Apartments: The projects could help expand the city's housing stock and address gaps in workforce housing

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that it has taken longer than expected. They approved Johnson's request unanimously.

Johnson told KMUN he is going as quickly as he can, however he isn't sure what the timeline will be for the Tongue Point project.

"I'd love to be breaking ground," he said.

The developer has yet to apply for a building permit. For now, he is still preparing the ground — for example, submitting construction engineering for roads and sewer lines.

Johnson said he remains committed to building apartment-style workforce housing at the site, but rising interest rates, inflation and supply chain issues tied to the pandemic could have a big impact on the size of the project. If things get too expensive, Johnson said he may need to scale back.

But his plan is to build in phases. He believes the need for the kind of housing he could provide at Tongue Point has only grown since he first received the go-ahead from the city in 2018.

"We'll see," he concluded. "We're still moving ahead, but it's kind of at a snail's pace."

Meanwhile, another apartment complex under development near Safeway is picking up pace.

Walt Postlewait, the developer behind the 66-unit NorthPost Apartments complex, expects to complete the project by the end of the year. He said the pandemic delayed the financing for the project.

The apartment complex, approved by the city in 2019, is being built on vacant land between 31st and 32nd streets.

The project will provide about a 50-50 mix of long-term and short-term options in four three-story buildings. Most of the units would be one-bedroom apartments targeting the city's workforce.

Postlewait is the senior vice president for nonprofit lender Craft3, but the NorthPost Apartments proposal is not a Craft3 project.

"Going through and trying to develop my first property during a pandemic and supply chain issues and some runaway inflation pressures has been challenging," he said.

But Postlewait said he is excited to see the project starting to take shape.

The foundations are in place and a stormwater pond has been completed. He said framing is expected to begin next week and completed by the end of May.

Postlewait expects the first units will become available by fall, and if that timeline is met, he expects the whole project will be completed by the end of the year.

This story is part of a collaboration between The Astorian and Coast Community Radio.

A developer hopes to build housing near Tongue Point.
Edward Stratton/The Astorian

Heritage Square: Project will continue to evolve

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Fort George Brewery and Buoy Beer Co. that have taken part in the Clatsop Enterprise Zone, which offers tax breaks on new investment in return for creating new jobs that pay at least 130% of the county's median income.

Postlewait said businesses like Fort George and Buoy Beer stepped up after the city in 2017 adopted the Advance Astoria plan, a five-year economic development strategy, with the hopes of creating more higher-wage jobs.

"To me, it's this giant disconnect where you go through the process to develop this economic development plan to create these better paying jobs in town, but there's a lack of housing," he said. "So these people who would take these jobs aren't taking the jobs because they can't find a place to live."

And now the city is moving forward with a housing project at Heritage Square that will not target those workers, he said.

"If the business community is going to do that and step up and participate in the economic development plan that the city drafts, then the city really needs to then carry their weight and be part of the solution when the business community is talking about building workforce housing," Postlewait said.

Heritage Square is challenging and expensive to develop, so Edlen & Co. proposed using income averaging to make the project more affordable while serving a broader range of incomes.

With income averaging, the developer said, the project can receive tax credit equity for all the units if the average affordability is at or below 60% of area median income. Because the project would include Clatsop Behavioral Healthcare units at 30% of area median income, the project can have units for people earning wages up to 80%.

In a memo earlier this month, Southgate said there are no state funding programs for units targeted at over 80% of median income. For that reason, he does not think a project serving higher incomes will be financially feasible unless the city can provide a substantially higher subsidy or other funding sources are secured.

Feedback

Southgate told The Astorian that the project will continue to evolve based on feedback.

If the City Council proceeds with Edlen & Co., he said, the developer should identify which workers will be eligible and what percentage of the workforce the project will target.

The area median income includes wages countywide, not just in Astoria. The hourly wages cited in income ranges for the project were based on figures released for 2021. The 2022 figures, expected later this year, will likely show an increase in wages.

Some employees of downtown businesses and nonprofits have said they would qualify under the income ranges Edlen & Co. has detailed so far for the workforce housing at Heritage Square.

Even if the housing project mostly targets lower-income workers, Southgate said, it would help by potentially freeing up other housing stock.

Moratorium: Discussion grew out of concerns from residents

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While the city has hundreds of vacation rentals, Jeff Flory, the city's compliance officer, said in a memo that the net increase in new vacation rentals since 2015 is 13.

"We came out of our workshop in November with the idea or the communication that we were getting from our constituents that VRDs were out of control," City Councilor David Posalski said at a meeting Monday. "It was growing like a wildfire. It was taking over everywhere."

The city's density restrictions — 40% in the areas west of Holladay Drive and 50% in oceanfront areas that are not zoned resort residential — have started to limit vacation rental permit applications.

City staff also cautioned that more restrictive land use regulations, like a moratorium, could be subject to legal challenges or demands for compensation from property owners.

The discussion of a moratorium grew out of concerns from residents about the impact of vacation rentals, but, by Monday, the testimony was more divided.

"A moratorium would give the city time to study the issue and come up with a plan that puts the livability of our neighborhoods over the profits of VRDs," Joyce Hunt, a resident, wrote in a letter to the City Council.

Brian Owen, the CEO of the Seaside Chamber of Commerce, said the city's regulations on vacation rentals are "probably the most comprehensive and, I believe, usable policies that I've seen in any area, any county or a city."

He said density caps and a new compliance officer make a moratorium unnecessary. "To place a moratorium, right now, I think really does send a negative message," Owen said. "And I think that we can do everything that we're talking about without putting a moratorium in place."

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Jay Barber | Seaside mayor

Mark Tolan, of Seaside Vacation Homes, said that the situation has gone "sideways."

"So many families put food on the table in the wintertime through vacation rentals when the tourists go home," he said.

City Councilor Tita Montero said Flory, the compliance officer, has gone "above and beyond" in his work. "I think a lot of why things are working well with Jeff here is Jeff reaches out and he educates both the homeowners who live in the neighborhoods as well as educating the VRD owners.

"The bottom line is the livability of both those who come to visit here and the livability of those who live here 24/7, 365 days a year."

In a 6-0 vote, the City Council chose not to take further action on a moratorium.

"I really was a proponent for a moratorium mainly because I was not informed," Mayor Jay Barber said. "I did not know enough and with Jeff's help and the good reports, I've become more educated.

"We have some work to do to really refine the work to make sure Jeff has the tools for enforcement."