

From: [Paul Del Vecchio](#)
To: [Council Clerk – Testimony](#)
Subject: Testimony – City Council Agenda Item 266, MULTE Application 1871 N Flint
Date: Tuesday, April 20, 2021 2:58:52 PM

Portland City Council Members:

I am the primary developer of Analog PDX, a 134-unit inclusionary housing project at 1871 N Flint Street. Analog will provide much-needed affordable family-size units in the Rose Quarter neighborhood. Despite significant hurdles, including city-caused delays (Central City plan district zoning issue and PBOT error), and project funding complexities due to the COVID-19 pandemic, we are thankful to see this Project move forward.

The Analog project has been through nearly two years of City entitlement process (summary below) and has strong support from the neighborhood and the Housing Bureau. Analog meets or exceeds all standards, guidelines and applicable rules, including all IH requirements. Housing Bureau staff have been clear and consistent about the applicable IH rules for this project since our Early Assistance request in May of 2019. The MULTE Tax exemption is a critical funding off-set for IH Projects and must be provided for needed housing projects like this one that meet the IH requirements.

I am writing today, and will testify at the Council meeting tomorrow, to clear up any confusion or misconceptions about Analog's IH Compliance, and to urge you to approve Analog's MULTE application.

Analog is using the Reconfiguration IH option to provide family size IH units in a building with a high percentage of studio units. Using the 'standard' unit-by-unit compliance, Analog would have been required to provide 11 studio units (which average 356 square feet for the project), and two, 2-bedroom units (no 1-beds are required).

Instead of providing predominantly 350-square foot studio IH units, Analog will provide three bedroom family size IH units. The building's small studio units will be naturally lower priced and below market rate due to their size, so the IH restrictions on these units would not provide a substantial savings to tenants. The three-bedroom units, on the other hand, would be significantly more expensive if they were not rent-restricted under the IH Program. By choosing Reconfiguration, Analog is providing an overall more affordable set of housing units that include naturally affordable studios and rent-restricted family-size units.

Additionally, providing affordable family units in this location makes sense to capitalize on the family-serving infrastructure nearby. Analog is walking distance to Harriet Tubman Middle School and Lillis Albina and Dawson parks. It is also one block to both a high frequency bus stop and a street-car stop. One can also easily walk across the Broadway bridge to the Pearl District.

We recently heard from the Housing Bureau that City Council has concerns about the policy outcomes of the Reconfiguration option – namely that Reconfiguration, *by design*, results in a unit mix of smaller market rate units and larger family size IH units in the same building. We have also heard that Council is concerned about certain unit size discrepancies that can result under Reconfiguration.

For Analog, Reconfiguration was presented as an option since the project's inception, and in our opinion, produces a better project than unit-by-unit IH compliance. A question arose about the large 1-bedroom units in the building and the smaller relative size of the IH units. The building has only four, 1-bedroom units, three of which have commercial height ceilings on the ground floor and are loft-style units. Because of the small number of 1-bedroom units, providing 1-bed IH units is not required for this project under the applicable rules. Consistent with the rules, the Analog project reconfigures 11 studio units into 3-bedroom units. Analog's average studio unit is 356 square feet, while the average 3-bed unit is 772 square feet (217% larger). There are no requirements for size equivalency of units under the applicable IH rules that govern the project, but Analog is consistent with the new rules PHB may adopt governing unit size.

Our company represented the first and third Early Assistance applications immediately after the IH legislation took effect, both of those projects currently exist, include IH 3-bedroom units, and are leasing well. We committed to

working within the new normal in a way other companies did not. Our strategy to reconfigure to three bedrooms was a genuine attempt to provide what we believe to be the most needed affordable housing type. We support the efforts of Council and PHB to consider adjusting the IH program to meet evolving policy goals, however projects are and must be reviewed based on the regulations in place on their application vesting date. This is not only a legal requirement, but a practical one; development and investment in our City demands certainty about the rules that apply at the beginning of project entitlements.

Best,
Paul Del Vecchio
Founding Principal, Ethos Development

Project Milestones:

- May 6, 2019 - Early assistance information request made
- May 15, 2019 - PHB responded to EA including advice which indicated that our reconfiguration, as it currently exists, was a viable option for the project
- October 23, 2019 - Via Email, PHB conformed reconfiguration approach and areas comply with administrative requirements
- October 31, 2019 - Pre-application conference - PHB re-confirmed the early assistance information
- December 6, 2019 - Design Review application submitted with the unit mix as previously contemplated
- January 27, 2020 - Additional Design Review application documentation submitted in an effort to “complete” application
- January 31, 2020 - Architect received information that there was an appeal of the entire central city zoning under the 2035 comp plan and inquired with a planner at BDS whether this would impact our permitting process. We had previously scheduled a DR hearing date for March 19th, 2020, but it was postponed by the city, without a specific reason and no information was provided regarding the 2035 comp plan issue.
- May 8, 2020 - Project team notified that the zoning in the 2035 comp plan would be released and reinstated and that no DR hearings could take place in the interim.
- August 10 - Zoning in central city comp plan was reinstated.
- August 13, 2020 - Design review hearing held - Units shown in DR package were the unit types we have today, but with a larger ROW dedication. Formal approval came on the 20th of August and recorded on the 29th.
- September 14, 2020 - Building permit was submitted
- September 20, 2020 - PBOT changed out right of way dedication by 3’, we were previously notified of our dedication requirement in October 2019 and based our design review plans on the original information.
- November 22, 2020 - Architect submitted revised plans to account for added 3’ along the north face, the only path that avoided a new Design Review Hearing. Design Review plan reviewer approved.
- January 8 2021 - Architect notified PHB for plan/area change and provided updated submittal
- January 22, 2021, Via email the project team received initial notification that our MULTE application was acceptable and a council hearing would be held mid-march. Ultimately this was delayed until April 21.

City Council Meeting - Wednesday, April 21, 2021 9:30 a.m.

Agenda No.	First	Last	Zip
266	Carrie	Strickland	
266	Noel	Johnson	97210
266	Michelle	Plambeck	97227
266	Kevin	Clark	97214
266	Sam	Rodriguez	97201