

## The Oregonian

### Conflict? Gerding Edlen seeks city deal; CEO on city board

*By Brad Schmidt  
July 06, 2015*

Portland's newest urban renewal commissioner, Mark Edlen, could hardly contain his enthusiasm.

It was January, and Portland Development Commission staff members wanted guidance from the agency's appointed board about how to develop city-owned land just south of downtown.

"I'm really excited about the site," board member Edlen told staff during a meeting. "It's a killer site."

Six months later, Edlen's company, Gerding Edlen, is one of three private developers trying to strike a deal with the Portland Development Commission to build on the property, according to documents obtained by The Oregonian/OregonLive through a public records request.

Edlen isn't directly involved in his company's \$84.9 million proposal, and he'll recuse himself from voting on any deal. City officials say the arrangement passes legal muster.

But the circumstances underscore a conundrum obvious from the moment Mayor Charlie Hales nominated Edlen last summer: How would one of Portland's most respected and successful developers – with a history of partnering with the PDC – help guide city redevelopment efforts while navigating potential business conflicts?

The answer seemed clear at the time: "His ability to do projects here will be somewhat limited," Hales said in October, upon Edlen's City Council confirmation.

But now, those limitations are coming into sharper focus – showing that Edlen's company will keep pursuing business with the PDC even as his role in the latest proposal remains unclear.

"I think it is a challenge," Edlen said. "There could come a point where I decide I can do more on the outside than I can sitting on PDC's commission."

In a statement, Hales said Edlen asks tough questions and provides invaluable development experience in his role with PDC.

"This is a fairly small city, and everyone knew he'd have conflicts occasionally," Hales said. "This was anticipated."

That Edlen will recuse himself from an eventual PDC vote is only part of the equation, said Frank Zerunyan, a professor of governance at the University of Southern California's Sol Price School of Public Policy.

Legality is the lowest bar possible when it comes to government ethics, he said. Perception can be just as important.

"Would such a relationship raise an issue or raise generally a perception problem? I would have to say of course it does," he said.

But Zerunyan emphasized that Edlen, like any developer, could be the best developer on the planet and the proposed deal could end up being great for Portland. It's up to politicians and the public to weigh negative perceptions against benefits.

"The question for people in Oregon is: Does that bother you?" he said.

Edlen is the PDC's most prominent appointee by Hales, who – after nominating two board members last month – has now replaced four of the five commissioners he inherited from former Mayor Sam Adams in 2013. The PDC board is perhaps Portland's most influential beyond the City Council, guiding marquee redevelopment projects with an annual budget exceeding \$240 million.

Edlen's appeal to Hales was obvious. Since Edlen co-founded his company in 1996, it has developed more than 60 projects across the country worth more than \$5 billion.

Edlen's work in Portland stretches far and wide, from the Brewery Blocks that helped jump-start the Pearl District, to high-rise condos in the South Waterfront, to the impressive Vestas office project financed in 2010 with an \$8.1 million no-interest loan from the PDC.

Just weeks before Edlen officially began his three-year board term, PDC commissioners approved an in-the-works deal to sell his company land in Old Town Chinatown for its appraised value, \$2.6 million, minus up to \$965,000 for environmental and archeological remediation.

It would prove to be just the first awkward moment.

Three months into his term, Edlen spoke with passion about 2 acres of city property in the South Waterfront District, known as RiverPlace Parcel 3. PDC staff wanted input from commissioners about whether the property should be set aside to build affordable housing as part of a mixed-use project.

Edlen told staff that he supported affordable housing on the site but wondered whether one building could be dedicated to low-income residents and another could serve as moderate-income, workforce housing.

Edlen said that if the PDC pursued a public-private partnership, officials needed to find a developer "with heart" interested in more than money, "a believer in the city and a believer in this issue."

Edlen – echoing comments of other commissioners and a longtime PDC goal – also said he wanted to see a retail component, ideally featuring a grocery store.

"If we could attract a grocer there, it would just light it on fire," he said.

In an interview, Edlen said he didn't know at the time that his company would pursue a deal with the PDC.

Gerding Edlen's proposal is remarkably similar to the project that Edlen described in January.

It includes a 30,000-square-foot grocery store and 200 units of housing for low-income renters in one building. Separately, 100 units of workforce housing would be constructed in a second building, with 20 of those for lower-income renters.

Gerding Edlen would serve as the lead developer, but REACH Community Development would develop, own and operate the 200-unit building.

Edlen said REACH approached his company about the partnership. Edlen said he has a personal passion for affordable housing and is concerned the divide between haves and have-nots is growing.

"Any opportunity there is to move the affordable housing agenda along faster is an opportunity that needs to be taken, just in general for the city," he said. "And if we can move it along faster, we're going to help move it along faster."

Edlen said he has not been directly involved in the project proposal. He knew his company decided to pursue the project but said the decision was made by an investment committee.

Asked whether he participated or recused himself from the company's process, he declined to answer. "I don't want to get into that," he said.

The company's proposal makes no mention of Mark Edlen. It lists Jill Sherman, a company partner, as the project lead. Sherman said Edlen wasn't involved in the proposal and won't be involved going forward.

"It's a big project," she said. "The opportunity to do something so significant, and to really help be part of achieving the goals of affordability and vitality in that location, is just something that we'd love to be a part of."

According to its proposal, Gerding Edlen wants to buy the land from the PDC for \$3 million; REACH would pay nothing. Gerding Edlen would provide \$1 million up front and make payments on the remaining \$2 million over 10 years.

Multnomah County property records indicate the land has a real market value of \$6.8 million, although it's known to be contaminated.

The proposal also includes \$16.9 million in city urban renewal money to help subsidize REACH's project and \$1 million for Gerding Edlen's affordable units. Such subsidies are common when the city helps pay for affordable housing.

Gerding Edlen is competing against two other well-known development teams.

Influential developers Homer Williams and Dike Dame – who also helped remake the Pearl and the South Waterfront – have proposed a similar mixed-use project with BRIDGE Housing Corp. It includes a grocery store, 162 units of market-rate housing and 203 units of affordable housing.

Capstone Partners, which developed Grant Park Village, has proposed a deal involving Innovative Housing Inc. and Home Forward, the housing authority that serves Multnomah County. The project would feature 110 market-rate units and 215 units of affordable housing.

Capstone offered the most specificity about its retail plan. "Fred Meyer wants to be here and is thrilled to be part of a much larger project," the proposal reads.

Edlen said he knows no details about the competitors' proposals.

City officials conducted interviews June 29. A selection is expected by mid-July.

"I hope the best proposal wins it," Edlen said.

## **The Portland Tribune**

### **Parking getting scarce, costly**

*By Peter Korn  
July 2, 2015*

There are 5,967 curbside parking spaces in the section of Northwest Portland covered by the latest Northwest Portland Parking Plan.

So far this year, the Portland Bureau of Transportation has sold 6,953 annual parking permits to residents and businesses in that area. That's about a thousand more than the number of spaces — and that doesn't even include the 1,075 guest parking permits that have been sold.

Parking experts say a neighborhood can usually sell about 15 percent more permits than it has spaces, since not all vehicles are parked at the same time. But Northwest Portland will soon be way beyond that. Sounds like a prescription for disaster, right?

It might be, if parking were predictable. Northwest Neighborhood Association President Tavo Cruz says he hasn't heard any complaints from residents about parking becoming more scarce since the permit program was instituted this year. Though Cruz says that may change as soon as parking meters are installed around Northwest 21st and 23rd avenues, sometime within the next month or two he's been told.

With permits required for cars parked east of Northwest 25th Avenue, some predicted residents just west of 25th would find their still-free parking spots in great demand. However, Cruz says he also hasn't heard complaints from neighborhood residents who live just outside the permit boundary.

#### **Permit yes, parking no**

Then again, Cruz hasn't heard yet from Lisa Freeman, who co-owns the Peculiarium, an oddities store and museum on Northwest Thurman Street just east of 23rd.

A little more than a month ago Seattle-based developer Footprint began leasing 200-square-foot micro apartments a few doors down from Freeman's store, in the new permit zone. Footprint's Thurman building does not include parking for residents of its 54 apartments. But the developers said their model, already tested in Seattle, would add very few cars to the street. Renters would be young, and public transit is nearby. In fact, the developers predicted only about seven of the tenants would own cars.

Lisa Freeman bought a \$60 parking permit anyway. And waited. She says the first week Footprint started renting she began seeing new cars with out-of-state plates in the few all-day spaces on Thurman. No way there are only seven cars coming from the new apartment building, she says.

"It's been hellish," Freeman says. "I paid for a parking permit, and there are no spots." And Freeman's not only talking about parking for her car when she arrives at work in the morning. She needs parking for her customers.

Though tenants at Footprint reveal auto information when they sign leases, Footprint's representatives aren't willing to say how many of its renters have cars. Collin Medica, whose family runs Northwest 23rd Market on the corner of Northwest 23rd and Thurman, says Footprint tenants have asked if he would sell them monthly parking rights in the small lot next to his grocery store. Which, it just so happens, would be illegal. But maybe not for long.

### **The future of parking**

Parking may be unpredictable, but that hasn't stopped the folks at PBOT from trying to engineer us into the future. This week parking visionaries from up and down the West Coast came to Portland for a parking symposium. They spoke about innovations taking place in other cities, and as a group are pretty unified about what the future of Portland parking will look like.

In Seattle and San Francisco, \$1 an hour meters incentivize drivers to park on streets that have an abundance of open spaces, while meters on streets where parking is rarely available charge drivers up to \$4 an hour. Variable rate parking already has come to Portland, by the way. Ever notice that during Timbers games meters around Providence Park charge \$3.50 an hour instead of the standard \$1.60 an hour? Those spots get snapped up quickly anyway, parking officials say. Expect many more parking meters with rates based on supply and demand in the future.

In fact, you can expect in the future to be paying just about any time you park your car, says local parking consultant Rick Williams. Parking spaces slowly, but surely have become recognized as a commodity which cities can manipulate in all sorts of ways.

Williams views parking as the key to addressing the city's affordable housing crisis. Developers, he says, can't build apartment buildings for median-income families if they have to include basement garages. So engineering a city where fewer people need to park where they live is critical if inner-city affordable apartments are going to be constructed.

Those \$60 annual neighborhood parking permits probably won't be \$60 for long, Williams says. Spread over a year, they're costing residents about 15 cents a day. That's not a commodity, it's a government giveaway, in Williams' view.

In fact, Williams, who consults on parking matters with the city, surveyed 12 neighborhoods in various cities that were using residential permit zones. In many of the cities he found that an unintended consequence of the cheap permits was more street congestion.

At 15 cents a day, Williams says, some homeowners who have driveways and garages buy the permits and park on the street, using their garages for storage or living quarters — a completely unintended consequence. Requiring people to purchase permits is supposed to reduce street parking.

Toronto, Williams says, has responded to a rush of people buying street parking permits by passing an ordinance that forbids homeowners with curb cuts and driveways from purchasing the passes. When Northwest 21st and 23rd avenues and some nearby streets get their parking meters later this year, the cheapest parking in the area will be the \$60 residential permits, which Williams predicts will become even more in demand.

Eventually, Williams says, the city will have to raise the price of street permits to something more in line with the market-rate parking found in garages. Or, cap the number of permits sold in each neighborhood. Both options are politically untenable, Williams says. For now.

Consider the prospect of, hypothetically, Northwest Portland residents agreeing to double the price of their street parking permits while the cost of street permits in other neighborhoods stayed the same.

Unlikely, especially if there is still no promise that curbside spaces will be available where residents want them. Currently, by ordinance, all neighborhoods must have the same price for street parking permits. Easily changed, Williams says, once the political will emerges.

“What happens in every city I work with is, when we get to the threshold, no one wants to take the next step,” Williams says.

PBOT planners aren’t overly worried about that because their data show there are enough parking spaces to go around in just about every neighborhood. Those spaces just aren’t being properly used.

### **Legal and easy**

PBOT recently completed a parking survey in five city neighborhoods, including the Hollywood District, where complaints about parking are frequent. The survey revealed that even during peak daytime hours nearly four in 10 Hollywood parking spaces are empty. That’s because most of those spaces are in what are called small accessory parking lots owned by businesses.

Those signs that say parking is for employees and customers only? They’re not the result of territorial shop owners. They’re required. Current city regulations don’t allow owners of accessory lots to rent parking spaces to the public. So, for example, lots belonging to movie theaters stay mostly vacant during the day and 10-space lots connected to dentists’ offices may hold two or three cars at any one time.

PBOT planners are looking to change city code over the next few months so that owners of accessory lots can sell the parking spaces they aren’t using. Collin Medica can sell a couple of the spaces in his grocery store lot for a few hundred dollars a month to residents of Footprint Thurman. Legacy Good Samaritan Medical Center, a few blocks away, could then charge for evening public parking in its huge accessory garages just off 23rd Avenue.

But there are questions surrounding the proposed change.

“Can we make it legal and make it easy?” asks Judith Gray, a PBOT planner. What PBOT doesn’t want, the unintended consequence it hopes to avoid, according to Gray, is making accessory lots so profitable that developers build more of them. Planners are looking at rules that might limit to whom owners of accessory parking lots can rent spaces. Monthly rentals only? Or, only to neighborhood residents and employees? Williams says the city should stop worrying and allow owners of accessory lots to rent by the hour to shoppers, if they want.

Large-scale variable rate parking is coming, say planners. And the city-owned downtown SmartPark garages will be part of that trend. In fact, that’s already begun and nobody has noticed, says Grant Morehead, PBOT planner. SmartPark daily rates vary from \$10 to \$15 a day, depending on demand. And a city advisory committee recently said it would like to see SmartPark rates set at a lower price than curbside metered parking to encourage drivers to park in garages rather than clog city streets by driving around looking for that perfect curbside space. Expect that, too.

By the way, private shared car companies such as Car2go already enjoy the benefit of a city parking policy that provides convenience for their customers. Their cars can be parked in any metered curbside space (except 15 and 30 minute zones) without drivers having to pay, because Car2go pays the city separately for the meter time.

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### *Lloyd District parking plan may have fueled development*

For a vision of the future of parking in Portland, you might want to take a look at the last 20 years in the Lloyd District, says local transportation consultant Rick Williams.

Ironic, given that the area around the Lloyd Center has been one of the most underdeveloped close-in Portland neighborhoods for most of those 20 years. But give Williams — founder of Go Lloyd, a transportation management association — a chance to explain.

In 1997, surveys showed that about one in 10 Lloyd District employees lived within two miles of work. Most of them drove to their jobs and about three out of four drove alone. That's because the neighborhood featured abundant free curbside parking, Williams says.

In 1997, there were 230 bike parking stalls in the Lloyd District. Today, there are more than 2,000, and the percentage of people walking to work in the Lloyd District has tripled.

It just so happens that 1997 was the year parking meters and permit signs began appearing in the Lloyd District. They weren't put in place because of a shortage of street parking, according to Williams, but because there was an excess of parking and it was being used by downtown park-and-rider commuters. "We wanted to get downtown employees out of our district," he says.

In addition, 1997 is when Lloyd District developers were told by city officials that they could only provide two parking stalls per 1,000 square feet in new buildings.

Following the squeeze on free parking, Go Lloyd's plan was to incentivize those who lived and worked in the neighborhood to try other ways of getting to their jobs. Working with the city, Go Lloyd arranged for discounted transit passes for neighborhood employees. Today, a standard monthly TriMet pass costs about \$1,100 a year, but 6,000 Lloyd District employees are getting discounted \$300-a-year passes that are being subsidized by the city and their employers.

Today, condo and apartment development is booming in the Lloyd District, especially around Northeast Multnomah Street, which until recently was identifiable by its tall office buildings and adjoining accessory surface parking lots. Those surface lots are being removed in favor of high-rise apartment buildings with basement garages. That became possible because of the changes begun in 1997, when the goal, according to Williams, was to reduce the overall demand for parking.

"It's an example of parking management that works," Williams says. "And it took 20 years. But 20 years ago we agreed that the key to our success was to constrain the supply, to build less parking."

## The Portland Mercury

### Here Are the Affordable Housing Projects You Can Expect in Coming Years

*By Dirk VanderHart  
July 2, 2015*

A couple weeks ago, I bemoaned in print how difficult it is to get a comprehensive sense of incoming affordable housing in Portland. While there's plenty of dissent about how this city should handle displacement and gentrification, everyone agrees we've got a dearth of affordable options (typically regarded as reasonable for people who make 60-80 percent of the median family income or below).

In a startling report [pdf] issued earlier this year, Housing Commissioner Dan Saltzman wrote of the "dire need to increase affordable housing stock throughout the city."

It was surprising, then, to see that the Portland Housing Bureau didn't have a ready roster of upcoming projects available on its website. We asked for a snapshot in mid-June, and got a spreadsheet from the bureau today.

Portland Housing Bureau: Development Pipeline						
Project	Location/UR A	[Potential]* Affordable Units	Unit Types (Bedrooms )	Status**	Timeline	"New" Units?***
1st and Arthur	SW Portland (not in URA)	39	Studio, 1	Pre-Development	TBD	New

Allen Fremont	ICURA	63	1	Under Construction	Rehab complete fall 2015	Rehab of units already in PHB portfolio
Bronaugh	SW Portland (not in URA)	49	Studio, 1	Pre-Development	TBD	New
Erickson-Fritz	River District URA	52	Studio, 1	Under Construction	Complete Q3 2015	New
Gilman Court	Gateway URA	59	1	Under Construction (nearly complete)	Pre-Leasing; Grand Opening 7/20/15	New
Grant Warehouse	ICURA	TBD	TBD	Solicitation	RFQ closes 7/16	New
Hawthorne East	Inner East (not in URA)	71	1	Pre-Development	Renovations begin Oct 2015	New
Maggie Gibson	ICURA	9	Studio, 1, 2, 3	Under Construction	Complete Q4 2015	Rehab of units already in PHB portfolio
Miracles Central	OCCURA	47	Studio, 1, 2	Construction Beginning	Complete summer 2016	New
NAYA Generations	Lents URA	40	1, 2, 3, 4	Pre-Development	Construction begins late 2015	New
New Meadows	ICURA	14	Studio, 1	Pre-Development	TBD	New
North Macadam – Parcel 3	North Macadam URA	200 (minimum)	TBD	Reviewing Proposals	TBD	New
NW Raleigh St & 14th	River District URA	50-60	1, 2, and 3	Solicitation	RFP closes 8/17/15	New
Palindrome	Lents URA	120	TBD	Pre-Development	TBD	New
PCRI Scatter Sites	3 sites in NE Portland (not in URA)	8	3	Pre-Development	TBD	New
St. Francis Park	Central Eastside URA	101	Studio, 1, 2	Pre-Development	Construction begins early 2016	New
The Abigail	River District URA	127	Studio, 1, 2, 3	Under Construction	Complete summer 2016	New
Vista De Rosas	Cully (not in URA)	25	1,2,4	Under Construction (nearly complete)	Complete Q3 2015	Rehab of units already in PHB portfolio

W&D Development	Lents URA	16	1, 2, and 3	Pre-Development	TBD	New
<b>Total</b>		1,090				
Portland Housing Bureau: MULTE Projects						
<b>Project</b>	<b>Location</b>	<b>[Potential]* Affordable Units</b>	<b>Unit Types (Bedrooms )</b>	<b>Status**</b>	<b>Estimated Completion</b>	<b>“New” Units?***</b>
Wilmore Apartments	N/NE Portland	15	Studio, 1, 2	Final Construction	Jul-15	New
Glendoveer Woods Apartments	Outer NE	20	Studio, 1, 2	Final Construction	Aug-15	New
Block 67	Central Eastside	57	Studio, 1, 2	Pre-Development	Oct-16	New
The Rose Apartments	Gateway	36	Studio, 1, 2	Completed	May-15	New
Sky3	City Center	39	Studio, 1, 2	Under Construction	Oct-16	New
Hazelwood Plaza	Gateway	61	1, 2	Pre-Development	Aug-16	New
Block 8L	Old Town China Town	16	Studio, 1, 2	Pre-Development	Aug-16	New
<b>Total</b>		244				
<b>Combined Total</b>		1,334				

This data is subject to change week by week, the bureau makes clear, but it offers a useful picture. The first table shows a list of 19 projects the bureau's currently working on, totaling new 993 new affordable units coming down the pike (since 97 of the 1090 shown are rehabs of existing units). The second lists seven projects where developers are making at least 20 percent of their units affordable so they can tap tax breaks the city offers. Those include 244 new units.

According to the PHB, more than half of those (527) will be available before the end of 2016—in a mix that includes four properties in East Portland, four projects near the downtown core, and three in the relatively close in east side. That might seem like a lot, but it's really not. According to the "State of Housing" report I mentioned above, Portland added about 7,300 affordable units between 2000 and 2011, an average of about 663 a year. The PHB's numbers for 2016 suggest only around 347 units will be added (though it could be slightly higher, since estimated end-dates aren't included for all projects).

The City of Portland plays a big role in the metro region's affordable housing landscape, contributing funding to 65 percent of the affordable stock here. But the housing bureau notes that "a structural misalignment exists between the affordable housing goals established by the city and the funding available to implement programming." In this year's sanguine and cozy budget discussions, the question of how much Portland puts toward affordable housing was one of the only sticking points (though it didn't spur a fight of any sort).

The vast majority of the affordable housing that exists in town is toward the center city, which is partly good. Close-in Portland is increasingly unaffordable to low-income residents (in the map to the right, only the blue areas are affordable to an average 3-person family making 60 percent of median family income).