A progressive economic agenda for Portland

BY MARY C. KING
CONTRIBUTING COLUMNIST

street smart economics

Mary C. King is a professor of economics emerita with Portland State University

Right now, city campaigns may be our best strategy for creating an economy that works for everybody. Local governments still respond to organized communities as they confront big challenges, given our needs for job creation, affordable housing, public safety and justice, transportation, a cleaner environment, education and other important public services. We can create an inclusive, progressive organization to (1) design a platform of bold, effective initiatives, (2) elect local officials committed to our program, (3) help govern by serving on commissions and (4) keep working in the community to evolve our agenda and elect more candidates to office.

In U.S. cities and around the world, very progressive candidates are winning elections and enacting good policies, creating more equitable and sustainable local economies. San Francisco's minimum wage hit $14 an hour last month. Seattle just passed a significant income tax on the top 2 percent of households. Durham, N.C., now pays all city workers at least $15 an hour, more than double their state minimum wage of $7.25. Richmond, Calif., took on a Chevron refinery, dramatically raising taxes and winning better worker safety and pollution standards.

Start with the 2018 City Council elections

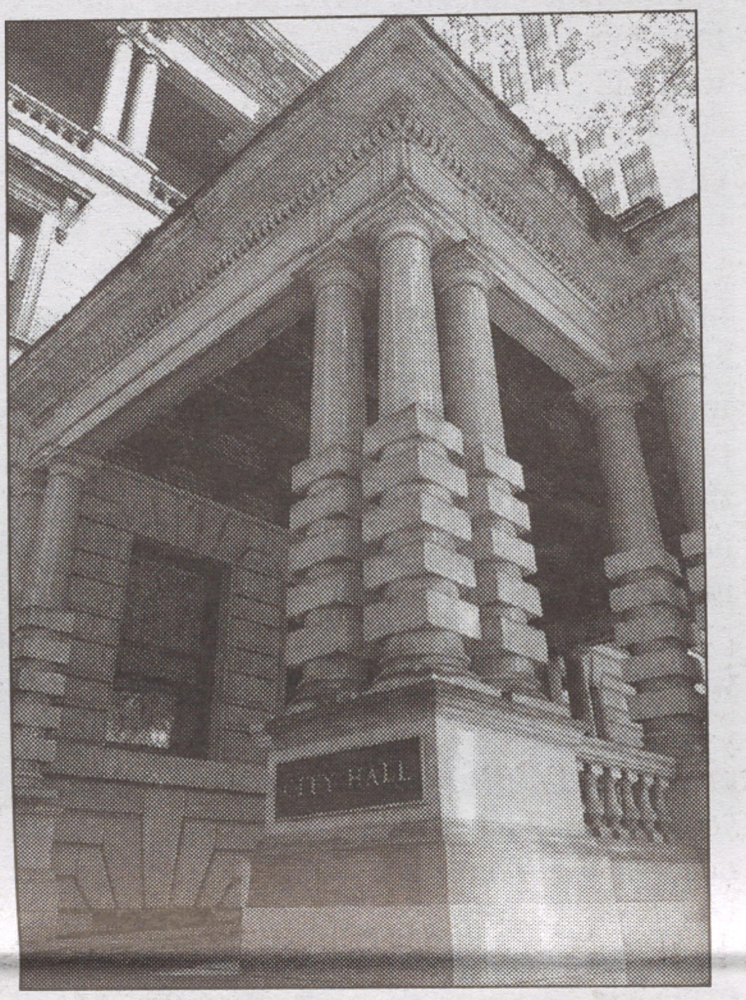
Two Portland City Council seats will open in 2018. We could support a candidate for each seat, running on a joint platform, and have a big impact. A strong program might include four or five proposals for city policy that move us toward our bigger goals. Here are some examples of initiatives that could be included in a platform:

Policies we could enact relatively quickly

Shift some police and jail funding to mental health programs: We need more public mental health and social welfare workers, ready to respond on an urgent basis. We rely too heavily on police officers, physical force and jail, for people and situations better addressed with other approaches. Everyone would be safer and the city would save money; halfway houses cost much less than jails and tragedies that end in big financial settlements.

Good jobs for women, people of color and people from low-income families: Ongoing racism, sexism and lack of connections have kept women, people of color and poor people out of better paid jobs in all industries, including construction. The city is waffling on the Community Benefits Agreements that resulted in unprecedented numbers of women, people of color and low-income people working as apprentices, skilled workers and contractors on public construction projects in recent years. These agreements represent a huge investment of time, effort and goodwill on the part of city employees, community organizations and labor unions working closely together to train a diverse workforce, prevent wage theft and ensure proper safety practices. The City Council should renew its commitment to its Community Benefits Agreements and expand them to all publicly supported construction projects, including the Superfund cleanup of the Willamette.

Economic development efforts that reduce poverty and inequality: Portland's economic development strategy diverts



property tax revenues – needed by our underfunded schools and social services – to try to lure big developers who are already eager to build in Portland without extra incentives. Tax give-aways are not nearly as effective an economic development strategy as investing in high quality, affordable pre-school programs for all 3- and 4-year-olds, which could be located in our elementary schools. Excellent early childhood programs immediately lower poverty rates by allowing parents to work more hours and cut poverty and inequality in the future. Strong evidence shows that kids who attend good early childhood programs do better and earn more money.

Some policies require a change in state law

Right-wing organizations like ALEC have snuck bans on progressive city strategies into state laws. For instance, only after new state legislation was Portland able to require apartment builders to include some relatively affordable units in big projects. One important state prohibition is the Oregon law stopping cities from pursuing rent stabilization.

Rent stabilization: Rent stabilization policies are critical tools for cities struggling to maintain affordable housing. Nearly 200 U.S. cities rely on rent stabilization to slow astronomical rent increases, gentrification and displacement of low-income people and communities of color. Having narrowly lost the fight to end the state edict against rent stabilization this year, we need to ratchet up the pressure next session. A City Council resolution would help, asserting Portland's need and right to use rent stabilization to combat exorbitant rent increases.

Jobs and housing projects that would pay for themselves

Create start-up funds for child care, worker cooperatives and affordable housing: With some initial public investment, a number of projects that would create jobs and higher standards of living could become self-supporting in a few years and even go on to fund their own expansion or new initiatives. Canada's province of Quebec created a $5 a day childcare program for 4-year-olds in 1997 that now covers kids from birth to the age of 12 for a sliding scale fee of $7 to $20 a day. Tax revenues are up, and combined with resulting lower outlays for jail and social services, the Quebec childcare program returns $147 for every $100 paid by the province.

Other projects could also pay their own way and expand. Once provided with seed money, a revolving fund could help worker cooperatives to start businesses or scale-up nonprofits constructing affordable housing for which tenants' rent would pay off startup loans.

Raising more public revenue locally

Raising the public revenue to kick off initiatives that can pay for themselves is possible in a number of ways, including the formation of a public city bank or new city taxes.

Start a taskforce to explore creating a public city bank: Investments in high-payoff social infrastructure like affordable housing, housing the houseless, education, health care and high quality childcare take money, generally borrowed as a bond. Meanwhile we ship our tax revenues and other funds off to Wall Street to hold until we're ready to spend them, earning very little in interest. We can save a lot of money by "cutting out the middle-man," depositing city money in a public city bank that could use it as a base to make loans to build affordable housing and finance other projects.

Tax big corporations, the wealthy and polluters: Last year, the City Council passed a tax on corporations that pay their top executives more than 100 times the median of what their employees earn; that tax could be increased. We could tax "intangible property" – stocks and bonds – of which more than four-fifths are owned by the wealthiest 10 percent. A commuter tax, like Denver's occupational privilege tax, forces non-residents who work in the city to pay their fair share for city services and infrastructure, and encourages shorter commutes, so less traffic and cleaner air.

Things won't get better without action and growing numbers of people want real change. This is the moment to harness the frustration of Portland residents to focus on city level organizing and electoral work. Other cities are creating stronger, more inclusive local economies; we can too!