

ASTORIA PLANNING COMMISSION MEETING

Astoria City Hall
January 9, 2018

CALL TO ORDER:

President Easom called the meeting to order at 6:30 pm.

ROLL CALL:

Commissioners Present: President Kent Easom, Vice President Sean Fitzpatrick, Jennifer Cameron-Lattek, Daryl Moore, Jan Mitchell, Joan Herman, and Brookley Henri.

Staff Present: Planners Nancy Ferber and Mike Morgan. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

The Commission proceeded to Item 4: Approval of Minutes at this time.

ELECTION OF OFFICERS:

This item was addressed immediately following Item 5: Public Hearings.

In accordance with Sections 1.110 and 1.115 of the Astoria Development Code, the APC needs to elect officers for 2018. The 2017 officers were: President Kent Easom, Vice President Sean Fitzpatrick and Secretary Anna Stamper.

Commissioner Moore moved that the Astoria Planning Commission elect Sean Fitzpatrick as President; seconded by Commissioner Mitchell. Motion passed unanimously.

President Fitzpatrick moved that the Astoria Planning Commission elect Kent Easom as Vice President; seconded by Commissioner Moore. Motion passed unanimously.

Commissioner Moore moved that the Astoria Planning Commission re-elect Anna Stamper as Secretary; seconded by Vice President Easom. Motion passed unanimously.

The Commission proceeded to Item 6: Reports of Officers at this time.

APPROVAL OF MINUTES:

This item was addressed immediately after Roll Call.

(Note: additional language in bolded text; deleted language struck through)

Item 4(a): September 6, 2017

President Easom noted the following corrections:

- Page 1, first sentence - "President ~~Easom~~ **Pearson** asked for approval of the minutes..."
- Page 1, Item 4(a), first sentence - "Director Cronin presented the updated Staff report, a memorandum, and a good neighbor agreement **commitment**." The entire document needed updated to reflect that the title of the good neighbor agreement had been changed to a good neighbor commitment.
- Page 3, last sentence - "He hoped the neighborhood would **be** fine and that the warming center helped people."

Item 4(b): September 26, 2017

Vice President Fitzpatrick asked that the fifth paragraph on Page 2 reflect that he was the Commissioner who had asked Mrs. Niemi if any changes had been made to the building footprint.

President Easom noted the following corrections:

- Page 3, first sentence - "Commissioner Mitchell said she did not believe the assumption that an apartment would change the value of housing ~~fit~~ **for** this situation."

- Page 4, third sentence - "The only comparable location for this office would be on the Columbia Memorial Hospital (CMH) campus.
- Page 4, fifth paragraph - "Vice President Eason **Easom** ..."

Item 4(c): November 28, 2017

Vice President Fitzpatrick stated he did remember Mr. Trabucco mentioning Kentucky Fried Chicken and Arby's during that meeting. [Trabucco KFC comment on Pg 2 and Arby's comment Pg 6; KFC in comment by Henri on Pg 6.]

Commissioner Mitchell suggested the minutes clarify that the building being discussed in Item 4(a): CU17-13 used to be known as Number Ten 6th Street, but it had been gone for years. She also made the following clarification and corrections:

- Page 6, her comments should state, "Commissioner Mitchell said she was struggling with a decision because she acknowledged the lack of available land in Astoria. ~~When the City makes choices that benefit the people who live in here, Astoria becomes more of a place people want to come to.~~ ***In the past, it has been acknowledged that our decisions are best when the people who live in Astoria are served. Tourists come to a place that is good to live in and is real.*** And tourism is great, but residences-residents still need essential services. The Commission needs to balance what the Code says with uses that provide benefits to residents."
- Page 13, twelfth paragraph – "Commissioner Mitchell recommended 20 minutes of educational sessions be added to the agenda of future meetings ~~for the Commissioners who are new and have not lived in Astoria all their lives~~ ***so that all Commissioners share a basic body of information.***"

Vice President Fitzpatrick confirmed the ex parte contact he had declared, as stated at the top of the Page 2 was accurate, but he was uncertain why he would not have made the second declaration during his initial declaration on Page 1.

Easom asked Fitzpatrick about the two times (Pgs 1 & 2) he was noted as making declarations; Accurate as to sequence of comments; we agree it could have been combined for better flow.

President Easom noted the following changes and corrections:

- Page 3, second sentence - "The ~~covenants, conditions, and restrictions (CC&Rs)~~ ***deed restrictions*** call for eight public parking spaces..."
- Page 12, twelfth paragraph – "~~Commissioner Mitchell's~~ ***Commissioners Mitchell*** and Henri agreed with Vice President Fitzpatrick."
- Page 14, third paragraph, "President Easom stated he could not recall this hearing, noting he had been the Commission for ~~two~~ ***three plus*** years."

Commissioner Moore moved that the Astoria Planning Commission approve the minutes of September 6, 2017, September 26, 2017, and November 28, 2017 as amended; seconded by Vice President Fitzpatrick. Motion passed unanimously.

PUBLIC HEARINGS:

President Easom explained the procedures governing the conduct of public hearings to the audience and advised that handouts of the substantive review criteria were available from Staff.

ITEM 5(a):

CU17-16 Conditional Use CU17-16 by Julie Garver, dba Innovative Housing, Inc., to locate a multi-family dwelling (40 units), located above the first floor, with commercial facilities on the first floor at 1067 Duane in the C-4 Central Commercial zone.

President Easom asked if anyone objected to the jurisdiction of the Planning Commission to hear this matter at this time. There were no objections. He asked if any member of the Planning Commission had any conflicts of interest or ex parte contacts to declare.

Vice President Fitzpatrick declared a potential conflict as he owned rentals in the area. However, he did not believe these proposed units would directly compete with his and that he could be impartial. He also declared an ex parte contact. In 2004 or 2005, he was approached about purchasing this property for \$1.00. He spoke with Todd Scott, the Community Development Director at the time, and John Berdes of Shore Bank Pacific, which is now Craft3. He toured and inspected the building and determined it would cost approximately \$5 million to make the building worth \$3.5 million, so he did not purchase it. Over the years, he has spoken with numerous people about the building. He has advocated for demolition and restoration depending on the plans that were in front of him. Recently, he spoke with Ms. Garver and attended a presentation on her company and this project at a Astoria Downtown Historic District Association (ADHDA) meeting in the fall. Given all of this, he believed he could be impartial. However, he was willing to recuse himself if the Commission believed he had too much of a conflict.

President Easom confirmed that he believed Commissioner Fitzpatrick could remain impartial.

Commissioner Herman declared that she interviewed Ms. Garver in September for her radio show on KMUN. She did not believe that would prevent her from being impartial.

President Easom declared that he was in the property management business. However, he did not believe that would impact his decision on this request. He was also on the Clatsop County Housing Authority when they took title to the building. The Housing Authority had considered the building for renovation, but decided against it because it would be too cost prohibitive at that time. He did not believe that would impact his decision either.

President Easom asked Staff to present the Staff report.

Planner Morgan reviewed the written Staff report and recommended approval of the request with the conditions listed in the Staff report.

Commissioner Henri asked why the parking strategy requirement and the requirement for Innovative Housing, Inc. (IHI) staff to attend ADHDA meetings were combined into one condition of approval. Planner Morgan explained this was suggested by the Applicant.

President Easom opened the public hearing and called for a presentation by the Applicant.

Julie Garver, Portland, stated it had been great getting to know Astoria and the Merwyn over the last year. And it was wonderful to finally be at this point. Innovative Housing has been a private non-profit since 1984 and they have over 1,000 housing units on Oregon in 17 different properties. In 33 years, IHI has never sold a building or property that they have developed because they are invested in the communities they develop in. This makes a difference in how they develop buildings. They need the buildings to last and want them to be assets for the community. IHI has strong asset management and a strong balance sheet, which allows IHI to continue doing projects. The company provides a resident services program at every property to help residents stay stable in housing. Having low rent is great, but other issues can jeopardize housing, so having staff on site is important. Innovative Housing's mission is to create innovative solutions.

- IHI's board of directors likes Astoria, and they are entrepreneurs who have been nudging the company for years to do something in Astoria. When the ADHDA introduced Innovative Housing to Astoria and the Merwyn, their board was excited to look at the project. The company has a combination of historic properties and new construction, which is an interesting mix, but it is helpful because one informs the others while providing variety. They have family buildings, buildings for ex-offenders and individuals with high needs, as well as workforce housing. Each building has a program to fit each population.
- IHI renovated the Musolf Manor Building in Portland where Darcells was located. The project was complex and involved obsolete building systems. There were 95 apartments that needed seismic upgrades and the condition of the storefronts were very poor. Musolf Manor was a contributing building in the Old Town Historic District in Portland. The project cost \$15.5 million. She displayed photographs of the building on the screen, showing the building's condition before and after the renovation. IHI had found one of the original artists who helped with the restoration and kept as many of the original fixtures as possible. All of the units now have kitchenettes and the storefronts were completely restored. All of the commercial businesses remained operational during the rehabilitation.

- More recently, they renovated the Erickson Fritz Building in 2015. This was a Naito Parkway in the Old Town Historic District. This building had been a saloon and a night club, but was gutted when IHI acquired it. It now provides workforce housing, similar to what they have proposed for the Merwyn. IHI built 65 studio and one-bedroom units into the big open space. The building had significant issues and needed seismic work. Soil had to be removed from the basement and contamination had to be cleaned up. She displayed before and after photographs of the project, noting the original features that were restored and still remain in the building. She described the building's interior atrium that allows light into the residential units. A similar installation was being planned for the Merwyn Building. Living in a renovated building offers a very different experience from new construction. The Erickson had an awkward storefront because there were no entry doors into the retail spaces. So, instead of creating retail spaces, they created a gallery for emerging artists.
- The Rich Building is also a Naito Parkway that had some serious condition issues. Like the Merwyn, it had a central courtyard that had been impacted by water and dry rot. The Clifford Apartments needed major ADA upgrades and seismic work on the roof. The building is now affordable housing for ex-offenders with 24-hour staffing. They are excited about Astoria because they heard the community needs affordable housing. It is difficult to fill jobs when there is no affordable housing. Earlier in the year, she met a bartender who worked in Astoria and lived in Skamokawa, WA. That is a difficult drive to make at 2:00 am.
- The Merwyn has been vacant for 30 years and IHI is up for the challenge presented the buildings issues. IHI and several of its consultants have been looking at the building for a year now. Many people in Astoria are interested in saving the building, but Innovative Housing wants to do the project carefully.
- She displayed financial information, noting the budget for the project was \$7.1 million. This project would not be possible without the historic tax credits and low-income housing tax credits. This building will never appraise at \$7 million. Market rate rents are for renters who do not need to qualify for affordable housing rates. The rents will be at about 80 percent of median income, which is difficult for people to find. There is a lot of restricted housing at up to 60 percent of the median income, but nothing between 60 and 120 percent. The operating budget is tight. Annual cash flow will be about \$9,000, which is required by their lenders and funders. This is why they have worked with the community to develop the parking mitigation strategy.
- She displayed photographs showing what the Merwyn would look like after the renovation, noting IHI has enjoyed partnering with the ADHDA on this project. The company plans to do some crowdfunding so that people can be involved in the project. It also plans to get the community involved in things like choosing paint colors and interior finishes. IHI will host a subcontractor event to encourage local small business owners to get involved in the project. There will also be hard hat tours and a grand opening.
- The building will be operated by a third-party professional property management. The rents will be restricted, so they have to be very careful when putting the project together. This is a multi-million dollar investment in the community with a live/work downtown focus. The building will be rehabilitated to the Secretary of the Interior's standards, as required by the historic tax credits.

Commissioner Cameron-Lattek asked if deposits on the parking spot reservations would provide a significant financial impact.

Ms. Garver explained they wanted to make sure parking spaces would be available for people to rent when they moved into the building. Saving those parking spots for renters imposes costs, which they did not believe should be passed on to the community or the owners of the lots. She would have to raise money for this, but incurring those costs during the construction phase was better than taking those costs out of the operating budget.

Commissioner Moore asked how many full-time staff would be providing the resident services.

Ms. Garver replied the services would be focused on job training since the residences would be workforce housing. She was not sure how many hours an employee would spend on site yet. The company hopes to find another project in Astoria so they can bundle projects and services.

Commissioner Moore asked how many full-time staff were estimated to be on the property.

Ms. Garver said the property would have a full-time manager and a part-time maintenance employee. The property manager is already considering bundling management of this building with another property. With the resident services employee, total full-time employees would be two.

Vice President Fitzpatrick asked if statistics were available on what percentage of their tenants had vehicles and parking.

Ms. Garver said the number of tenants with cars was very low in Portland, which was to be expected. She believed that in Astoria, up to 50 percent of their residents would have cars. The reserved parking will be offered at a very good price and she believed several tenants would want that convenience. The low-income population has a high tolerance for walking, but this property will offer people a fabulous building and affordable rent in Astoria. People understand the trade-offs. However, some people will want to choose parking. She believed up to nine units would reserve parking.

Commissioner Herman asked if tenants' incomes would have to be verified.

Ms. Garver explained that income certifications are required annually, which is why staff costs are so high. The low-income housing tax credit program is complex and requires a lot of management staff to qualify tenants for rent below market rates. The building is deed restricted for a minimum of 50 years to have below market rate rent.

Commissioner Mitchell stated she was pleased to see the varied sources of funding, but some of those sources are not as secure as they had been. She asked if Ms. Garver was confident that some of the federal and state programs would continue.

Ms. Garver said the company has been watching those programs carefully. The decreasing tax rate does create issues because their low-income housing tax credit price would likely be lower. However, the historic tax credits help boost that price up. IHI continues to watch changes in how to take the tax credit, but they also have a lot of investors competing for its projects. IHI is very diligent at managing its investors and have very strong balance sheets.

President Easom called for any testimony in favor of the application.

Sarah Lu Heath, 854 Glasgow, Astoria, stated she was speaking on behalf of the ADHDA. The ADHDA has worked closely with Innovative Housing on this project. Many people have told her saving the Merwyn was the one thing they would change about downtown Astoria. After talking to people who had attempted this project before, she knew Innovative Housing was the only developer that could do this project. The building is a huge asset to downtown and the city. Astoria has a critical housing shortage. The overwhelming sentiment among the Homelessness Solutions Task Force members is that the problem is lack of affordable housing. The ADHDA fully supports this project.

Mike Angiletta, 1320 Madison, Astoria, stated he has filled the accessory dwelling unit (ADU) that the Commission approved a few months ago. He was charging \$1,000 for the unit. He had posted the unit on Craigslist and received 25 responses in 24 hours. Most of the responses were from couples living outside Astoria. People have told him it is impossible to find housing at that price.

President Easom called for any testimony impartial to or opposed to the application. Hearing none, he called for closing comments of Staff. There were none. He closed the public hearing and called for Commission discussion and deliberation.

Commissioner Herman said she was excited about this project. The creative parking ideas will help alleviate some of the parking issues. She did not want parking to get in the way of restoring the building and providing workforce housing.

Vice President Fitzpatrick stated that all of the letters were from people he socializes with and he agreed with all of their comments about this project. He read from Mr. Goodenberger's letter in support of the application. The City has had 30 years to recognize that no one would improve the building. At one point, he was in favor of demolishing the building because it was falling apart and damaging the library and City Hall. He did not believe renovation was feasible and no one was stepping up to fund a project. This is a rare opportunity. Innovative Housing knows what they are doing and has recognized this is not a profitable project for a private developer. He strongly recommended the Commission approve the permit.

Commissioner Mitchell agreed that this was an incredible opportunity. She was thankful that a company that knows what it is doing has taken on this project.

Commissioner Cameron-Lattek said this project would be good for Astoria and she was excited about the project. However, she questioned whether the requirement for IHI staff to attend ADHDA meeting should be a condition of approval.

Commissioner Henri believed this project was perfect for downtown and she felt confident about the abilities of the property owner and manager. She has seen several of Innovative Housing's renovated properties in Portland. She understood some of the challenges and it seemed like they had all been addressed.

Commissioner Moore believed the application met all of the reviewable criteria. The proposed parking plan is proactive and he was strongly in favor of the application.

President Easom believed Innovative Housing was the only developer who could get this project done. His biggest concern was parking and he believed the Commission should require a minimal number of spaces.

Commissioners Moore and Mitchell agreed the requirement for IHI staff to attend ADHDA meetings be removed from the conditions of approval.

Commissioner Moore added that commercial parking spaces were used at different times than residential parking spaces, so, he was not concerned about parking. The employees at the building are not be allowed to park downtown.

Commissioner Mitchell agreed and did not want to impose parking requirements beyond what has already been offered. Even on busy summer days, parking is available. This is an old building in the central business district and allowances have to be made.

Vice President Fitzpatrick moved that the Astoria Planning Commission adopt the Findings and Conclusions contained in the Staff report and approve Conditional Use CU17-16 by Julie Garver, with the following change:

- Condition of Approval 1 – The applicant shall implement the parking strategy outlined above and provide an update to the Community Development Department after six months of occupancy to confirm the strategy has been put into the place. ~~IHI staff or the building manager will attend the Downtown Association meetings regularly into the future to facilitate communication about building operations, parking, upcoming vacancies, and the commercial space.~~

The motion was seconded by Commissioner Mitchell. Motion passed unanimously.

President Easom read the rules of appeal into the record.

The Commission proceeded to Item 3: Election of Officers at this time.

REPORTS OF OFFICERS/COMMISSIONERS:

President Fitzpatrick said he appreciated being nominated for President. He nominated Kent Easom for Vice President because he appreciated the way he ran the last meeting. The open dialogue among Commissioners was great and considering what the Commission will be reviewing in 2018, he believed the open discussions would be beneficial.

Commissioner Mitchell stated she had a scheduling conflict with the next meeting. She asked why it had been scheduled on a Wednesday instead of a Tuesday and wanted to know what would be on the agenda. Planner Morgan said he missed the deadline for submitting a zone change requests to the Department of Land Conservation and Development (DLCD). The Wednesday date was the earliest possible day the request could be reviewed. The zone change was being requested by the Astoria Co-op.

Commissioner Herman said she appreciated the civil discourse this Commission can have even though they disagree.

Vice President Easom asked for an update about the warming center. Planner Ferber confirmed a neighborhood meeting had been scheduled for January. President Fitzpatrick added that so far this year, the issues in the neighborhood had not been as bad as the previous year.

STAFF UPDATES:

Planner Morgan updated the Commission on filling the Community Development Director position and shared details about his work on the Merwyn, which began in the 1970s.

MISCELLANEOUS:

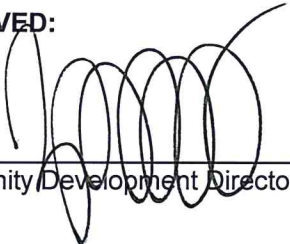
PUBLIC COMMENTS:

There were none.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 7:44 pm.

APPROVED:



Community Development Director

10/29/18

Date