

Historic Properties Workgroup
Update to the House Committee on Revenue
August 25, 2021

Purpose: The Historic Properties Assessment Workgroup was convened to review and develop recommendations for changes to the Special Assessment for Historic Properties program.

Goal: Craft an updated historic preservation policy for consideration by the 2022 Legislature.

Vision Framework:

- Affordability
- Anti-displacement
- Historic preservation
- Improved funding mechanisms

Participants:

- Rep. Valderrama (Co-Chair)
- Rep. Levy (Co-Chair)
- Legislative Revenue Office, Chris Allanach
- State Historic Preservation Office, Chrissy Curran
- Legislative Revenue Office, Economist, Jaime McGovern
- Department of Revenue, Property Tax Division, Seiji Shiratori
- League of Oregon Cities, Mark Gharst
- Oregon State Association of County Assessors, Erik Kancler
- Multnomah County, Commissioner Jayapal
- Deschutes County Assessor, Scot Langston
- Portland Housing Bureau, Matthew Tschabold
- City of Portland Historic Resources, Brandon Spencer-Hartle
- Portland Urban Planning, Kim Moreland
- Albina Vision Trust, Alexander McPherson
- Preservation Artisans Guild, John Goodenberger
- Community stakeholders and advocates:
 - Sara Ryan
 - Barbara Sidway
 - Cleo Davis
 - Julie Garver
 - Eric Noll

- Bill Hart
- Felicia Tripp Folsom

Committee Materials:

The Historic Property Workgroup materials are posted on the Legislative Revenue Office page on OLIS: <https://www.oregonlegislature.gov/committees/202111-HREV>

- [Gentrification-and-displacement-study-05.18.13](#)
- [Anti-Displacement Action Plan](#)
- [Senate Bill 108](#)
- [Historic Property Workgroup Notes 7.27.2021](#)
- [Historic Property Workgroup Notes 8.3.2021](#)
- [Historic Property Workgroup Notes 8.10.2021](#)
- [Historic Property Workgroup Notes 8.17.2021](#)
- Historic Property Workgroup Notes 8.24.2021

Workgroup Milestones:

- July 27- Weekly Workgroup meetings convene
- August 17- Workgroup identifies problems, values/vision, and solutions
- August 25- Co-Chairs provide update to the House Committee on Revenue
- September 1- Workgroup develops and discusses draft policy options
- October 1- Continued discussion of policy options
- November 1- Submit request to LC for 2022 Legislative Session

Background:

Current statute contains a special assessment program for commercial and residential properties deemed historic, and satisfying of program conditions. The program includes commitment of a property owner for expenditure of 10% of property value to a historic preservation plan within five years, along with frozen assessment values for 10 year periods. During the 2021 Legislative Session, [Senate Bill 108](#) was introduced that would have restricted new participation in the program to commercial property only and would extend the program's current July 2022 sunset to July 2031.

Workgroup Update:

Co-Chairs Levy and Valderrama have convened five Workgroup meetings since July 27. Workgroup meetings have included presentations from community advocates, preservation experts, and staff from relevant State agencies, as well as small and full group discussions. Centered around the shared vision of affordability, anti-displacement, accessibility, and historic

preservation, the Workgroup has identified the following key challenges with Oregon's current Historic Preservation Program:

- Upfront costs are often a deterrent from participation in the program
- The "Balloon Tax Payment" that owners experience after the 10 year period can become financially burdensome for property owners on fixed-incomes
- Lengthy and extensive application process
- Need to preserve community heritage, including consideration of a property's historical, cultural, and architectural significance
- Property tax incentive not accessible to non-profits, churches, schools, etc.
- Contributes to the displacement of affordable housing
- Lack of program awareness and upfront assistance and guidance

The Workgroup is considering the following potential solutions to these identified challenges and will develop policy options in the coming weeks:

- Grant program or state income tax credit for residential properties
- Identify a more stable and sufficient funding mechanism
- Include ADA, seismic, fire prevention, energy efficiency, and climate/cooling improvements
- Decouple Oregon's program from the National Historic Properties Registry
- Separate paths for commercial, single-family residential, and multi-family residential properties
- Encompass all communities, including urban, rural, and BIPOC communities.
- Build healthy communities
- Broad historic repository and broad view of Oregon history
- Move to local control for incentive program

**Historic Properties Workgroup
Issue Identification**

Problem	Value/Vision	Solution
Upfront cost too much for those on fixed incomes/low incomes	Affordability, accessibility	Grant program? State income tax credit?
Balloon payment/REMAV	Affordability, anti displacement	Sufficient and stable funding mechanism
Limited types of improvements	Historic preservation	Include seismic, fire sprinklers, energy efficiency, climate/cooling improvements
Lengthy application process	Accessibility	Decoupling from national register program?
No unique path for commercial, residential, and multifamily	Accessibility, historic preservation	Separate paths for residential/commercial
Need to preserve community heritage: historical, cultural, and architectural	historic preservation	Encompass all communities - urban, rural, BIPOC, racial diversity
Property tax incentive doesn't help non profits, churches, schools, etc.	Accessibility	Build healthy communities
Displacement of lower income households still continues		
Lack of program awareness, upfront assistance/guidance		Broad historic repository; broad view of Oregon history