

Moore-Love, Karla

From: Christine Yun <cpypdx@gmail.com>
Sent: Wednesday, May 15, 2019 10:07 AM
To: Chisek, Kyle
Cc: Wheeler, Mayor; Commissioner Fritz; Commissioner Fish; Commissioner Eudaly; Commissioner Hardesty; Moore-Love, Karla; jsheuer@easystreet.net; Washington, Mustafa
Subject: Re: increase in Type I Historic Design review fees - Round 2 comments

Correct, I am talking about the proposed fees coming to council this week. When the amount of the fee doubles the cost of the work being done, the fee is a disincentive to do the work or apply for the permit.

Thanks,
Christine

On Wed, May 15, 2019 at 9:55 AM Chisek, Kyle <Kyle.Chisek@portlandoregon.gov> wrote:

To clarify – you are speaking about the fee increases that were passed by City Council a few months back – not the remainder of the fee schedule that is coming to Council this week, correct?

We are aware of the Historic review fee issue and the Mayor has asked the Director of BDS to look into that issue.

Thank you,

Kyle

Kyle Chisek

Director of Bureau Relations & Policy

Office of Mayor Ted Wheeler

1221 SW Fourth Ave Rm 340 | Portland, OR 97204

: 503-823-1126 | : kyle.chisek@portlandoregon.gov

Aut viam inveniam aut faciam.

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From: Christine Yun <cpypdx@gmail.com>

Sent: Wednesday, May 15, 2019 8:10 AM

To: Wheeler, Mayor <MayorWheeler@portlandoregon.gov>; Commissioner Fritz <amanda@portlandoregon.gov>; Commissioner Fish <nick@portlandoregon.gov>; Commissioner Eudaly <chloe@portlandoregon.gov>; Commissioner Hardesty <joann@portlandoregon.gov>; Moore-Love, Karla <Karla.Moore-Love@portlandoregon.gov>

Cc: Chisek, Kyle <Kyle.Chisek@portlandoregon.gov>; jsheuer@easystreet.net

Subject: Re: increase in Type I Historic Design review fees - Round 2 comments

Mayor and Commissioners,

Please enter my comments below into the record.

Thank you for considering to reduce the fees. The amount of the reduction, however, is not enough.

By keeping the historic design review fees at these elevated levels, the result is that the majority of people will either defer the work, resulting in eventual degradation and demolition (absentee owners), or they will do the work without a permit, in which case the city will lose permit income, and there will be no oversight on the work being done.

The city of Milwaukee, Wisconsin, which is comparable in size to Portland, has **zero** review fees on historic properties.

Sincerely,

Christine Yun

1915 SE Alder Street

Portland, OR 97214

On Sun, Mar 31, 2019 at 8:14 PM Christine Yun <cpypdx@gmail.com> wrote:

Mayor and Commissioners,

I have recently learned about this increase in Type I Historic Design review fees. I was part of the citizen's group that advocated for a reform of historic design review fees in 2013, because there was no process for reviewing the simplest changes, such as replacing a window, adding a structure under 150 sf, etc. that was affordable. At the time the minimum design review fee was \$1900, an amount which was not in scale with the proposed work.

Historic districts are not just for the affluent. They preserve the story of Portland's evolution and provide a benefit to the citizens of Portland. Increasing Type I review fees by this amount is punitive to residents who are doing their best to maintain a piece of history for the rest of Portland.

It is interesting to note that other fees did not increase by this order of magnitude. It was always the intention of the reform effort that larger projects within historic districts which would absorb more staff time and resources need to pay their fair share of staff time. With this increase, it seems now that homeowners are subsidizing the larger projects with developer money. Why am I not surprised?

With great disappointment in the direction the city is heading,

Christine Yun

1915 SE Alder St.

Portland, OR 97214

Amend permit fee schedules for building, electrical, et al. for the Hearings Office

If you wish to speak to Council, please print your name, address and email

Name (PRINT)	Address and Zip Code (Optional)	Email (Optional)
✓ Maggie		
✓ Jim Hener	1903 NE Hancock St 97212	
✓ Brooke Best Lightning	2100 SE Larch Ave 97214	bybseattle@comcast.net
✓ Amy		

Testimony of Jim Heuer, 1903 NE Hancock Street, Portland, 97212

My name is Jim Heuer. I'm here today on behalf of the Irvington Community Association's Land Use Committee. Our Land Use Committee provides comments on Historic Resource Review applications in the Irvington Historic District and routinely works with our neighbors who need guidance in navigating the sometimes murky Historic Resource Review process.

We are very concerned about the proposed increases in the Type I Historic Resource Review fees as proposed in this latest BDS fee schedule, found on Page 2 of Exhibit C of the fee proposal. While this new fee schedule reduces the fees slightly since the version that went into effect April 1, the new fees are still out in left field relative to the \$250 fee that has been in place since 2013. This increase stands in sharp contradiction of the overall impact statistics provided with this fee schedule that shows essential no change in fee revenues from Land Use applications.

As a reminder of how we got to that \$250 fee for small project I'm attaching to my written testimony a copy of the testimony of the Portland Coalition for Historic Resources back in 2013 to this Council arguing for the \$250 fee, which was subsequently adopted. The key points made then are still true:

- Over 6000 single family residences and small plexes are covered by Historic Resource Review either being in historic districts or individually listed as landmarks. The overwhelming majority of these are not mansions, but ordinary homes lived in by ordinary Portlanders
- While there are something like 22 exemptions from Historic Resource Review, there are still many small project that are subject to HRR, and in many such cases the cost of the project itself is less than the review fee. An example is installing a small roof vent for a gas fireplace, which under the new fee structure would be charged \$1450 for the review of the vent, which is not exempt.

With 6 years of experience behind us, we have learned that the Type I review is very popular (if any fee can be called popular) in allowing property owners who want to "do the right thing" when they alter the exterior of their property and follow the City's laws relative to historic review.

The proposed fees, ranging from \$900 to \$1750 fly in the face of our experience.

We acknowledge that for Historic Reviews of Accessory Dwelling Units, BDS expends much more than \$250 in time for their review. ADUs can be complicated – after all they max out at 800 square feet – as large as some of our smaller Irvington houses. We'd advocate for retaining the proposed \$1750 fee for accessory structures providing that the City waives Historic Review fees for ADUs which qualify for waiver of System Development Charges.

We urge that the Type I fees for the two lower tiers proposed by BDS, "Restoration" and "Exterior Alteration" be sharply reduced. Of course inflation has happened in the last 6 years, and new base Type I fee might reasonably be increased to, say \$300. Between this modest increase, and retaining the higher fees for ADUs that don't qualify for SSD fee waivers, we feel that the required subsidy is more than justified by the continued public acceptance of historic review in our historic districts.

PORTLAND COALITION FOR HISTORIC RESOURCES



The Honorable Charlie Hales
Mayor of Portland
City Hall
1221 SW 4th Ave, Room 340
Portland, OR 97204

March 15, 2013

Cc: Commissioners Nick Fish, Amanda Fritz, Steve Novick, Dan Saltzman

Dear Mayor Hales:

The Portland Coalition for Historic Resource consists of heritage organizations, businesses, neighborhood associations, and property owners within Historic and Conservation Districts, working to protect Portland's historic resources. We were formed in response to neighborhood concerns over the exorbitant fees for Historic Design Review in these districts, especially for smaller projects, and we have devoted hundreds of volunteer hours to working with the City's Historic Resource Code Improvement Project team to help craft the recently approved revisions to the City Code proposed by the HRCIP.

We are writing you today out of continuing concerns over the proposed \$475 fee for the new Type 1 Review, covering smaller projects until now severely penalized by even minimum Historic Resource Review fees. During the formal review and testimony regarding Type 1 Review, the Portland Historic Landmarks Commission and the Portland Planning and Sustainability Commission, along with our Coalition, urged the Bureau of Development Services and the City Council to adopt lower fees for the Type 1 reviews commensurate with the effort and perceived value provided. **The Coalition has recommended new Type 1 fees of \$250, and we urge amending the proposed fee ordinance to set the new Type 1 fees at that level.**

The new Type 1 fee must be seen in context with the fees for larger Type 2 and Type 3 projects. The fee inequity between large and small projects is illustrated by the property at 728 NE Tillamook, two new attached houses of 1759 square feet each, an infill project in the Irvington Historic District, completed in 2012. At an estimated construction cost of \$350,000 (roughly \$100 per square foot) the \$4973 Historic Design Review fee actually paid amounts to only 1.4% of the construction project cost. This project resulted in extensive interactions between the builder, the neighborhood association, and the BDS planner assigned, before an acceptable design was ultimately approved. Contrast this with a potential 2013 project on a modest home in the Eliot Conservation District where a back kitchen door and window are replaced at a cost of \$1500. This would be a Type 1 review, and the proposed fee of \$475 would amount to 32% of the cost of the project. In this example the middle income home owner pays a Historic Resource Review fee at a percentage rate 20 times that of the developer.

This disparity of fees illustrates, not just the burdensome nature of the proposed Type 1 fee for middle income home owners, but also the stark reality that for individual projects, at all levels, fees only approximate the actual cost of BDS services provided, with many larger projects paying less than their full share of costs. In our view, this makes a compelling case for setting the fees for these small projects as low as practicable – our recommendation continues to be a fee of \$250 for Type 1 Reviews – subject to review in one year to determine the extent of under or over recovery of actual costs. If necessary to support the

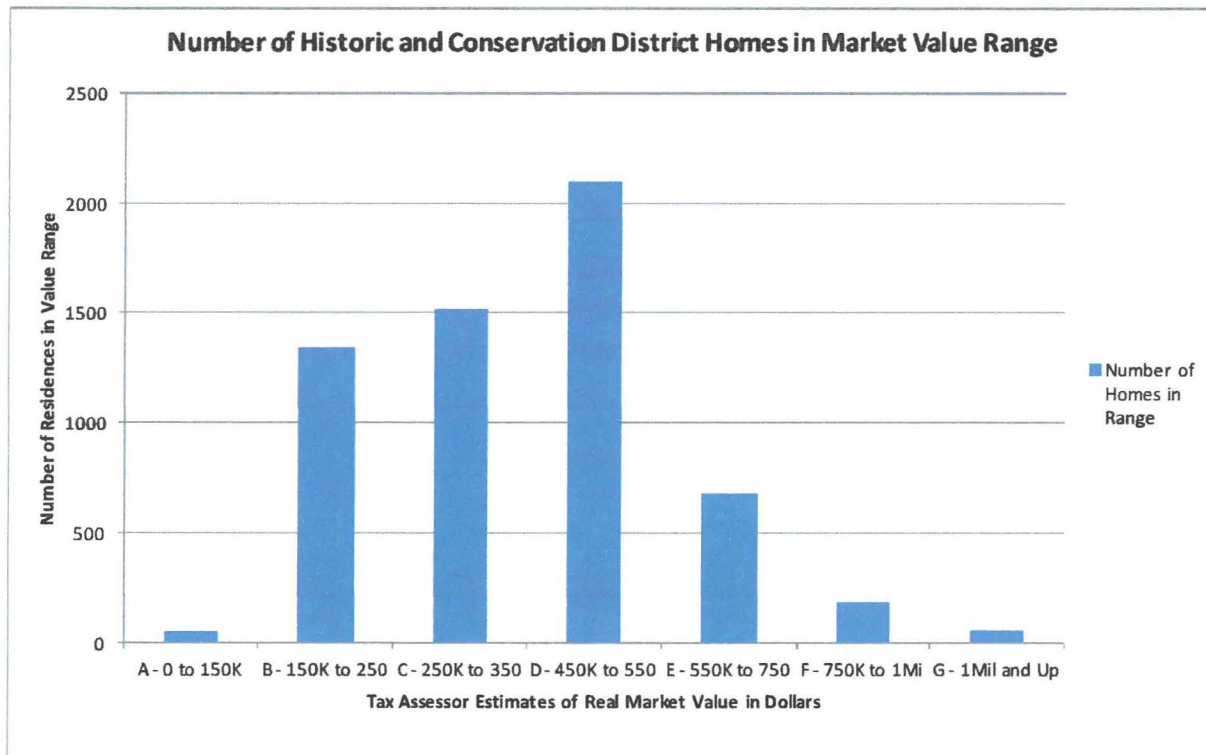


Attachment A – Single Family Residential Properties in Portland’s Historic and Conservation Districts

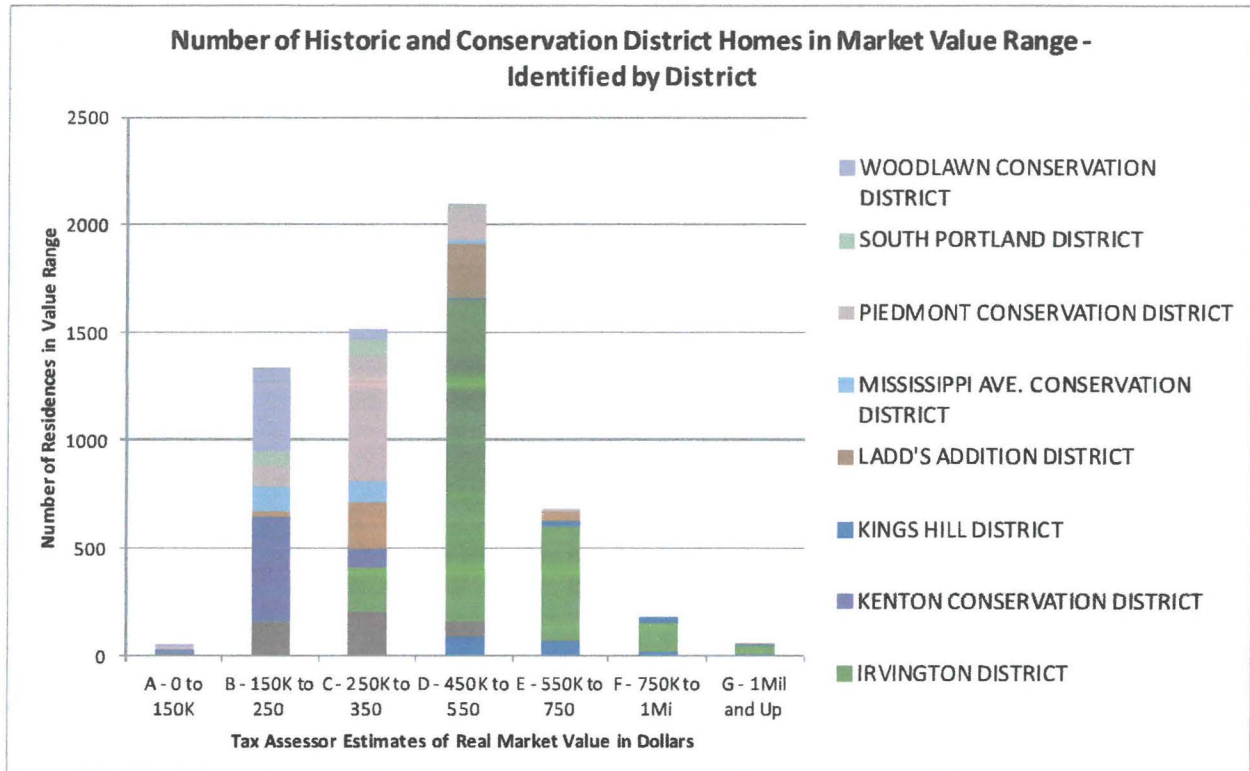
We sometimes hear that “Historic Preservation” is for people with million dollar homes who take advantage of the tax benefits in return for doing what they’d do anyway. That is very far from the truth. Roughly half of the homes in these districts are close to or below the median value of homes in Portland, and less than 1% are valued at \$1 million or more.

The distribution of working class and middle class homes is not uniform across all the historic districts. Some, like King’s Hill and the Alphabet District have mostly higher valued residences, but those are relatively few in total. Irvington, stands out as having a large proportion of homes one step up from the median – the sort purchased by middle class families when they are able to move to larger quarters.

The profile of single family home values across all historic districts – some 5922 properties in total (out of 8800 total buildings in all historic districts) is shown below:



When the profile is broken out by District, it is apparent that Irvington skews the numbers in the \$450,000 to \$500,000 range, largely due to the run up of prices in the 2000 to 2006 real estate boom, although prices rose all over the city, and “working class” residences in Portland sell for much higher prices than those in comparable cities in other regions of the country. The Conservation Districts, which are burdened with Historic Resource Review requirements *without the benefit of eligibility for the Special Assessment or Federal Historic Tax Credit programs*, are notable for their solid position in the working class and middle class housing ranges as shown on the following page.



It is important to point out that estimated Real Market Value of a property is a weak indicator of economic well-being in Portland neighborhoods, in part because of the rapid run-up in prices in the early 2000s. For example, many long-time Irvington residents paid well under \$100,000 for their properties and like residents of other areas seeing dramatic house value appreciation, would be unable to purchase their homes today at the estimated Market Value. As one indication of this, individual census tracts contained in the Irvington Historic District have median family incomes ranging from \$36,000 per year – well below the overall Portland median – to over \$100,000 per year – well above the median.

The Portland Coalition for Historic Resources believes that these statistics demonstrate that high Historic Resource Review fees for small projects initiated by individual home owners can be a severe financial burden to the many low and middle income property owners in these Historic and Conservation Districts.

This Attachment A analysis was prepared by Jim Heuer, March 14, 2013. Statistics obtained from PortlandMaps.com and Real Market Value estimates developed by the Tax Assessor's Office.