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June 22, 2017

Senator Frederick and Rep. Witt, Co-Chairs
Natural Resources Subcommittee
Joint Ways & Means Committee
State Capitol
900 Court Street NE
Salem, OR 97301

Re: HB 2007A, -6

1000 Friends of Oregon supports housing that meets the needs of all Oregonians, while protecting our resource lands from sprawl. That means we promote diverse housing in all communities, where people have access to their work, school, healthcare, public amenities, and transit. That is why we support HB 2007A, with the -6 amendments.

Some have commented that they are surprised that 1000 Friends is supporting a bill that increases housing. But this is nothing new. Oregon's land use planning stands for housing for all, in all communities. Goal 10, Housing, says:

"[P]lans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing [location, type and density](#)."

These words were written in the late 1970s, and yet are as reflective of the values of Oregonians today as they were then. We want all our neighborhoods, town, and cities to be welcoming places of opportunity for all Oregonians, and that includes diverse housing types, located in areas of opportunity.

And that is what Governor Tom McCall believed in, too. In his 1973 address to the Oregon Legislature, Gov. McCall stated:

"Quality of life is the sum total of the fairness of our tax structure; the caliber of our homes; the cleanliness of our air and water; and the provision of affirmative assistance to those who cannot assist themselves. True quality of life is absent if we allow social suffering to abide in an otherwise pristine environment."

Yet, we have fallen short on this Goal, and that is why 1000 Friends of Oregon supports HB 2007. Estimates are that the state is short 100,000 homes, and it is growing. HB 2007 takes important, though modest, steps to better ensure our towns and cities are providing for the housing needs of all, *in every neighborhood*. We support HB 2007's objectives to: ensure that every city provides clear & objective standards for all residential development on land zoned for residential use; provide more opportunities for "missing middle" housing types of ADUs and duplexes; and ensure that

decisions made about historic districts are made by an elected body that balances all policies in a transparent and public process.

Today, there is almost no city in Oregon in which a family making the median income can afford the median priced home, for rent or purchase, based on paying 30% of one's income on housing. The inability to find affordable, well-located housing is impacting middle and lower income Oregonians. We often hear the term housing "crisis" to describe this situation; however, that is not really accurate. "Crisis" implies that this situation came upon us quickly and can be readily cured. Neither is true.

There are many reasons for this, many of which have nothing to do with land use and will take other tools. But land use *does* have a role to play in *both* the problem and the solutions. **Oregon's cities are experiencing a longstanding, structural mis-match between the amount, type, location, and affordability of housing that Oregonians need, and how our cities and towns have zoned their residential lands for decades.** Our residential zoning has simply *not kept up* with the changing demographics and needs of Oregon families, and will continue to fall farther behind without action, as in HB 2007.

Every community in Oregon (and the U.S.) has a similar profile, in which 2/3 of all households are 1-2 people in size – this is a long-term trend and a percentage that is growing. These are the young couple who has not yet started a family, an older couple whose children have grown, the 20-something just starting out, the 70-something widow, the single parent with 1 or 2 children – they are nurses, teachers, electricians, medical technicians, the person who waited on you somewhere today. They want to live in walkable neighborhoods with good schools, age in the neighborhood they raised their children, live near the place they work.

Yet, the vast majority of residential land in our towns and cities is zoned for single family, detached housing on lots of 5000 sq. ft. or more (e.g., in Portland 90% of all residential land is zoned for detached, SF housing; in Medford it's 67%). And it has been that way since the 1950s.

We have zoned most of our residential lands in ways that **functionally exclude** a large percentage of Oregonians at *any* price point by not offering the type of housing they need, and certainly **economically excludes** many of them.

That is not an outcome that reflects Oregon values, or Goal 10. **It is time to re-think just what we mean by a "single family neighborhood."** Today's families come in all sizes, shapes, and income levels, and *all* should have the opportunity to live in all neighborhoods – whether it is the widow who wants to stay in her own neighborhood after the kids are grown, and so an attached cottage cluster makes sense, or the intergenerational family for whom a duplex or triplex is perfect, or the returning college student who lives in their parents' ADU. But these options are largely prohibited in many neighborhoods.

How did we get here? Our towns and cities find themselves in this structural and affordable mis-match for many reasons. Some of it is simple neglect – some of the land use plans have not been updated for residential zoning since the 1980s. And some through actions. The primary means of building wealth in the US is through homeownership, and yet as we all know, historically, many of the single family neighborhoods that exist today were not open to non-whites, and so that path to

owning a home in neighborhoods of opportunity was simply not available to all, and the impacts of that remain today.

And, today, Oregonians in towns and cities across the state are experiencing other housing barriers of:

- non-clear & objective zoning standards
- vague discretionary criteria
- limits on diverse housing types, infill development, re-development, and development on smaller lots through:
 - outright prohibition and
 - the mis-use of the national historic district designation to prevent change

This has resulted in insufficient housing supply, lack of needed diversity in housing, more expensive housing, and more economically segregated neighborhoods. By zoning out the “missing middle” housing types, and preventing diverse housing through infill and redevelopment by mis-use of historic district designation, the result is displacement and gentrification of lower income neighborhoods as other neighborhoods become off-limits financially and exclude housing types that most Oregonians need at some point in their lives.

We share concerns about the need to protect significant historic and cultural resources, and to address the demolitions of homes in good condition. However, these two issues - of historic preservation and preventing demolition - have been conflated. We are seeing what many – including many in historic preservation- acknowledge is a mis-use of the national historic district preservation process to stop demolition and change in some neighborhoods, without a public process - a purpose for which historic preservation was not intended.

Historic preservation is about celebrating *community* assets, to protect historic and cultural resources that reflect upon and benefit the public. Historic protection, when honed and focused, has been used to, for example, protect against economic displacement in lower income neighborhoods in other states– *not* by using it as a shield against change, but rather by ensuring that historic and cultural assets are preserved for all – for example, by protecting historic houses and buildings by allowing internal conversion to more units, provided some or all of those units are available to those of lower income.

How to craft historic protection that benefits all, including appropriate demolition review, is appropriate for local, citywide discussion and decision by the local government. Yet that is **not** the situation we have in Oregon today, where the national historic district designation is being used **as non-public a work-around** to that community-wide discussion and public decision-making.

So, a brief description of the situation in Oregon today. The National Historic District designation – under federal law – is **purely honorary**; it imposes no restrictions on changes to or demolition of buildings. And, because it is purely honorary, national historic district designation requires *no public process or decision-making*. Anyone or any organization can hire a consultant and nominate an area for national historic district designation. The only way to stop such a designation is if 50% +1 of the property owners submit notarized objections to the National Park Service. However, due to an unintended loophole in Oregon law, being placed on the National Register results in automatic restrictions on redevelopment, remodeling, and demolitions. And that loophole is what some are using as a work-around to a local process.

No other state or community in the United States handles historic preservation in that way.

Rather, they **pivot off** the honorary national historic district designation to adopt appropriate local protections.

And the -6 amendments do just this. The -6 amendments have moved a long way from earlier versions of the bill which completely dis-connected the national historic designation from any local process. It seems this change may be unclear to many.

The changes in the -6 amendments make clear that the concerns of historic preservation advocates have been heard. The -6 amendments to HB 2007A do not do away with national historic district designation. Rather, the -6s acknowledge the national historic district designation and return local control to just *how* to protect those resources. The -6s provide for a *local* decision-making step between that national designation and protection measures.

So, let me take a moment to walk through this part of the -6 amendments. First, the bill has no impact on current national historic districts or current or future individual historic buildings, structures, or landmarks. It impacts *only* future primarily residential historic districts – what are largely neighborhood-wide designations.

Starting with Section 10(1), on page 6, at line 11, the -6 amendment provides that a city or county *may rely upon* the National Register as the **starting point** to protect homes and structures in a national historic district, *including* demolition review. It states that a city or county may not only regulate development in a national historic district to the same extent it regulates any residential development (p. 6, lines 14-16), but it may also adopt “**additional** procedures and requirements” for review of housing developments in national historic districts, *including additional demolition review*. (Subsection (4) on Page 7, lines 20-22). In this situation, a city or county may default to existing historic standards in Goal 5, or craft procedures and requirements that are honed for that district.

The major point is that HB 2007A, -6 simply ensures that *that* decision – how to protect a primarily residential National Historic District- is made at the local level, by a local body. Like every other state handles the national historic district designation. The bill sets the stage for that local, public discussion of how to ensure that historic protection is implemented in a way that is equitable and benefits the public.

The solution to meeting the housing needs of all Oregon families is *not* to push them to the edge or out of a town or city, to exclude them from certain neighborhoods, or to offer them an apartment on the 8th floor of a building. It is to welcome all families into all our neighborhoods, with more and diverse housing opportunities.

We can do better. Borrowing from AARP – a strong supporter of opening up single family neighborhoods to “missing middle” housing types:

"We are all born. We all need certain things as a small child, teenager, young adult, young family, empty nester, person living alone, and older adult. So let's plan for everyone along that life cycle."