



June 21, 2017

Sub-committee on Natural Resources
Joint Ways & Means Committee
State Capital
Salem, Oregon 97301

Testimony re. HB 2007: **FIX IT or VOTE NO!**

I'm Peggy Moretti, Executive Director of Restore Oregon, a statewide non-profit whose mission is to preserve, reuse, and pass forward the historic places that make our communities livable and sustainable. We are very concerned that **HB 2007 will do far more harm than good.**

While we applaud any effort to support and fast-track affordable housing, this bill:

- Incentivizes more demolition of existing modest-priced homes.
- Provides little that will spur construction of new affordable homes.
- Usurps local zoning control without sufficient public process.
- Strips the Goal 5-mandated baseline of protection from future historic districts.

Even with the latest amendments, it is still **based on a set of false assumptions** and is full of potential loopholes that will keep lawyers well-employed:

- First, HB 2007 assumes that way to create more affordability is to “build baby, build.” This trickle-down theory doesn't work in economics and it doesn't work for affordable housing. I know of no examples where this has worked... just look at the San Francisco Bay Area..
- It also assumes allowing duplexes virtually everywhere will magically protect the UGB and generate middle housing. In actuality, this broad rezoning creates an economic incentive that will accelerate the demolition epidemic of modest-priced homes in cities like Portland and Corvallis for replacement by units that EACH cost more than twice what the demolished home cost.
- The bill assumes that **design review** is a major obstacle to market-rate housing development. But there is no evidence of this.
- And it **scapegoats historic districts**, which make up **just 1% to 3% of residential zoning**, claiming they are populated by NYMBIES seeking to block necessary density or low-income development. *This name calling is highly offensive and unfounded.*
- In fact, absolutely nothing about historic districts prohibits the development of affordable housing, ADUs, or infill. The intent of historic districts is not to *prevent* change, but to *manage* change... to ensure that new construction is compatible and the unique history and character of that place is not lost. There is huge public benefit in that.
- A flyer was circulated recently listing affordable housing organizations in support of HB 2007. Of course they are! It promises a small degree of relief. However, I doubt they have examined

the consequences of the provisions we're calling out. One affordable housing developer who has become aware said this:

Innovative Housing, Inc. (IHI) supports the preservation of historic properties, and is opposed to demolition of these properties to increase density. Historic properties... are a limited resource, and should be preserved. Many new construction opportunities are available on property that does not require the demolition of historic structures. -Julie E. Garver, Housing Development Director

Restore Oregon has been tracking each and every **residential demolition** in Portland. There were **376 in 2016**, not including the "remodels" leaving only two walls standing. A few of these homes were derelict. But most were perfectly good, modest-priced homes, and **many were rentals**. In no case that we know of were they replaced with affordable housing.

Nor was density increased in any meaningful way. Our analysis shows an average of less than one-point-five (1.5) new units for each unit demolished. The vast majority of demo's are 1-for-1. But a lot of neighborhood character and affordability was lost... not to mention tons of material sent to the landfill. This bill does nothing to change this!

Restore Oregon, with a coalition of organizations and neighborhoods working to retain the livability and affordability of our community, has **proposed amendments that would FIX HB 2007. I urge you to adopt them as a package.** They would:

1. Focus incentives on the creation of **affordable** housing, not market-rate housing.
2. **Prohibit demolition** of structurally sound, habitable housing, unless its replaced with multiple units, and at least half are affordable. This has been implemented in other cities and helps maintain rental inventory.
3. **Enable the internal conversion of existing houses** into as many as four units without triggering the cost-prohibitive commercial building code. This adds significant density while retaining character.
4. **Leave baseline protections for new historic districts in place**, provisions already exist to ensure the ability for ADUs, internal conversions, and compatible infill.

Specific language for these amendments was emailed to Ways and Means on June 13th.

Final comments pertaining to historic districts: I want to acknowledge recent amendments that retain the option of additional local protection for historic districts. That is very important. But language remains that, per my conversations with city planning departments, creates two sets of regulations for historic districts (based on when they were designated) that is costly, administratively unworkable, and will likely result in legal action.

In the future I look forward to working with the legislature to improve Oregon's uniquely dysfunctional system for protecting and managing our historic resources. It is the root cause of many of the concerns we've grappled with here, but this bill is not the place to muddle it up further.

Sincerely,



Peggy Moretti, Executive Director