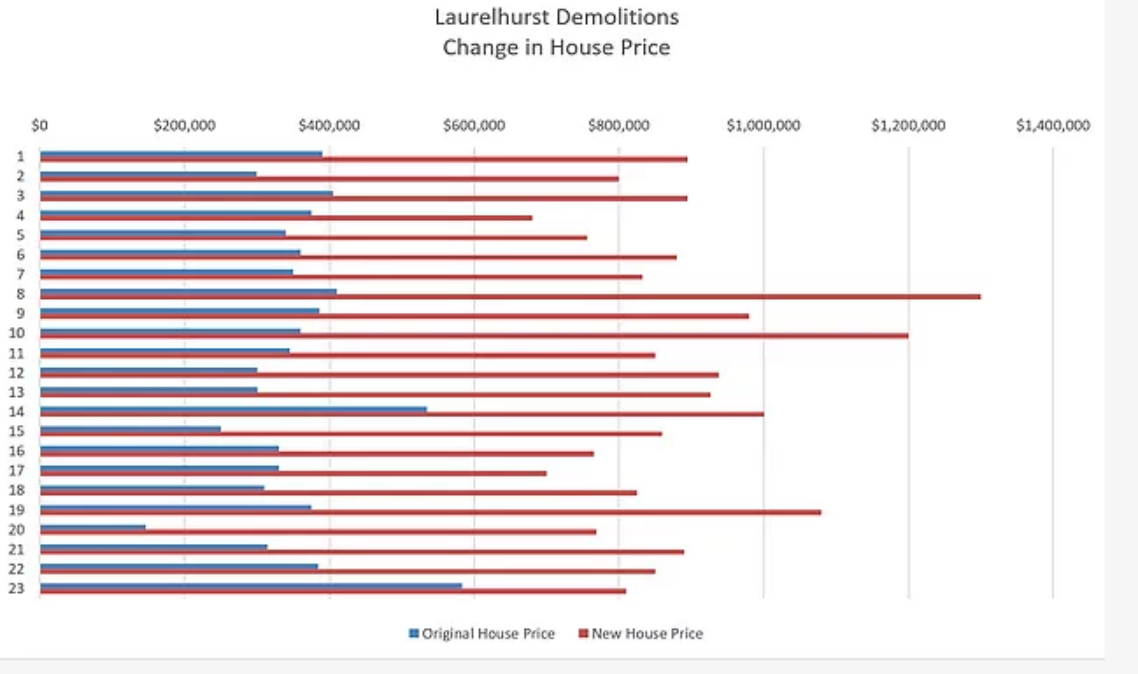
From:	M McQueen
To:	JWMNR Exhibits
Subject:	HB 2007 Testimony from the McCulloch Foundation - John McCulloch
Date:	Thursday, June 22, 2017 12:04:12 PM
Attachments:	Screen Shot 2017-06-22 at 11.46.53 AM.png

Subject: HB 2007: Demolish our heritage to create luxury houses and huge profits for developers

I am a fifth generation Oregonian and founder of the McCulloch Foundation, devoted to balancing quality of life with growth. HB2007 is bad for Oregon. I am also a builder and a remodeler who understands that this bill is a giveaway to corporations like mine that will destroy the cultural heritage of the state I love. **Please postpone a vote on this bill until the next session or at least remove Historic District references from the bill.**

HB 2007 pretends to champion the urgent cause of affordable housing while it is actually a luxury housing bill in part **specifically created to derail proposed historic districts for Eastmoreland and Laurelhurst before they can be nationally recognized.**

HB 2007 proposes that builders build market/luxury housing and affordable housing equally, but offers no mechanism for making this happen. In return for this suggestion **it grants developers the removal of all historic protections in the future (so builders can demolish anything in a future historic district without regard for maintaining the historic character of a neighborhood).**



At heart, the bill is a McMansion bill underwritten by a handful of corporations who exclusively build luxury McMansions (see the above chart which shows that EVERY new home replacing an old home in Laurelhurst which was demolished was MUCH

more expensive than the housing which it replaced), which increase housing prices throughout the city and delete the character of distinctive places, rendering them nondescript, and thus reducing livability and tourism for Oregon. HB2007 would demolish the distinctive existing housing of Portland and throughout Oregon through "erase and replace."

Until Portland is no longer a bargain between San Francisco and Seattle, the affordability crisis will increasingly worsen. **Luxury housing constitutes 80 percent of what is being built in Portland because this is where the profits are made. <u>The development of low-priced over high-priced housing can currently only be created through governance by subsidies or penalties, but HB2007 offers neither.</u>**

HB2007 is sponsored by the Oregon Home Builder's Association in order to help home builders profit. **The bill deregulates developers, while offering practically nothing to promote affordable housing.** The OHBA could be a useful future partner for maximizing livability, but giving them everything they want for nothing now weakens future hope of partnering.

Historic District Designation is an extremely high bar and one not made by a handful of neighbors: Houses can't be protected under Historic District unless they are determined objectively to be a vital part of the history and cultural fabric of a place. This designation is granted by the National Park Service after a very lengthy application process with a lot of documentation and research on the neighborhood. Only those houses that meet a standard of vital historical significance can make the list of contributing and therefore protected properties within an extremely historically significant neighborhood. This is not to be taken lightly but is an important, objective and nationally recognized way to protect valuable historic resources.

Any mention of historic district in HB 2007 is a telltale sign that the bill seeks to offer profitable, luxury opportunities for builders in Laurelhurst and Eastmoreland. Tampering with Historic District destroys state history for the gains of only a few developers and wealthy homebuyers. Many renters live in old homes in old neighborhoods, including official Historic Districts. Outlawing the preservation of houses in Historic Districts creates displacement, expensive housing, and runaway housing inflation. **HB 2007 would worsen the affordability crisis. Any reference to Historic Districts in this bill should be removed.**

Proponents of the bill argue that economics dictate that more supply will solve affordability. However, **supply of luxury homes does not create a supply of affordable homes but instead drives up prices for all. The Affordability supply is the thing at issue and is not addressed by most of HB 2007.**

Developers have left a smoking gun by targeting Historic Districts. The bill's specific denial of Historic District protection is obviously based on the opposition to the current HD movements in Eastmoreland and Laurelhurst. Historic Districts constitute less than one percent of the land for housing in Oregon. The Historic District issue is evidence of special interest influence in this bill rather than working for actual

affordability. A new house or duplex in Laurelhurst or Eastmoreland built in place of a demolished older house costs 300 percent more than the original home it replaced. **Building new homes in Historic District areas inflates costs** and is the equivalent of “gentrification and displacement on steroids”. This far-reaching bill is a reaction to one neighborhood’s battle to protect its historic homes from demolition.

Demolition is anti-environmental. Legislators should hold this demolitionist’s bill at arms-length in order not to become associated with the pollution caused by the unwarranted demolition of historic homes. Each demolition puts 60 tons of garbage and old growth in landfills, releases greenhouse gases, destroys huge trees, and spreads hazardous waste through neighborhoods. Demolitions are part of business for McMansion builders, but needless “erase and replace” environmental degradation is not Oregonian.

Special interests plan to use HB2007 to build luxury “erase and replace” homes popularly known as McMansions in the sought-after neighborhoods of Eastmoreland and Laurelhurst by outlawing the preservation of historic neighborhoods. OHBA brags of having strategized to quash preservation by labeling preservations as racists, elites, and NIMBYs. They have also sued the State Historic Preservation Office recently, in order to slow down preservation in these neighborhoods until this demolitionist bill can get through. The divisive and cynical politics of this bill should not be rewarded or endorsed by the good people of this state.

Thank you for your consideration and for opposing HB2007!

Some important excerpts from the book: **"Historic Preservation and the Livable City" By Eric W. Allison, Lauren Peters:**

“Both individuals and societies are more effective when they are grounded in what has gone before. The protection of heritage resources is an important goal for both ancient and more recent cities around the world. All of the cities that top the livability list work to maintain their cultural and historic features, including historic buildings, neighborhoods, streetscapes, parks, and monuments.”

“Historic preservation is not the answer to all urban (or suburban or rural, for that matter) problems. **Neither, though, is it an obstacle to economic development or rational planning. Rather, it is a very useful tool for extending and promoting the cultural side o a city; for saving places with special character, rich or poor; and for making or keeping a city livable.”**

“What makes a city livable is that… people want to live - and work - there. … As we have shown, protecting the physical heritage of the city is an important component of the Livable Cities equation - and the best thing about it is that it’s already there! **All you have to do is avoid destroying it.”**

Sincerely,
John McCulloch,

McCulloch Foundation