

Agenda Item 226

TESTIMONY

REGULAR AGENDA

CITY SUBSIDIZED AFFORDABLE HOUSING PROJECTS – TYPE IIx LAND USE REVIEWIF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)

ADDRESS AND ZIP CODE

Email

✓ Charles JOHNSON		
DAVID KIRK DAVIS		
✓ Mike O'Callaghan		
✓ TAD SAVINAR		
✓ Peggy Moretti		
✓ John Drentlaw		
✓ JOHN CZARNECKI		
✓ Wendy Kahn		



March 9, 2016

Portland City Council

Re. Allowing City-Subsidized Affordable Housing Projects to Utilize a Type IIx Review

My name is Peggy Moretti and I'm the Executive Director of Restore Oregon, a non-profit that works statewide to preserve and pass forward the historic places that create livable, sustainable communities.

Restore Oregon is much attuned to and supportive of the need to retain existing affordable housing that is often the target of demolition. And we certainly support the development of additional affordable housing. There are many examples of historic buildings being successfully redeveloped into affordable housing in Portland, including the Erickson-Fritz Apartments in Old Town – and we would like to see more of that.

However, we are concerned that the proposed downgrading of design review for historic properties will have significant negative consequences, while having a negligible effect on bringing new housing to market faster. I sincerely hope City Council will consider these two important points:

1. **What is approved during our housing emergency will outlive all of us.** It will stand in our community for decades. The purpose of a Type III review is to ensure that what is developed respects and protects our historic buildings, is compatible with the neighborhood, and upholds standards of quality in its design and construction. Your proposal says it does not exempt compliance with historic standards or district guidelines. But an over-taxed BDS staff that is not trained in historic review, coupled with huge bureaucratic pressure to move projects forward fast, makes the likelihood of a quality Type II design review that pushes back when necessary seem slim. *It also seems likely that the October expiration date of the emergency could be extended indefinitely.*
But more importantly...
2. **This proposal to short-circuit a thoughtful and transparent public review will only trim a whopping 9 or 10 days from the process.** By the city's own analysis, a Type III review takes 51 to 90 days; and a Type II takes 42 to 80 days. This will do nothing to expedite the process in a meaningful way, but could leave the city with some very incompatible new development or mangled historic buildings that will stand for 50 years or more!

What DOES make sense – and have a greater impact – is the reduction of fees. Restore Oregon urges Council to reduce the fee structure without jeopardizing the caliber of the design review.

Sincerely,


Peggy Moretti, Executive Director



City of Portland
Historic Landmarks Commission

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March 9, 2016

187616

Dear Mayor Hales and Portland City Council,

We received notice of the proposed Affordable Housing Ordinance on Friday March 4th, and discussed it at our recent Portland Historic Landmarks Commission hearing on March 7. We agree that affordable housing in the City is a critical need and that lowering land use fees for such projects could help to bring more affordable housing projects to fruition. The Landmarks Commission supports the idea of providing a fee break for affordable housing projects in Historic or Conservation Districts.

The PHLC has serious concerns with allowing these projects to follow a Type IIx procedure rather than a Type III procedure, however. These concerns are listed below.

1. The Ordinance seeks to require a DAR prior to the Type IIx. The DAR process is in no way equivalent to a Type III hearing, because there are no requirements for submittal. An applicant may provide as much- or as little- as they like. It is the PHLC's concern that the applicants would not provide sufficient information in the DAR to allow for much review or feedback, so adding the DAR requirement may not help staff in making complex and difficult decisions during the Type IIx procedure.
2. Achieving quality and compatibility is more of a challenge where budget is a major driver. In cases where materials may be at the lower end of approvability, design must be that much better in order to meet the approval criteria. The Landmarks Commission welcomes the challenge of helping applicants with affordable housing projects find an approvable solution, but solutions in historic districts may be especially challenging due to historic massing and height, materials, and other compatible detailing. Staff might feel political and internal pressure to approve a "borderline" project. The Landmarks Commission would, we believe, more successfully navigate this sort of pressure.
3. The PHLC reviews new construction or major alterations within Historic Districts. New construction impacts an entire district. A single incompatible project has the potential to do great harm to the overall district. The Oregon State Historic Preservation Office and the National Parks Service has already warned that the Skidmore/Old Town Historic District is teetering on the brink of losing its National Register eligibility if incompatible new development is proposed. Chinatown/Japantown is not far behind. Indeed, de-listing would impact all other owners in a district because projects that had taken advantage of tax incentives for preservation would no longer have that tool. A Historic District creates protection for these benefits as well as for the quality and compatibility of the architecture and the character of the district.
4. Finally, we share the Design Commission's observation and concern that only 5 City Subsidy units are required to take advantage of this fee break and lower review proposal. We agree that Council should revisit this threshold and instead tie the ordinance to a percentage of the overall project.

The Landmarks Commission demands that review exemptions for new affordable housing development in historic districts be removed from this ordinance. We see the compatibility of a new project in a historic district as critical to the continued vitality of the district. A project which diminishes the character of a district has repercussions which extend to the other property owners in the district and the viability of the district as a whole.

If City Council insists on this unilateral decision, the PHLC will proceed with the following measures:

- 1) The Commission will appoint up to two commissioners to assist BDS staff with any reviews for any affordable housing proposals occurring in a historic district or on landmark properties. The sharing of the Commission's expertise and coordination of the City's historic preservation programs is consistent with the Commission's mandate found in 33.710.060 (A). The Commission will request that BDS staff notify the Commission of a pending review of an affordable housing project in a historic district or landmark property. Individual Commission members have, on occasion, provided expert assistance to staff when requested in the past. The Commission views the sharing of its expertise as consistent with this longstanding policy.
- 2) The Commission will appoint up to two commissioners to review recent staff level decisions made for multi-family development proposals and land divisions for landmark properties over the past three years that required staff-level review below the Type III level. The Commission's oversight is critical to understanding staff-level design review and decision making and thus provide BDS staff with the best advice possible when it comes to reviewing any future affordable housing projects. Again, this review is consistent with the Commission's mandate found in 33.710.060 (A).

Those Commissioners who volunteer for items 1 and 2 above, will report back to the commission the substance of the proposed affordable housing developments and also the nature of the review of staff-level decision making for development proposals that have occurred below the Type III level. The Commission will assure that design review decisions meet the high level of quality and design that our historic landmarks and districts require and deserve.

These measures should not be construed as a slight or a lack of confidence in the professional and dedicated BDS staff design reviewers, but rather reflects the Commission's extreme displeasure with City Council's decision-making on this matter. Thus far City Council has failed to provide adequate evidence that design review represents a substantial burden upon affordable housing proposals. It remains shortsighted and could result in the irretrievable loss of the city's irreplaceable historical urban context. It is equally disturbing that the "sunset" provision of the ordinance in Section 3 seems to automatically extend the life of the ordinance to as long as there is a declared housing emergency. It is possible that the emergency will persist for an indeterminable period and will therefore only further attenuate the potential for impacts to the City's historical landmarks. We request that the effectiveness of the ordinance be studied prior to any automatic extension of time.

Signed,

A handwritten signature in dark ink, appearing to read "Kirk Ranzetta". The signature is written in a cursive, flowing style.

Kirk Ranzetta

Chair



City of Portland

Design Commission

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March 9, 2016

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Mayor Hales and Portland City Council -

Thank you for the opportunity to comment on the Ordinance to allow City Subsidized Affordable Housing to be reviewed through a Type IIx Design/Historic Review instead of a Type III Design/Historic Review.

The Design Commission fully supports the creation and expediting of abundant affordable housing in our City. We recently reviewed two affordable housing projects where we offered additional guidance and facilitation to the development team. We are committed to assisting the expedient construction of affordable housing projects. However, this proposed Ordinance was only shared with us last Thursday and we would have preferred more time to have a thorough conversation about how to reach our collective goals. We believe additional work is needed to help the needs of affordable housing, such as fee breaks and a swifter and more predictable Type III process. Ideally, the land use process remains equal across the board for all types of projects. Affordable housing projects deserve the same level of respect and scrutiny as their neighbors. Affordable housing will be long-lasting, and should be designed and reviewed with that in mind.

Understanding the immediate need to move things forward we have the following suggestions to present.

1. The Ordinance stipulates minimum requirements for a project in order to be able to qualify for a Type IIx procedure. The minimum number of units, 5, is not aggressive enough if the City is to overcome the crisis in which we find ourselves. Without a significant minimum threshold, there is potential for abuse. Take, for instance, Oregon Square a project that provided approximately 900 housing units. Under the proposed Ordinance, that project would have only needed to provide 5 affordable housing units in order to avoid a Type III Design Review. We request that Council revisit the minimum requirements and provide a more meaningful threshold, for instance at least 25% of the proposed housing units of a primarily housing project must be City subsidized affordable housing units.
2. If this Ordinance passes, staff will be making final land use decisions on significant projects that will have aggressive construction schedules. We respectfully request Council members and upper management to empower staff and allow staff to make expert decisions based in the relevant approval criteria.
3. The Ordinance requires "at least one DAR" for all projects taking advantage of this incentive. The Design Commission requests Council to direct staff to establish minimum submittal requirements for DARs. This will ensure an effective and in-depth early review by the Design Commission with predictable results.
4. If the Ordinance were to be extended in October 2016 we would hope that the extension is based on factual evidence from the results of this pilot program.

Thank you again for your creativity and leadership in finding ways in which to address Portland's affordable housing crisis. Please know we are a resource to you and always willing to participate in work groups that provide guidance for legislation such as this Ordinance. The Design Commission is committed to supporting high quality, low maintenance affordable housing where the residents are proud of their home and the neighbors are proud to have the project in their neighborhood.

Sincerely,

David Wark, Chair of the Portland Design Commission

Moore-Love, Karla

From: Dave Otte <dotte@holstarc.com>
Sent: Wednesday, March 09, 2016 11:11 AM
To: Moore-Love, Karla
Subject: Fwd: Affordable Housing Ordinance - DZ/HR process changes

Dave Otte, AIA
Senior Associate

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Begin forwarded message:

From: Dave Otte <dotte@holstarc.com>
Date: March 9, 2016 at 11:47:12 AM MST
To: Nick Fish <NickFish@portlandoregon.gov>
Subject: Fwd: Affordable Housing Ordinance - DZ/HR process changes

Nick,

We were formalizing this letter for this afternoon. I understand testimony has begun. Please see below for public record:

Dear Commissioners:

The Urban Design Panel (UDP) is sponsored jointly by the local chapters of the American Institute of Architects, the American Planning Association, and the American Society of Landscape Architects, and composed of urban design professionals from those three organizations.

We have reviewed the proposed ordinance that would allow qualifying projects that offer affordable housing to reduce from a Type III review by the Design Commission or the Historic Landmarks Commission to a Type IIx review by City Staff. The Urban Design Panel agrees there is a Housing Emergency and supports actions that provide affordable housing in Portland in an expedient manner. However, we feel this proposed ordinance is not helping to solve the affordable housing equation and alternatively could result in a less successful built environment for generations to come.

Affordable housing deserves the same level of respect and scrutiny as any other development in the Central City. Affordable housing is permanent, and should be

designed and reviewed as such. Reducing the review type in the Central City is attempting to solve the wrong problem. The issue confronting the delivery of affordable housing in Portland is not one of design quality, but rather time and money. Since it can take more time and money to navigate a type III review, the Urban Design Panel offers three common sense alternatives to a reduction in the level of review:

1. Consider Gateway separately from the Central City. Gateway is very similar to most neighborhoods that only require Type IIx reviews. Consider reducing the Type III review for all projects in Gateway to a Type IIx.
2. Offer fee reductions or waivers for qualifying affordable housing projects. Many system development charges are typically waived for affordable housing. It would follow that waiving Design Review fees would be a valuable tool to create more affordable housing. This is an immediate and quantifiable incentive that can make a real difference.
3. Offer "front-of-the-line" scheduling. Time is of the essence to deliver affordable housing. Rather than lowering the bar on how design quality is judged only for citizens at the lower end of the socioeconomic spectrum, demonstrate the importance of affordable housing by expediting the timelines and hearing dates based on the Housing Emergency. Move qualifying projects to the front of the line and demand the Design Commission and Historic Landmarks Commission act with urgency to quickly expedite the highest quality housing we as a community should be building for our most vulnerable citizens in Portland.

Thank You,

The Urban Design Panel