighborhood was not a "viable community" because the people did not own the land they lived on, and were thus subject to the "political and economic pressures of speculation and profit development." The letter concluded with the assertion that "we the students have an opportunity to organize a real community in which the people of the community as owners can truly determine their own life style and future development."

Through such correspondence and communiques, PSS was justifying and bolstering its position in anticipation of increased agitation by Goose Hollow residents. The qualms which engendered this strategy were soon proved to be correct, as Goose Hollow activists organized and embarked upon an aggressive approach to preserve the neighborhood which they felt was being threatened by outside interests.
To no one's surprise, the Willamette Bridge continued its barrage against the PSS enterprise, by focusing on its connections to PDC. In an article entitled "portland development submission," the weekly contended that PSS was a non-profit corporation with a "front" of student and tenant participation. The article, by Sailor John, blamed Frank Nash, the Goose Hollow neighborhood's principal landlord (Goose Hollow Investment Corp.), as the culprit for the neighborhood's deteriorating condition. Sailor John further asserted that PDC's solution for the GH hippie and poor residents would be "resettlement camps" and that PSS was acting as the "block buste" for corporative interests.33

["Block buste" has been used in this context generally in cases where minorities, particularly a black family, tried to be the first of its race to integrate into a white neighborhood. In this instance here, the term would have negative, even racist, connotations for a poor, white neighborhood.]

In the same issue of the Willamette Bridge (January 28-February 3, 1971), a petition appeared, to be forwarded to HUD at its Washington, D.C. headquarters, urgently requesting reconsideration of the Goose Hollow project. The statement argued that the building would destroy an historic neighborhood and that rehabilitation of the neighborhood was the better course. Furthermore, the petition declared that the PSS Board of Directors would shortly be
"reconstituted" and an alternative plan would then be put into place. It was signed "Joint Goose Hollow-Portland State University Committee for Community Preservation."34 This petition also appeared in the January 29 Vanguard, worded slightly differently. In this version, it asked signers to leave completed copies in the Student Activities Office on the 4th floor of Smith Center, PSU.35 In the January 28 Willamette Bridge, two other commentaries about PSS by anonymous writers were printed, one entitled "hallowed hollow" and the other "bullshit." These articles fed nightmarish visions of a "planned agony for the soon to be homeless":

acres and acres of steel and glass and concrete boxes and towers and tastefully disguised penises, no more forests, the trees all chopped down to give the architects drawing paper, people packed like cattle into high rise apartments with barred windows so the kids don't fall out...we're surrounded, they're coming to get us...the cancer is already with us...gobbling whole neighborhoods--Portland Towers are a prime example...a community replaced by cheerful robots...The boys over at PDC...consciously express the dynamics of inorganic progress, dispensing however they can with pliable living flesh...taking away the land from the poor.36

The piece continued with an account of how the "Corporate Monster" (PDC) set up a dummy corporation and gave it a "liberal name" (Portland Student Services), deceived the students into thinking that the organization was somehow democratic, and concocted an apathetic Tenants Council to rubber stamp policies.37
In the accompanying piece ("Bullshit"), the anonymous author began by stating that although "Stan Amy is not likely to be a serious contender for the position of Christ...he might hopefully wind up nailed to a cross." The piece continued with a version of a PSS informational meeting, during which activist Gary Waller, a PSU professor of sociology, repeatedly shouted the title of the piece and told Stan Amy to get off his liberal crusade about low-cost housing in this area --it's a Goddamn lie, and you know it!...You're saying all we got is a choice of negatives, like God does the zoning. What you're trying to tell us is we have to accept zoning and student housing and displacement of Goose Hollow residents as if these were natural forces, not to be f...ed with.

Neighborhood activist Nancy Sanders, a housemate of Waller's, phrased her arguments more politely: "You said earlier you didn't choose the Corbett area because that community has a chance to develop...What you're setting up here is the assumption only the landowners have rights, not the tenants." Sanders contended that the best solution would be to extend the leases and pressure the landlords into rehabilitating the properties, although her argument did not account for the fact that repairs would lead to higher rents.

In the aftermath of the disastrous attempted informational session and the publication of the January 28th issue of the Willamette Bridge, Amy decided to personally attend a meeting of the Goose Hollow neighborhood
advocates at the Friends in Food Co-op. The gathering of Goose Hollow residents and supporters was actually a press conference intended to present grievances to the local press and broadcast media. A spokesman for the group, John McGarrity, characterized the meeting as a way of making public "what we've been doing in private for a week," in contacting the HUD headquarters and state legislators to convince them to withhold funds for the PSS project. Other persons accused PSS of not having communicated with community members. A petition, signed by 900 supporters, was also presented to the media. Residents explained that they were upset that they had had no input into the design of the project. Meanwhile, some PSS tenants were also opposed to the high rise. These students supported the preservation of the Goose Hollow and wanted to see PSS look at other kinds of construction instead. However, a Portland architect, Bill Church, conceded that land prices in town "forces them (PSS) to stack units into the air." Near the end of the press conference, Stan Amy appeared in order to talk with the group. He was essentially forced out of the meeting, and he proceeded to a nearby vacant lot, where he told newsmen that this lot was representative of what was happening to the neighborhood; the previous summer a house there had burned down, killing a 14-year old boy.

The day after the Friends in Food news conference, the Vanguard editorial by Doug Babb argued that Goose Hollow
residents had already lost the battle, and that if they truly wished to save the neighborhood, they would need to do four things: 1) become property owners, removing their residences from the commercial market; 2) get the zoning changed to prevent commercial encroachment; 3) embark on a large-scale restoration campaign; and 4) change the requirement that new construction be made of brick or concrete [Fire Zone Two code]. Interestingly enough, Babb was also a resident of the Parkway, a PSS building. The same day that his editorial appeared, he posted flyers in his apartment building announcing that he was running for a PSS Tenant Council position on February 2nd, and that he supported the GH high rise "because in the long run it will be good for students and it will help keep the area residential. May I have your vote."

By February 2, the Goose Hollow neighborhood movement had coalesced into a group calling itself the Joint Goose Hollow-Portland State University Student Committee for Community Preservation. The group continued its lobbying of state and federal officials, and took its case to the Oregon Journal, which had been giving PSS excellent public relations exposure. The immediate result was an article by Morton Spence on February 2nd which portrayed the Goose Hollow residents as "little people" rising up against the "giants" (PSU, PDC, and PSS). Those interviewed accentuated the notion of community in the Goose Hollow, the historic
quality of the deteriorating neighborhood, and the need to review alternatives to constructing a high rise in the middle of the area. The group proposed scattered site development by PSS. It also asked for reconsideration of the OSBHE requirement that PSS construct housing within its first two years, since it appeared that a contemplated enrollment ceiling at PSU might eliminate both the destruction of the on-campus apartment buildings and the need for additional housing.

Goose Hollow activists were greeted with a new argument for halting the PSS project when KBOO radio commentator Andy Thomas brought up the fact that the property at issue consisted of landfill dumped on top of a former lake bottom. In effect, he reasoned that the land could not support a sixteen story building. Even Stan Amy conceded that a significant part of the cost of the foundation of the high rise would have to be apportioned toward constructing stresses and balances to counteract the soft soil and lack of bedrock.

On February 4, 1971, a group of placard-bearing students and Goose Hollow activists descended on the Portland City Hall and succeeded in obtaining an impromptu hearing before the Portland City Council. At the hearing, the protesters asked the City Council to help get the federal loan delayed, to provide time to find an alternative to the PSS high rise. Nancy Sanders was the first to
address the City Council, asserting that the people in the neighborhood had never been consulted about the project, contrary to HUD regulations which stipulate community involvement in planning. She also cited the imminent destruction of community values.

Another resident, Marion Kovach, alluded to the bleak future prospects for other similar poor neighborhoods in Portland, if such high rise structures were allowed to be built. Calling Stan Amy's tactics "inhumane," Kovach said (of Amy), "He said on TV that he thinks we can act as individuals...but he denies us the right to act as a community."

Responding to the protesting residents, Portland Mayor Terry Schrunk said, "I don't think anyone on the Council had any knowledge of this, until some young people called it to my attention...We couldn't arbitrarily tell a person what they should do with their property."

Commissioner Neil Goldschmidt intoned, "While I can understand your efforts to build a case against this specific building, it seems to me...that this Council could not legally at this point move to stop it."

"It's almost ironic," Goldschmidt continued, that it would end up being a group of student-oriented people, if not students themselves, who break what has heretofore been sort of a moratorium... They [PSS] are completely inside regulations...I certainly don't have any sense of optimism that what you [the protesters] are trying to do can be done."

However, the Portland City Council was impressed by the level of opposition to the PSS project. By unanimous consent, the Council voted to request HUD to delay a
decision until after the Council discussed the matter again at its regular Wednesday meeting on February 10th.52

The demonstration at the City Council meeting was also monitored by other agencies. In the wake of the May 1970 uprising at PSU, the Federal Bureau of Investigation (FBI) had taken an interest in the continuing activities of PSU campus radicals and liberals and had been routinely infiltrating gatherings and reporting upon the presence of PSU students and professors at rallies and organized protests. FBI files reveal that the agency had compiled a dossier on attendees at the February 4th council meeting. One of those present, Professor David Horowitz of the PSU History Department, later discovered a report in his own personal FBI file (pursuant to the Freedom of Information Act) pertaining to his participation at the event.54

On the morning of the next regular Portland City Council meeting, the lead editorial of the Oregon Journal, entitled "Students In Goose Hollow," dealt with the PSS project furor. The newspaper's editors argued that, although there was sentimental appeal in trying to save the area, logic was clearly on the side of PSS. The editorial stated that, while the neighborhood campaign "emphasizes charm of life...the plain fact is that whether PSS's tower is built there or not, Goose Hollow is doomed to change before long."55
Goose Hollow activists apparently were not paying much heed to the Oregon Journal's musings, for when the Portland City Council convened on February 10th, the room was again filled with 200 opponents of the PSS project. At the meeting, the City Council received copies of the Goose Hollow neighborhood petition and statements from the Portland Planning Commission recommending the PSS structure. The council then heard testimony regarding the matter; most in attendance were against the construction of the high rise. One PSS tenant, Ken Vogel, articulated his concern that PSS had seemingly forgotten "that the 600 PSS students supposedly direct the organization," and that tenants were not informed about the Goose Hollow plans until January, 1971, when it was presented in an open letter as a "do or die" proposition. Vogel expressed the opinion that many students felt that the PSS Board of Directors had "ignored the esthetic, the historic, the ecologic values of the now existing community of Goose Hollow," and had even resorted to questionable tactics of intimidation, interference in student elections, and threats of eviction against opposing tenants.155

While Stan Amy sought to refute these charges, Commissioner Lloyd Anderson wanted to take up the question of "irregularities" in the PSS elections. Amy explained that after winners had been declared in the February 2nd elections, losing candidates opposed to the GH project had
attempted to round up additional supporters to vote again and reverse the elections. Amidst much attendant confusion and controversy, PSS had decided to rehold the elections.57

Others at the City Council meeting voiced different concerns. For instance, Professor Leonard A. Palmer of the PSU Geology Department mentioned the potential risk of disaster from an earthquake on the site, located at the epicenter of a fault line running through downtown Portland.58 Linda German read a statement from HUD, in which the agency advised that it is the "sole responsibility of the local government to plan and zone their area of jurisdiction in accordance with the desires and wishes of the citizens they represent."59 Activist Nancy Sanders voiced her feeling that the Planning Commission should rezone the neighborhood downward (for residential use only). But commissioner Goldschmidt replied that the council was getting into "overkill about the community values." While there might be adverse effects to the high rise, Goldschmidt argued, it did not necessarily follow "that the building should not go up."60

The most surprising ally of the Goose Hollow activists turned out to be commissioner Frank Ivancie. During the Portland State strike following President Richard Nixon's incursions into Cambodia in May 1970, students blockaded and occupied the South Park Blocks of the campus. Strident banners hung from PSS apartment building windows along the
Park Blocks. When parks commissioner Ivancie ordered riot police onto the campus to reassert police control, dozens of students were injured as the police charged in and gassed and thrashed unarmed, non-violent protesters. Furthermore, while city workers removed barricades of benches and boards, Stan Amy organized groups of students into human barricades. Students in the PSS buildings along the Park Blocks cheered their compatriots and jeered the police. Obviously, there was no love lost between Ivancie and PSS. But relations deteriorated even further when Amy helped to organize a challenge to Ivancie's seat by southwest Portland's Tom Walsh in the 1970 council election. Not surprisingly, Ivancie took the position that the state legislature and the OSBHE should review the PSS project and that there was a "looseness" in the situation which needed to be "better defined and better directed."61

Spurred by Ivancie, the City Council began discussing a possible delay of the project. PSS general manager Norm Boice responded by informing the council of PSS's project commitments, its deadlines, and the fact that any delay in the project would prove costly. In spite of Goldschmidt's assurances that he had met with the project architects and reviewed the blueprints and cost estimates, Ivancie pushed for a one week delay. He hoped to familiarize himself with the student housing program and HUD eligibility. Following statements from Will Newman, a former PSS maintenance
foreman, concerning alleged (and deliberate) violations in the procedures to select the PSS Board of Directors, the City Council acceded to Ivancie's request for another hearing on the subject the following week.\(^2\)

On February 17, the Portland City Council met a third and final time to discuss the Goose Hollow opposition to the PSS high rise. On this occasion, Stan Amy came prepared with supporting documentation, including housing surveys, a history of PSS, and Goose Hollow project designs. He also brought two engineers and a geologist. Thomas MacKenzie, of the MacKenzie Engineering Co., testified concerning the structural design which his firm had done on the project, using the Portland Uniform Building Code of 1970 as a guideline. Robert Deacon, a geologist with Shannon and Wilson, and the author of "Earthquake History and Geology of the Portland Area," stated that the map which purported to show the Goose Hollow as being directly at the epicenter of a major earthquake fault was simply not accurate and that the foundation of the project would be adequate.\(^3\) Shannon and Wilson's principal engineer, Rad Squier, pointed out that there had been no traceable movement of the fault, in any case, for 10-20,000 years and that with a "strong design placed on these [timber and steel] pile footings, that there would be no hazard in the future."\(^4\)

By this third hearing on the matter, the Portland City Council members were beginning to show some signs of
fatigue, even irritation. At one point, Goldschmidt said matter of factly, "At the rate we are dealing with the Goose Hollow area, it will be developed, a piece of property at a time." The commissioners thereupon took a short recess.

During the break, Stan Amy followed Goldschmidt into the restroom and engaged him in conversation. Goldschmidt asked Amy if the city would be sued if it attempted to stop what was admittedly a legal PSS project. "Yes," replied Amy, who then questioned why the city should even get involved, or if there was any legal reason why it had to give its approval. Goldschmidt then asked Amy if he would be willing to compromise, relocate the project, or construct a smaller building. "No," responded Amy, and he indicated that if the city council withheld its approval, PSS would sue.

When the Portland City Council reconvened, the commissioners (with Goldschmidt in the lead), deciding that the PSS project had been done properly and had proceeded too far to change, voted on a motion by Lloyd Anderson unanimously to drop the matter from further consideration. This vote confirmed what the council had been telling the Goose Hollow activists from the beginning, that the city was not empowered to stop the high rise, as all the planning and arrangements had been done legally. Any interference with the project, on the part of the council, could leave the city liable in any resulting litigation."
In the aftermath of the February 17th City Council meeting, both Lloyd Anderson and Neil Goldschmidt expressed their concern that the city more closely involve community members in planning future development. For his part, Goldschmidt said that the "humanizing of our city must have reference to what the people are saying...It is difficult, maybe impossible, to go back to single-family residence zoning...[But] if the land can't be rezoned, at least give us a planner." Perhaps as a consequence of this initiation to urban development issues, the young Goldschmidt would soon support the idea of funding for neighborhood associations in Portland; he apparently didn't want to find himself in the middle of a similar dispute again.

In the issue following the final City Council hearing on the PSS project, the Vanguard stated that the Goose Hollow activists had "lost their sense of reality"; the Hollow had already been "mortally wounded" by freeways running through it, the land was mostly owned by absentee land speculators, and if the "romanticists" were successful, the result would be the eviction of the 600 students in campus housing, to allow for a giant parking mall in the Park Blocks.

In spite of the Portland City Council's decision not to interfere with the PSS Goose Hollow project, the Goose Hollow preservationists, led by spokesperson Linda German,
continued their fight to block the high rise. On March 15th, about thirty residents and their attorney, Doug Morris, met with visiting HUD officials. German delineated the residents' objections to the project in terms of traffic, noise, air pollution, and geological problems. However, when German said that the local residents wanted to meet again to discuss HUD's analysis of their arguments, HUD counsel James Gallagher and HUD Regional Director Russell Dawson balked. The two officials indicated that although HUD would consider the submitted objections and evidence, such continued scrutiny was an "unprecedented request." Instead, HUD would inform the group of the agency's final decision prior to any public announcement.  

The final HUD decision on the appropriation of funds for the PSS Goose Hollow project was communicated to PSS on March 30, 1971. The telegram, addressed to Stan Amy, stated, "Am pleased to advise HUD has approved your application for college housing loan of $3,193,000 for construction of Goose Hollow Project. Senator Bob Packwood."  

At a PSS Board of Directors meeting on the same day, the board authorized its officers to take action to give eviction notices to tenants still residing on the firm's Goose Hollow property. The next day, Norm Boice informed the press that ground-breaking was scheduled for May and
that the building would probably be ready for occupancy by Fall term, 1972.73

Effects of the HUD approval of the PSS construction project, to be built by the Todd Construction Company of Roseburg, were almost immediate. On April 6th, the OSBHE Building Committee recommended a one-year extension of the lease on the nine campus apartment buildings. Jack Hunderup, vice chancellor, suggested that a capital construction freeze might indefinitely postpone the development of the property, which would mean that the board could further extend the lease.74

On April 1st, the PSS Board of Directors ratified the election by the Tenant Council of new tenant directors George Miller and Paul Eisenberg, replacing Stan Amy and John Werneken, who were now working for PSS on its development projects, including the Goose Hollow. The board then elected its officers for 1971: Craig Donaldson, president, George Miller, vice president, Paul Eisenberg, secretary, and Andrew Forsberg, treasurer. Public Directors Lyman Seely and John Olsen were also elected to serve one-year terms. At a reconvened session of the meeting on April 15th, Norm Boice reported that the GH land purchases had been closed and that eviction notices had been delivered on April 9th to all the tenants on the property.75

One of the first actions of the new PSS Board of Directors was to offer food services in the Montgomery
building beginning in May. Spurred on by recommendations from the Tenant Council, the corporation began to focus on community oriented programs and offering additional services to students. Tenants were able to utilize this first meal program at a cost of one dollar per meal, using a coupon book of meal tickets.76

In May, Goose Hollow neighborhood resentment against PSS intensified as PSS began evicting tenants from the eighteen houses on its property. The neighborhood had held a street fair in March to boost its sagging morale. By May radical leaflets and posters began appearing on utility poles and front doorsteps. For example, one leaflet, entitled "Who is Destroying Goose Hollow?," delivered the following message:

6:30 am, Wednesday, May 12, Goose Hollow. You are asleep in your home. Some goon from PSS walks into your house and tacks up a court order saying get out or appear before Judge Roth of the Circuit on May 16. Just another step in PSS planned rip-off of the Goose Hollow community.77

The pamphlet continued with colorful descriptions of the Public Directors of PSS, how Lyman Seely and Ira Keller (PDC) were both also directors of Willamette Industries, an accusation that John Olsen paid no Oregon income tax, and charges that these "same people who bulldozed the south end of the city," and who allegedly wanted to bulldoze Northwest Portland, Albina, Lair Hill, and Southeast Portland, allowed PSS to be created "because it could serve as a useful front."78 The leaflet claimed that Ira Keller had plans to
redevelop the Goose Hollow since 1962, and that he and the PDC used liberal students at PSS to do their bidding. The pamphlet closed with direct comparisons with American capitalistic exploitation in Indochina:

Perhaps, since Mr. Seely's bank is helping open up Indochina to the glories of American Capitalism, PSS will soon be opening a branch of Saigon University. But, like the peasants and workers of Vietnam, people in Portland are beginning to fight back... against an exploitative system. The only way to defeat urban renewal is through a united effort of the people...End the War on People - U.S. out of Indochina, PSS out of the Hollow.79

Such sentiments were apparently not unique. During the week of May 18th, a group of arsonists set fire simultaneously to three abandoned houses on the PSS Goose Hollow property. The corporation had planned to move these structures elsewhere for a day-care center. Another fire had been also set (but extinguished) earlier to a fourth building.80 As the result of these fires, and upon the expressed concerns of the contractor regarding arson and other vandalism at the site, PSS authorized the remodeling of the old houses as a security shack where PSS could station a student guard from 6 p.m.- 7 a.m.. The Todd Construction Company agreed to bear the cost of remodeling the house, and PSS provided free rent to the person who would live at the site.81 But the incidents of arson and vandalism did not abate. Construction workers on the site, moreover, reported several instances of rock throwing and barricade toppling. Then, on July 11th, unknown parties
firebombed the nightwatchman's shack. In response, the security official purchased a .12 gauge shotgun. On Friday, July 16th, watchman George Bergeron responded to a group of people tearing up a barricade on the property by firing two warning shots into the air. Upon finding one of the culprits hiding behind a car, Bergeron reported that he fired one shot into the man's legs. The wounded man, Earl McInnis, was hospitalized at Good Samaritan Hospital with nine pellet wounds in his shoulder and back; he did not have any leg wounds. Bergeron was arrested by Portland police and charged with assault with a deadly weapon.\textsuperscript{82} PSS fired its night watchman but authorized $1,500 toward his legal expenses.\textsuperscript{83}

PSS was having other problems besides arson and vandalism at the construction site. On July 1st, the project was temporarily halted by a statewide strike of Oregon carpenters, pushing back the completion date. Similarly, a strike by concrete workers had already delayed construction. For several weeks before the strike was settled on July 14th, the only people on the site were pickets and neighborhood protesters.\textsuperscript{84}

PSS was also being investigated by the General Accounting Office, at the instigation of US Representative Edith Green. Green had been contacted by members of the newly-formed Goose Hollow Foothills League (GHFL), a coalition of GH tenants, landlords, and nearby homeowners
from Portland's West Hills. Many of these people feared that their panoramic views of the city might be affected by the PSS high-rise. However, following a six week study, the agency exonerated PSS.

The student housing corporation also experienced internal dissent within its electoral bodies. The Tenant Council, in accordance with the corporation's bylaws, removed Andrew Forsberg from the Board of Directors in June. However, no official explanation was ever given by the board or the corporation. Nevertheless, this instance of representative recall may have been a contributing factor in precipitating subsequent changes in the bylaws which took away the right of the Tenant Council to remove directors of the corporation. In Forsberg's place, Nancy Kellogg was elected to the board.

During the summer of 1971, both the PSS management and Board of Directors were becoming increasingly concerned with the activities of the Goose Hollow Foothills League (GHFL). Craig Donaldson had attended one of the group's meetings and reported back that its objectives were "litigation to prevent the continued construction of the Goose Hollow apartment building." The company's attorney, Gerson Goldsmith, had been in touch with the U.S. Attorney's office and discovered that such litigation was not only imminent, but that it would involve the "issue of compliance by HUD with the National Environmental Protection Act of
1970."" Goldsmith's recommendation to the corporation was that, even if PSS was not named as a party in such a lawsuit, PSS should intervene to protect its interest.

Indeed, the Goose Hollow Foothills League had begun meeting in July at the First Methodist Church. Its first action was to exclude from membership anyone connected with PSS, and Walter Powell was elected temporary chairman.89 The publicity received by the GHFL in the local press aided it in attracting allies, notably the Oregon Environmental Council. The GHFL contended that PSS had not filed an environmental study prior to receiving federal funding. It also asked the Portland Planning Commission for a six month moratorium on any other building permits in the Goose Hollow area.90

Following a meeting with the GHFL, Larry Williams, the director of the Oregon Environmental Council (OEC), hired attorney Charles Merten to file an injunction in the U.S. District Court to halt construction on the project until HUD could produce a satisfactory environmental impact statement on the high-rise. The OEC contended that, contrary to practice elsewhere, HUD had authorized issuance of a "negative" impact statement after only a cursory investigation by a staff member.91

On July 30, 1971, the GHFL, OEC, Goose Hollow slumlords Walter Powell and John Haviland, and the Vista Ridge Association (composed of wealthy West Hills
homeowners), filed as plaintiffs in the lawsuit against defendants George Romney, Secretary of HUD, Oscar Pederson, Regional Administrator of HUD, Russell Dawson, Portland Area Director of HUD, and HUD itself. The lawsuit alleged that HUD officials had violated provisions of the National Environmental Policy Act of 1969 (NEPA) and the Housing Act of 1950, by not preparing mandated environmental impact reports, and in so doing had acted arbitrarily and beyond their authority. It also charged that the HUD project would have irreversible and detrimental effects upon the neighborhood, regarding pollution, population density, and parking. The plaintiffs requested that the Court do the following: 1) declare that the defendants had committed the violations, 2) declare PSS not to be an educational institution, and thus ineligible for the HUD loan, 3) permanently enjoin the defendants from disbursing federal funds to the PSS project, 4) require the defendants to consider environmental factors, 5) recall any federal funds already spent, 6) assess costs and attorneys' fees in favor of the plaintiffs, and 7) award any appropriate additional relief."

At a hearing in the U.S. District Court on September 1st, Judge Alfred T. Goodwin delayed giving a decision on the matter and refused to issue a temporary restraining order. Arguing the case for HUD, Assistant U.S. Attorney Jack Collins maintained that officials had acting properly
in following guidelines pertaining to the environment. Collins also stated that the building was fourteen percent complete and that to halt the project would jeopardize the public interest, namely $3 million in federal funds.\textsuperscript{93} Gerson Goldsmith, PSS attorney, charged that a significant delay in the construction of the building would likely put PSS out of business; the plaintiffs should have raised their objections, therefore, before the HUD approval.\textsuperscript{94}

After considering the lawsuit against HUD and PSS, Judge Goodwin issued a preliminary injunction against the defendants on September 9th. The judge found that HUD had not filed the required environmental impact study for "major" projects and, in so doing, had "ignored cumulative effects on the quality of human environment."\textsuperscript{95} However, Judge Goodwin felt it would be unfair to penalize PSS for HUD's error; therefore he allowed HUD and PSS a ninety day stay of execution, permitting the defendants time to comply with the NEPA provisions and file the necessary report.\textsuperscript{96}

In fact, Judge Goodwin's landmark decision was an historic occasion in American environmental history. It marked the first time that a federal agency handling a domestic project had to file an environmental impact statement. When former U.S. Interior Secretary Stewart Udall termed the 1969 NEPA legislation the "most far-reaching weapon handed to environmentalists in the last decade," he was not mistaken.\textsuperscript{97} Furthermore, the Goose
Hollow lawsuit and injunction would provide a legal precedent in the future for similar cases involving federal agencies.

Despite the injunction against HUD, work was able to continue on the PSS high-rise. For the injunction had been against the lender (HUD), not the builder (PSS) of the project, and HUD had already advanced PSS almost $2,000,000 of the $3,000,000 total loan at the end of March.98 PSS was hence in a position to continue paying the Todd Construction Company crew while it worked on the structure in the interim. By October, the project engineer for the GH project, Bill Stauffer, was able to report that the building was 33 percent complete and that by November a floor could be added every eight days. This meant that, although the project was thirty days behind schedule, the building could be ready for occupancy by the end of August 1972.99

On December 8, 1971, the injunction of the U.S. District Court took effect, forbidding HUD from further disbursements of funds to PSS on the GH project. However, PSS still had $300,000 on hand with which to pay Todd Construction during the next few months, and the corporation was already preparing a request for additional funds from HUD, which could be processed and paid as soon as the injunction was lifted.100 Upon HUD's filing of the NEPA statement, at a hearing on January 24, 1972, Judge Goodwin lifted the injunction halting federal funding of the PSS
building project. Charles Merten, the attorney for the plaintiffs, had contended that the statement was inadequate. Merten subsequently filed another lawsuit, on behalf of the plaintiffs, making such a charge. In anticipation of a ruling by Goodwin on this extended matter, HUD notified the U.S. Attorney's office in Portland that it would submit an "amplification" to its environmental impact statement (filed January 12), which endorsed the PSS project. After further review, Judge Goodwin, satisfied that the provisions of the NEPA of 1969 had been fulfilled, finally dismissed the court action against HUD and PSS on March 17, 1972.

With the settlement of the Goose Hollow lawsuit, PSS was able to concentrate on finishing the building on schedule. A "topping out" ceremony was held on April 28th on the roof of the new student apartment building, replete with the dedication of a pine tree, and the symbolic uncorking of a champagne bottle in the direction of the West Hills by newly-elected PSS President Paul Eisenberg.

With the resolution of the GHFL lawsuit and the virtual completion of the PSS high rise structure, the OSBHE agreed on May 22nd to extend the PSS lease for ten years, on condition that PSS make repairs and do renovations to the nine campus buildings during the first eighteen months of the lease. PSS also agreed to pay PDC (via the OSBHE) the $190,000 which had been designated for the demolition of the campus apartment buildings.
In retrospect, the Goose Hollow affair raised and resolved a number of significant issues. PSS solved the question of its survival by constructing additional housing, as required by the terms of its lease with the OSBHE and PDC. In the process, the corporation also provided 220 additional units of student housing. The Goose Hollow controversy generated abiding concern for neighborhood preservation in Portland, leading to the creation of neighborhood organizations throughout the city. The affair also drew public attention to the issue of decent, low-income housing in Portland. Through the media's coverage of the controversy, Portland citizens had also been made more aware of factors pertaining to the quality of their living environment, just then becoming a new area of focus nationally. And the City of Portland itself was beginning to realize that a broader base of residential input was necessary before zoning changes would be made. A consensus emerged, moreover, that some kind of policy needed to be established concerning the height of buildings in the city's neighborhoods.
CONCLUSION

By the end of 1971 Stan Amy left PSS, Nancy Kellogg severed her relationship with the Board, and Dick Solomon resigned as operations manager. But the precarious predicament by which PSS had been forced to operate was now effectively removed; the student corporation had become a permanent part of the Portland State community.

There were other potential ramifications concerning what the PSS student-tenants and their community partners had done in forging a unique enterprise during an otherwise tumultuous era on college campuses in America. Indeed, perhaps the most significant thing about PSS was not its individual triumph over serious obstacles but the potential applicability of that success to other cities and universities coping with similar problems of student housing and the student impact on their low-rent housing markets.

Nationally, student housing had been in crisis on many college campuses throughout the 1960s. Students rebelled against the established systems of residence halls and "in loco parentis," which had been solidly implanted in colonial America as a legacy of the English university tradition. Conversely, in the German university tradition, students took responsibility for their own lodging in the various cities where the schools were located.¹ The irony of the
"in loco parentis" situation was that it placed students and colleges alike in uncomfortable roles. A 1971 nationwide survey by the National Association of College and Residence Halls disclosed that two-thirds of students who had moved off-campus had done so because they found dormitory life to be oppressive, and these students desired a variety of living options under conditions where they would have control over their environment. At some colleges in the 1960s, dissatisfaction with housing led to campus disturbances. For example, 600 students at Bowie State College in Maryland rioted in 1968, burning down a women's dormitory in protest over the living conditions there. Additionally, during the 1964-1965 Berkeley student protest movement, grievances over residence hall conditions figured prominently. During this period, anthropologists and psychologists alike were also discovering the importance of the concept of "personal space"; individuals required a certain amount of personal territory in order to function comfortably, optimally, and peacefully.

Changing attitudes toward housing were not the only factors creating problems for college housing in the 1960s and 1970s. During this period there was a substantial and atypical increase in student enrollment, as a result of the large percentage of the American population belonging to the post-war "baby-boom" generation. By the 1970s, moreover, the demographics of the college population had changed.
dramatically. Although total college enrollment nationally increased by sixty-five percent, the number of college students under twenty-five years old was declining. A U.S. government study in the early 1970s also disclosed that eighty-one percent of the more than eleven million college students in America did not live in college housing.

This growth of the older, independent student population created additional burdens both for cities and urban institutions of higher learning, when urban renewal programs were, in many cases, demolishing significant portions of low-income housing. Combined with students' changing lifestyles and demands for contemporary services, such as childcare and family housing, many colleges were simply ill-equipped to handle these new developments in society. Some universities, however, did attempt to deal with the concerns of older students. For instance, the University of Mississippi, Eastern Michigan University, East Texas State University, the University of Washington, and Florida State University had all instituted off-campus apartment housing by the early 1970s. Other schools, such as the University of Chicago and Fairhaven College (Bellingham, Washington) experimented with intergenerational housing complexes. Michigan State University built over 2,000 units for married students and provided cooperative childcare.

These trends in student housing influenced government
and university officials in other ways, too. The State University of New York cancelled $400 million of residence hall construction in 1970, owing to student preferences to live off-campus. A 1969 U.S. Office of Education poll which revealed that apartments were the preferred style of building for student housing led to large-scale conversion of dormitories into apartment buildings by many colleges. In the wake of this report and the U.S. Supreme Court ruling (Pratz vs. Louisiana Polytechnic Institute) that universities could not compell students to live on-campus for financial reasons, HUD issued a circular to all its regional offices in October 1971 stating that the agency would approve student apartment-style projects instead of dormitories. Given that HUD had authority to support $300 million in loans for 200 such projects, this policy had far-reaching effects, especially for organizations such as PSS, which received $3 million for the Goose Hollow project. Other student enterprises and cooperatives also benefited. At the University of Michigan, HUD loans financed the Inter Cooperative Council's (ICC) North Campus complex. At Berkeley, HUD financed Rochedale Village, a student-owned and operated apartment complex.

On the surface, PSS would appear to fit into a larger movement of student housing cooperatives. Based on the principles of the Rochedale weavers of nineteenth century England, cooperatives embodied the ideals of a complete
democracy wherein people would be motivated by concern for the common good, not personal profit. Cooperatives also stressed the notion of cooperation in place of destructive competition, the dignity of one's work, and the realization that it is dangerous to allow outside powers to control one's destiny.\textsuperscript{13}

Yet PSS, as a non-profit corporation, was different from these cooperatives in several fundamental respects. Unlike members of many cooperatives, PSS tenants were not held responsible for the maintenance of their housing, nor were they obliged to contribute labor toward the sustenance of the organization. Whereas student-tenants initially handled most of the managerial and operational duties at PSS, a corps of non-student professionals gradually replaced the student employees. PSS was also a partnership of students and business; three community leaders were members of the corporation's board of seven directors. More importantly, as the student activists involved in the founding of PSS gradually left, amendments to the PSS bylaws ultimately eradicated the original democratic structure.

Despite PSS's innovative role in resolving the housing crisis at PSU, it nevertheless encountered unresolved problems regarding its commitment to the concepts of participatory democracy which had fueled its founding. Participatory democracy had been an essential part of the civil rights and anti-war crusades which dominated student
activism in the Vietnam War era of the late 1960s and early 1970s. Both Amy and Werneken had been active in the Vietnam peace movement and served as elected student body officers at Portland State. Both fused notions of broader participation with inclinations to work within the "system." PSS was a product of such a synthesis, and student involvement and dedication were crucial to the corporation's early success.

However, as student activism declined somewhat during the 1970s, most of the electoral rights of the PSS tenants were systemically removed through successive revisions of the corporation's bylaws by the PSS Board of Directors. While the various student members of the PSS Board were transitory, the Public Directors served renewable terms of office. As the link with the founding students was broken, new students subsequently came onto the board who were unfamiliar with corporate policies and history. The more dominant public figures on the board were thereby enabled to wield a strong influence over these malleable students. According to John Werneken, Neil Jackson, an attorney on the board who wanted to eliminate tenant involvement in the corporation, was the prime force in eventually undermining the constitutitional principles of the corporation.\textsuperscript{14}

However, some of these changes had been contemplated as early as 1970. This process was accomplished by making the following changes to the bylaws and articles of
incorporation: 1. creating different privileged classes of members of the corporation (1970); 2. removing the right of a quorum of the tenant members to vote on amendments to the articles of incorporation (1971); 3. removing the right of the tenant representatives to recall board members (1972); 4. allowing up to two PSS employees to be Tenant Directors (1974); 5. removing the right of the Tenant Council to elect the Tenant Directors (1977); 6. appointing PSS management to the board selection committee (1977); 7. reducing the function of the Tenant Council to an advisory role (1977); 8. filling sudden Tenant Director vacancies on the board by a vote of a majority of the board, instead of by the other Tenant Directors (1977); 9. allowing the board to disapprove a Tenant Director selection (1977); 10. denying tenant members the right to bring up any matters for a vote at an annual meeting which were not already included in the notice of the meeting mailed by the corporation's management (1983); 11. creating a separate subsidiary corporation, Portland Housing Services, Inc. (PHS), which would own and manage substantial assets and acquisitions, and which would have a self-perpetuating board of directors including PSS management, PSU officials, community leaders, and only one tenant member (1985).

In fact, the seeds of PSS's democratic undoing were sown shortly after the May 1970 strike at PSU. During FSS's first year of operations, students had been successfully
handling the responsibilities of corporate management. Even Dick Solomon was a recent PSU graduate. However, within two weeks of becoming the corporation's first full-time general manager, Norm Boice would send the PSS Board the report (June 16, 1970) in which he outlined the destruction of participatory democracy and the creation of a self-perpetuating board of directors. This idea would soon be discussed at a board meeting, and would later be taken up by Public Director Jackson and effectuated in 1977.

By 1989, PSS had grown from a shoestring operation relying on a $50,000 loan to a corporation with an annual budget of $4 million overseeing sixteen apartment buildings housing more than 1,600 residents. It now shares a partnership with the Housing Authority of Portland in operating low-income housing and oversees a new 190-unit structure built by bonds channeled through the state system of higher education. A Housing Development Committee, moreover, presently does background research and long-range planning with the goal of offering housing to the Oregon Graduate Center and the area's community colleges.

At the same time, the management of PSS has gradually expanded, and the company now has over 150 employees, few of whom are students. Over the years, PSS grew increasingly out of touch with the concerns of its tenants, leading to a prolonged rent strike in 1978, and demonstrations by tenants at the corporation's annual meetings in the 1980s. Although
company revenues were no longer kept in a shoebox or the glove compartment of an automobile, at least $20,000 was embezzled by trusted management employees from the company's safe in 1986. The food service established in 1971 would lose $210,000 between 1985 and 1987, due to poor controls and mismanagement, depleting the company's working capital and reserves. Coupled with sagging employee morale and a dangerous isolation of the Board members from knowledge of critical corporate activities by the general manager, the PSS Board of Directors would be forced in 1988 to ask for the resignation of the company's general manager.

Moreover, tenant participation in the corporation gradually eroded, due to the cumulative effects of the successive and restrictive amendments to the PSS bylaws which severely limited the tenant-members' rights at annual meetings, removed the right of the Tenant Council to elect and remove directors, and essentially relegated the Tenant Council to the role of an impotent advisory body. It was not until 1987-88 that resourceful student activists at PSS were able to finally gain access to the board and restore electoral rights to the corporation's student-tenants.

Portland Student Services, Inc. provides a case study of a struggling institution in a hostile environment. Yet its very success raised questions concerning the price of survival and the relationship of an institution to the values which originally led to its existence.
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