



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

July 23, 2020
Historic Landmarks Committee
Regular Meeting

3:00 pm
Zoom Meeting
McMinnville, Oregon

Members Present: Mary Beth Branch, Mark Cooley (arrived at 3:10 p.m.), Joan Drabkin, and John Mead

Members Absent: Christopher Knapp

Staff Present: Chuck Darnell – Senior Planner

Others Present:

1. Call to Order

Chair Branch called the meeting to order at 3:05 p.m.

2. Citizen Comments

None

3. Approval of Minutes

A. February 27, 2020 Meeting Minutes

Committee Member Mead moved to approve the February 27, 2020 minutes. The motion was seconded by Committee Member Drabkin and passed 3-0.

4. Action Items

A. HL 2-20: Certificate of Approval for Demolition - 207 NE Johnson Street

Chair Branch opened the public hearing. She asked if any Committee member wished to make a disclosure or abstain from participating or voting on this application. There was none. She asked if any Committee member needed to declare any contact prior to the hearing with the applicant or any party involved in the hearing or any other source of information outside of staff regarding the subject of this hearing. There was none.

Senior Planner Darnell presented the staff report. This was a request for a Certificate of Approval for demolition of the building at 207 NE Johnson Street. He described the site location. The building was listed as an environmental resource on the Historic Resources Inventory. He explained the review criteria the Committee was to base the decision on. The applicant's findings focused on the condition of the historic resource, significance of the historic resource, deterrent to an improvement

program, financial hardship of investment required to update the structure to an acceptable level of use, and it was not in the best interest of the majority of residents of the City. The applicant provided evidence that the building was in poor condition. Some of the features from when the resource was originally recognized had been lost, such as the windows and doors. There was damage to portions of the structure including the foundation, water damage, and floor joists and support beams. Staff did not think the physical condition of the building met the criteria. The applicant also completed research into the process by which historic resources were evaluated and included on the Historic Resources Inventory. This resource was classified as environmental during the first level of evaluation and was not scored during the second level of evaluation. For that reason, the applicant did not think it was significant at the time it was designated. The applicant provided cost estimates for renovation versus demolition. It would cost \$160,000 for renovation and \$55,000 for demolition, and the applicant argued that the cost of renovation was a financial hardship. The value of the structure was approximately \$127,000 and the applicant argued that the cost of renovation was not reasonable based on the economic use. One of the primary arguments was that this property was intended to be used for an affordable housing project that would provide 14 units. The applicant further argued that retention of the building was not in the best interests of the majority of citizens because the proposed housing project was a more substantial benefit. There was a recent precedent for requiring the property owner to provide an opportunity for relocation of the resource and to make the funds that would have been spent on demolition to be available to assist in moving the structure. The applicant's findings and description of the affordable housing project might be found to be more influential when weighed against other review criteria. However, there was no assurance that the affordable housing project would move forward. If the HLC found that the applicant had provided adequate findings, staff recommended approval with conditions related to relocation, assistance for moving, permits for the new project prior to demolition, and documentation. If the HLC did not find that the applicant provided adequate findings, staff recommended a continuance to allow the applicant to provide additional information or to allow staff to update the decision document. He then reviewed the recommended conditions of approval.

Committee Member Cooley asked about the height requirements for C-3. Senior Planner Darnell said the maximum height was 80 feet but for multiple family in the C-3 zone, it would be limited to 60 feet.

Committee Member Cooley asked if there were additional restrictions for the downtown design overlay. Senior Planner Darnell yes, the property was in that overlay and any new construction would be subject to those standards. The applicant was aware of that fact.

Committee Member Mead asked about availability of affordable housing in the City. Senior Planner Darnell said housing in general had been identified as needed in the City, as part of the City's efforts and studies related to the potential expansion of the Urban Growth Boundary. There had been an increase in housing costs and there was a need for higher density housing to provide lower cost housing options. The Housing Needs Analysis had recently been updated which also showed the need for higher density housing as well as need for housing across the different income levels.

Committee Member Mead asked about the definition of affordable housing. Senior Planner Darnell said there were many different definitions, but generally true affordable housing has income restrictions that are legally binding on the property. A common threshold of housing units being considered affordable is if the rent levels are affordable to people earning 80% or lower of area median income. The applicant was proposing a development for lower income residents targeting elderly and single parents with children.

Committee Member Cooley asked about the option of moving the structure. Committee Member Mead said that was something proposed by a previous applicant and the Committee approved it. Committee Member Drabkin said they did not end up moving the structure and it was demolished.

Senior Planner Darnell said even though the move was not successful, staff did get inquiries about it. The main problem was there was no lot available to move it to.

Joe Pearson, applicant, said the house was in the way of doing their affordable housing project. His dream was to develop the property for the working poor and elderly. Elderly would live on the bottom floor and single parents would live above and both groups would be able to interact with each other. A community center would be developed at the same time so they could have activities together. The project was being done through Operation Generation and this house was dilapidated and he would like to remove it. The demolition estimate was high due to possible asbestos and lead paint. If they could get federal dollars to help with the project, he estimated the rent for the apartments would be \$600-\$800 per month.

Andrea Shinn, Executive Director of Operation Generation, was working with the state on funds for the project and if they received those funds, they would be required to stay within the low income range mentioned by Senior Planner Darnell. The rates would be kept at a level that would meet those standards.

Chair Branch asked about the ownership of the property. Had the church owned it since 1995 and who had been responsible for its upkeep? Mr. Pearson said this church in 1939 joined the Assemblies of God denomination and through the years there had been different pastors. Five years ago the church was in serious decline and only 28 elderly people were left and they still wanted to keep the church going. It had been under a lot of disrepair and they asked his church to join with them and they did so and he became the pastor. The affordable housing project was a need they wanted to meet where the elderly and young worked together. It would be part of the church's ministry. The building was currently being used for housing church staff, but it needed a lot of repairs. It would soon be vacant and it was a good time to move forward with the vision for the property. This house had been part of the church since the 1930s.

Chair Branch asked if they had a timeline for construction of the affordable housing project. Mr. Pearson said they would like to get started as soon as the funds became available. They also could not move forward until the house was demolished. They were committed to the project.

Committee Member Cooley asked if he knew the value of what a monthly rent of the house would be. Mr. Pearson said they considered it \$500 per month.

Committee Member Cooley asked if the \$55,000 for demolition was restricted to removing the structure from the site or included other things like site prep or utilities. Mr. Pearson said it would include site preparation. He would prefer not to get other people involved, such as someone else moving the house off the property.

Committee Member Cooley said they needed to make sure in the condition that if the \$55,000 was used to move the structure, the site needed to be left in a condition ready for building.

Committee Member Cooley asked if there were any other private or public agencies they were working with who could provide testimony in support of this application. Mr. Pearson said they had a relationship with Head Start who used their facility when there was overflow. They could provide a letter of support from CEP which was his denomination's church extension plan that helped fund facilities. They would like to build this project with donated funds. Ms. Shinn said one of their big supporters was Catholic Community Services. They had funds set aside for the planning phase of the project and they were working with a lot of local organizations including First Federal and the Chamber. She was also connecting with the Ford Family Foundation. Senior Planner Darnell said the Affordable Housing Task Force, Mayor, City staff, and Oregon Housing Community Services were aware of the project as well.

Elizabeth Dent, McMinnville resident, was in favor of the application. It would provide affordable housing and improve the look of the property as the house was currently an eyesore.

Chair Branch closed the public hearing.

The Committee deliberated on the application.

Committee Member Mead thought the applicant had shown sufficient findings to support that the economic use of the resource had not been able to be used for a number of years and moving forward it would be very expensive to get it into a usable condition. The economics to do so would be challenging and create one single high rent place. He was concerned about asking a non-profit to contribute \$55,000 to moving costs.

Chair Drabkin thought in order to preserve the house there needed to be an incentive like that. She thought the amount was fair.

Senior Planner Darnell said the value of the demolition might not be the same if someone was moving the building if they weren't going to do the site prep work. There was language in the condition that allowed the applicant to put together a reasonable cost estimate to be negotiated with the Planning Director. The previous application that had this condition estimated \$10,000 for the demolition.

There was discussion regarding advertising a lower amount, such as \$10,000-\$20,000, for the moving costs.

Committee Member Cooley thought the method of preserving the resource by moving it to a different location was a way to establish economic value of the structure. It was still unclear how to do an economic use analysis and he was not sure if they were comparing the right numbers. They needed to figure out a better way of giving the Committee grounds to work from for approving or denying an application for demolition especially when there were other resources on the registry that had more economic usefulness as another use rather than a single family residence or preserved home being used as an office.

Committee Member Mead asked if the economic question was if it was feasible to renovate and preserve the structure or if it was the best economic use of the site. Senior Planner Darnell said the language in the code was not clear. They were weighing the economic use of the historic resource against the economic use of what the applicant was proposing to do. They did not have a good way to make those comparisons. Currently they looked at the potential investment required to the existing value of the structure.

Committee Member Drabkin said there was also a value in preserving the house, which did not particularly have a dollar value but it was important to meet the Committee's mission.

Senior Planner Darnell said the historic value is an important factor as well, and that was captured in some of the other criteria. It was a case by case basis and deciding how much weight was given to each criterion.

Committee Member Cooley agreed that an application could still be denied because even though it lost its economic use, it was considered to be a valuable historic resource and its economic value was second to that. He was trying to make it clearer for applicants and the information they should prepare and what to expect from the Committee.

Chair Branch said regarding the value and significance of the resource, it was significant for her to read the description from the 1980s that called out the front porch and enclosure that appeared to be an addition and there was not much about the original structure that was there to protect. She did not think it was a significant resource in the City.

Committee Member Mead agreed. This structure was in line with the significance of the other structures they had approved for demolition.

Committee Member Cooley also agreed and thought they should take into account the condition of the surrounding area as well. An environmental resource surrounded by uses incompatible with historic use counted against it significantly.

Chair Branch said regarding the physical condition of the resource, she did not think that finding was satisfied. Any language in the application about parking lots and sidewalks had to be addressed regardless of what development they would do and was irrelevant to the demolition request. Senior Planner Darnell said that was the way staff had drafted the finding for that criterion.

Chair Branch said the current leadership of the church had only been in leadership since 2014 but there had not been a change of ownership and the condition of the property had gone downhill under its current ownership.

The Committee agreed that the physical condition criterion was not satisfied.

Chair Branch said regarding whether the resource constituted a hazard to the safety of the public, she did not think that was satisfied either. The Committee agreed.

Chair Branch said regarding the historic resource as a deterrent to an improvement program, she thought this was the strongest criterion with the development of the affordable housing project. She agreed that a condition should be included that demolition would not be allowed until building permits were submitted.

Committee Member Drabkin agreed this criterion carried the most weight for approval. If the applicant moved forward with their plans, it would be a greater benefit to the citizens than the house would be if it was retained. There was a dire need for affordable housing and she hoped that they would go forward with their plans as stated. This was the reason to approve the application.

The Committee agreed.

Chair Branch clarified the public interest was the most important thing they were considering in this application.

Based on the findings of fact, conclusionary findings for approval, and materials submitted by the applicant, Committee Member Drabkin moved to approve HL 2-20 with the conditions recommended by staff and amending Condition #2 to the amount of \$15,000. The motion was seconded by Chair Branch and passed 4-0.

5. Discussion Items

A. Continued Review of Downtown Design Standards Chapter

This item was continued to the next meeting.

6. Committee/Commissioner Comments

None

7. Staff Comments

None

8. Adjournment

Chair Branch adjourned the meeting at 4:54 p.m.