

## **The Portland Mercury**

### **Sixteen-Story Building Coming to Old Town Chinatown**

*By Kelly Kenoyer*

*April 5, 2018*

City Council voted yesterday to let a developer build a 16-story apartment complex in the middle of Old Town Chinatown, potentially shifting the city's standard on height limits downtown.

The decision, ushered in by Mayor Ted Wheeler, sets the maximum height of a proposed building in Old Town to 160 feet (or, 16 stories), far beyond the 100 foot limit currently imposed by the Chinatown Historic District. While the settled on height is still shorter than the building developer's initial request of 200 feet, some still believe the new tower will threaten the historic designation of the Chinatown Historic District—and irreversibly alter the downtown neighborhood's feel.

The vote may be seen as a signal to developers that the city can, and will, bend to developer pressure within Portland's historic districts.

The property in question sits between Northwest 4th and 5th, and is currently being used as a parking lot. Guardian proposed to turn it into a mixed-use building, which will include 324 apartments. It was initially unclear if the developer would make any of these apartments affordable for low-income Portlanders.

That changed yesterday, when Commissioner Nick Fish introduced and passed an amendment that requires Guardian to use an affordable housing "bonus"—a tool that allows developers to increase heights in exchange for affordable housing units—to achieve any extra height beyond 125 feet. This means that 20 to 25 percent of the added square footage must be be affordable housing.

The city council vote clashes with the Historic Landmarks Commission vote to deny the height increase, which argued that even 125 feet is too tall for the Chinatown Historic District. One advocate, Katelyn Weber of Restore Oregon, said at a prior council meeting, “At 125 feet, Block 33 will overshadow historic buildings. At 160 feet, it will swallow them whole.”

Wheeler originally proposed the building reach 160 feet on the west side of the block, but was persuaded by Commissioner Dan Saltzman that 200 feet may work. The two voted to approve Saltzman's 200-foot cap amendment, but they were unable to secure a third vote for that height—double the maximum height limits of the surrounding blocks. Instead, the 160-foot cap passed by a margin of 4-1, with Fritz, the dissenting vote, calling the decision a prime example of "spot zoning."

The commissioners' rare decision to overturn a Historic Landmarks Commission vote could seriously impact the HLC's power over city development decisions in the future—and sets a clear example for future developers to point to when asking the city for special regulatory treatment.

## **The Daily Journal of Commerce**

# **Holgate Manor Takes Center Stage in Portland's Affordability Debate**

*By Chuck Slothower  
April 5, 2018*

Tenants of the Holgate Manor, one after another, pleaded with members of the Portland Housing Advisory Commission on Tuesday to save their homes.

"I would love to continue to live there," Nikolay Benya, an 18-year resident of the Southeast Portland apartment complex, said through an interpreter. "That's my first priority because that's where my home is."

Holgate Manor was purchased by Pacific Transwest Real Estate of La Jolla, California, for \$12 million in January, according to public records. Since then, the complex's property manager, Princeton Property Management, has sent letters to tenants offering cash payments to vacate the apartments.

Tenants pressed Housing Bureau officials at the commission meeting to approach Pacific Transwest with an offer to purchase the 82-unit complex.

Holgate Manor offers a case study in Portland's multifamily market. Institutional buyers in recent years have swooped in to purchase outdated apartment buildings, often followed by renovations and rent hikes. Portland recorded \$1.3 billion in multifamily sales in 2017, according to a Jones Lang LaSalle report.

Holgate Manor's close-in location in the Creston-Kenilworth neighborhood north of Reed College would make it particularly attractive to an investor.

Yet the property has become a lightning rod in Portland's roiling gentrification debate since tenant advocates highlighted the situation and prompted media attention in Willamette Week and other local media.

Many of Holgate Manor's residents come from Eastern Europe and speak little English. Some pay only \$700 to \$800 a month in rent.

"Five years ago, it wasn't that crazy to rent an old two-bedroom with no washer or dryer for \$800," said Margot Black, a founder of Portland Tenants United. "And \$800 can still be a lot for someone on Social Security."

The language barrier has made it difficult for tenants to understand their options as Pacific Transwest and Princeton work to move out the residents, tenant advocates said.

With Portland's new relocation ordinance, tenants are entitled to payments when they are evicted without cause or forced to move by rents increases of 10 percent or more. The owners are offering residents higher payments than required by the city ordinance, said Felicia Heaton, principal at Gallatin Public Affairs, a Portland firm that is representing the owners.

Property managers are "working with residents unit by unit, offering them options as we work to update the property," she said.

Some residents do not have to move at all, but face rent increases of 9.9 percent, Heaton said. Others have moved out with the intention to return once the renovations are complete. The owners have issued no evictions, and have not set any deadlines, Heaton said.

Black, the tenant activist, expressed concern that tenants who are moving out may not fully understand the agreements they're signing. Some include non-disclosure provisions and waivers for past and future liability, meaning residents who return to the property may not be able to press any future claims for substandard conditions. Portland Tenants United is working with Legal Aid and a translator to help residents understand documents.

Holgate Manor's situation puts the Housing Bureau in a tough spot. The bureau has a \$258.4 million affordable-housing bond that voters approved in November 2016. Yet the bureau is not always aware of properties that could be sold without any public listing, or able to quickly make an offer.

"I don't have the ability to buy or write checks with the speed of someone who has \$15 million in cash," Shannon Callahan, the bureau's interim director, said at Tuesday's meeting. The city is not necessarily the buyer of choice for private sellers, she said.

The city also has a bond oversight committee that must vet any purchases using those dollars.

The city must also weigh its goals of creating thousands of newly constructed units with preserving existing affordable housing, sometimes with vulnerable tenants pressing for action. City officials including Mayor Ted Wheeler have warned that if the Housing Bureau spends millions to preserve Portland's aging apartment buildings, it will have less to build sorely needed affordable housing stock.

The bureau can do both, Callahan said.

"The housing bond always anticipated being able to accomplish both of those – we had anticipated some mix of new development and existing units," she said in an interview Wednesday. "It is indeed a balance that we're going to have to take going forward."

Callahan said the city had not approached Holgate Manor's ownership, but she held out the possibility of future discussions. "We would be interested in talking with the owners of the building about their interest in selling if they have that," she said.

Heaton declined to say whether Pacific Transwest would sell the property to the city.

"It's really way too soon to talk about whether the property owner would be interested in selling," she said. "We've heard that the Housing Bureau may approach the property owner about selling it. We haven't heard from them yet."