



October 10, 2018

Mayor Ted Wheeler
Commissioner Cloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Dan Saltzman
City of Portland
1221 SW Fourth Avenue
Portland, Oregon 97204

Restore Oregon Testimony re. State of Preservation in Portland

On behalf of the members, volunteers, and Board of Directors of Restore Oregon, I am urging City Council to thoroughly digest and act upon this incredibly thorough and spot-on State of the City Report by the Landmarks Commission. This is an extraordinary in-depth effort from a group of volunteers with busy professional lives.

Restore Oregon agrees with everything it said, and note that it is longer and more detailed than in past years because it appears the City is backing away from its responsibility to steward the historic fabric that makes Portland, PORTLAND. Recent evidence is found in the refusal to provide even token funding for a historic resources inventory; the contradiction of city policy and public process surrounding the last-minute spot zoning of incompatible heights in the Japan Town/China Town historic district, and the outsized influence of developers in the Central City Plan.

As Portland wrestles to grow without sprawling and to increase the amount of affordable housing, I want to reiterate that:

- **Preservation and density go hand-in-hand.** You know that historic neighborhoods are already dense and can be made even more so. The key is compatibility and incentives for retention of existing buildings.
- **Preservation is essential to the war on homelessness.** Historic buildings are a major source of affordable housing. Just ask organizations like Innovative Housing and Central City Concern.
- **The most affordable home is the one already standing.** What city has ever built their way to affordability, while demolishing hundreds of modest-priced homes and replacing them with more expensive ones? If unfettered market-rate building actually reduced prices, then the San Francisco Area's average home price wouldn't be over a million dollars.
- Portland's historic places are a multi-billion-dollar asset, embodying our identity, culture, struggles, aspirations. Providing housing, incubating businesses, attracting tourism. ***If only we knew where they all were!*** Like a shop keeper who has only a vague idea of the inventory in his warehouse, Portland has only a vague idea of our historic assets, so how can we manage and make effective decisions about them? There is no excuse why a city of our stature should not make a modest annual investment of \$80-to-\$100,000 to update our historic resources inventory.

There has been push-back recently about neighborhoods seeking historic designation. This has little to do with exclusivity, and everything to do with people grasping for the only tool at their disposal to thwart an ongoing demolition epidemic that is chewing up neighborhood character and making it more expensive.

There's also been an uproar over the loss of iconic buildings like the historic United Workmen Temple and Lotus Café with no public process. Both scenarios point out that Oregon's process for historic designation and protection is broken and completely out of sync with the rest of the U.S.

We are working with a coalition of organizations to bring forward legislation in the 2019 session that would change that:

- **By instituting a more transparent, democratic, flexible, and locally-driven process for historic designation and protection.**
- **And by passing a state tax credit for rehabilitation and seismic upgrades that would incentivize more preservation.**

We look forward to sharing our legislative concept in the very near future and I hope we'll have the City's support.

Restore Oregon appreciates the complex problems Council is dealing with and it may be tempting to brush aside preservation of our historic places as a low priority. But these places matter a great deal to our cultural, economic, and environmental health. Once they're gone they are gone forever.

I'll close by saying again:

**THE MOST AFFORDABLE HOME IS THE ONE ALREADY STANDING.
THE MOST AFFORDABLE HOME IS THE ONE ALREADY STANDING.**

Thank you.



Peggy Moretti
Executive Director

WWM Testimony re: State of the City/ Landmarks and Historic Preservation

Personal

- I am Walt McMonies, of Counsel to Lane Powell PC, an apartment investor, and preservationist, serving on the board of Restore Oregon formerly HPLO
- In 1884, my Grandfather (YES!!) Walt H. McMonies, a Scottish immigrant via Toronto, Canada opened a horse harness, bridle, and saddle business in the beautiful cast iron Kamm Block on SW Pine. **McMonies Leather** came to be known for its golf bags, saddles and fishing creels. Building was lost to the demolition ball in 1948.
- I am currently the owner of **four (4) National Register landmark buildings** and past owner of four (4) more historic apartment buildings, namely the 20 unit Marlborough, 54 unit Tudor Arms, the 33 unit Nevada and 33 unit Marquam Manor.
- In each case we removed period-inconsistent moldings, flooring, lighting, plumbing fixtures and tile work, and replaced with period consistent.
- For the last 5 years, I have been seismically retrofitting National Register listed properties:
 - the circa 1931, 66 unit Art Deco **Jeanne Manor Apartments** (Work cost \$700,000);
 - the circa 1911, 36 unit Tudor Revival **Trinity Place Apartments** (Cost \$1.1 mm);
 - the circa 1910, 34 parking space **Rose City Electric Garage** (Cost \$150,000); and
 - the circa 1926, 21 unit **Estelle Court Apartments** (Cost \$200,000 and counting).
- Most recently, I went through Landmark's approval process (Type II with staff) of seismic work on the Jeanne and Garage.
- Without the help of the Landmarks staff and State SHPO staff I doubt I could have accomplished the renovation work mentioned above. Thanks to them, I got my buildings on "Special Assessment" and received the 20% Federal

historic investment tax credit on renovation and seismic upgrade expenditures.

Statement

- Volunteers. First, I want to express **my appreciation for the all-volunteer Landmarks Commission** and the time and energy they commit to serving the City and protecting the City's historic resources.
- Mandatory Seismic. I served on the Finance and Policy Committees of the URM Taskforce and
 - Agree with the Landmarks Commission's strong support for a mandatory URM upgrade ordinance but **provided that** the City provides a robust program of grants, loans, property tax abatements and hopefully a state historic/ seismic upgrading tax credit. These need to be in place concurrently with the mandate in order to help property owners with the very high costs of rehabilitation.
 - There are over 200 apartment buildings on the URM list, of which about 100 are of historic quality, most of which provide moderately priced units.
 - E.g. my units are typically priced at less than \$2.50 a foot a month (\$1,500 a month for a small two bedroom). New projects rent at \$4.50 a foot a month or more.
 - Small commercial buildings foster start-up businesses and non-profits and are often interwoven into the fabric of neighborhood commercial areas.
 - Historic garages are a reflection of the Car Age (both gasoline and electric), most of which are now supporting a non-auto use such as realtor office, design firm, etc.
- Financial Assistance (not Incentives) could include
 - A 20% Oregon seismic upgrade income tax credit (needs to be adopted).

- SB 311 tax exemption (dollar for dollar reduction for seismic work.
 - A revolving fund to afford owners an advance on the funds they will get back through the tax credits and exemptions.
 - Establishing a point of contact (ombudsman) to help property owners get through the process of seismic upgrading from finance to design to permitting.
 - Broadening of the “no Piggy Backing” limitation, so seismic work can’t be used to force ADA or water bureau upgrades on the Owner.
- Danger of Mandate: Will result in demolitions.
 - Need to ensure that any mandated seismic ordinance the City adopts does not result in a significant number of owners giving up and demolishing. This will only result in higher rents as new owners need to pay for construction costs of \$225 a square foot.
 - Need URM Buildings upgraded for life safety and to preserve our built heritage as well.
 - I have been able to do voluntary seismic retrofits without enormous difficulty, but the same cannot be said of small Mom and Pop owners, who often lack financial experience or access lenders. They need targeted assistance.
- Update the Inventory.
 - Updating the circa 1985 Historic Resources Inventory is critical as data is 33 years old. Missed the recently discovered merits of “Mid Century Modern.”
 - Need to know which of the buildings in the City are of primary significance whether listed in the National Register or not.
 - Will help in both future planning and our response after an earthquake.
 - It will also help to identify resources that are important to communities (e.g. immigrants) who lack representation in our current Inventory.

Thank you.





Moore-Love, Karla

From: Doug K <dougurb@gmail.com>
Sent: Tuesday, October 9, 2018 10:25 PM
To: Council Clerk – Testimony
Cc: Spencer-Hartle, Brandon
Subject: Item 1063 10-10-18 Comments
Attachments: 10-10-18 Comments on State of the City Preservation HLC report.docx

To the Mayor and Commissioners:

Enclosed are my comments on the "State of the City Preservation 2018" report by the Historic Landmarks Commission, which you will hear on 10-10-18.

Doug Klotz

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Portland, OR 97214

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10-10-18

Comments on the Historic Landmark Commission's
"State of the City Preservation Report", Item 1063 on 10-10-18
Mayor Wheeler and Commissioners:

I read this report with interest, trying to discern the goals of the Historic Landmarks Commission. I find that while well-intentioned, most of the recommendations in the report seem to be disconnected from economic, political, and practical reality.

In *Equity and Inclusion* (p. 19), the report recommends addressing past "redlining" by adding housing in the affected older neighborhoods, with smaller, more affordable units, such as duplexes, ADUs, small apartments and condominiums. This seems a reasonable approach. But, scattered small additions would be too slow and too few to meet the need. To do this on the scale needed to achieve significant results, will inevitably involve some demolition of existing structures in these neighborhoods, which the report elsewhere decries.

In *Why Older Neighborhoods Matter* (p.19) the report states that the (supposed) focus of RIP on the Inner Eastside neighborhoods could endanger them, as they are "the oldest, most "walkable," smallest, and most affordable housing stock in the City" and argues for city action to preserve them. But there's no mention of how these desirable neighborhoods will remain "affordable". Preventing enlargement or replacement will mean these small houses will become more valuable just for their location, and, as we have seen, they become more expensive regardless of house size, which doesn't solve the affordability problem. And the RIP solutions are too small-scale, and an inefficient and slow way to address the problems. We need apartment construction along transit corridors, at least several blocks deep, to address the housing crisis and address climate change. Preserve existing apartments if feasible, but building new ones is also necessary.

Throughout the report, the solutions offered to the housing crisis and affordability crisis are far too limited, and such limited action only wastes valuable time when the city could be adding housing stock to keep up with the 80 people a day moving to Portland, as well as reducing the transportation and housing impacts on our climate. I'm afraid that the Landmarks Commission exists in a bubble from 1990, when not much was being built, people weren't moving here, and a slow consideration of our options was possible. The Commission needs to be reorganized to acknowledge the need for housing, and also the need to combat Climate Change by locating that housing in the places that are ideal for non-auto lifestyles, which often are in the Inner Ring and Downtown neighborhoods that have older buildings in them.

We need a Commission that is in touch with the crises of our time, and will recognize that tradeoffs need to be made, such as preserving representative buildings from each era, but not preserving whole neighborhoods. The statement that only 2% of the city is "protected" may be true, but a look at the map shows that it is a much higher percentage in the Central City and Inner Neighborhoods, where economic and GHG-reduction opportunities are the highest, and where we need to be adding the most housing.

We, as a society at this time in the history of the planet, cannot afford to shackle our efforts by setting aside large parts of the city off-limits to growth, in the places where more housing could make the most difference on so many fronts.

Thank you.

