



January 29, 2025

Subject: HB 2138 Threatens Preservation of Historic Buildings and Neighborhoods

To: Oregon Legislative Assembly, State Representative Rob Nosse, State Senator Kathleen Taylor, Portland Mayor Keith Wilson, City Administrator Michael Jordan, District 3 City Councilors Tiffany Koyama Lane, Angelita Morillo, and Steve Novick

On behalf of the Laurelhurst Neighborhood Association, we express our dedicated support for the overarching goals of HB 2138. We recognize the critical need to increase housing availability and affordability through zoning reforms and middle housing expansion. These measures are vital to addressing Portland's housing crisis, advancing equity, and promoting sustainable land use.

However, we request the removal of Section 22 (1) (f) of HB 2138, which proposes to repeal demolition review for homes listed in the National Register of Historic Places.

SECTION 22. (1) On or before January 1, 2028, the Land Conservation and Development Commission shall adopt rules that must include: (f) Repealing requirements for demolition review for houses listed in the National Register of Historic Places

While we share the bill's goal of improving housing accessibility, removing this safeguard could have unintended consequences that would undermine both the bill's objectives and Portland's broader cultural, economic, and environmental goals.

It is our position that demolition review is a crucial step that protects properly designated historic buildings in Portland from being demolished.

Demolition Review Balances Growth and Preservation

Demolition review is a fair and thoughtful safeguard to ensure that historic preservation aligns with community and housing goals. It evaluates factors such as historic value, condition, and neighborhood impact to enable Portland to grow responsibly while maintaining its unique character.

One of the key benefits of demolition review is its ability to support "density without demolition." In Laurelhurst, this has been achieved through creative housing solutions such as accessory dwelling units (ADUs). Since being listed on the National Register in 2019, Laurelhurst has seen the construction of at least 13 new ADUs, with a total of 45 known permitted ADUs in the neighborhood. These additional housing units have increased density and affordability without compromising the architectural integrity of our historic district.

The Economic Reality: Developers Prioritize Luxury Single-Family Homes

In practice, developers often prioritize projects with the highest return on investment. This means targeting neighborhoods like Laurelhurst demolishing the smaller, more affordable homes and replacing them with much higher-priced luxury houses.

Luxury homes like these offer far greater profit margins than multifamily or affordable housing, making them a preferred option for developers. This trend is not unique to Portland. Cities like Seattle, San Francisco, and Austin have experienced similar challenges, where more affordable historic homes have been replaced by higher-priced homes, and housing diversity has been eroded. If the demolition review requirement is repealed, Portland's historic neighborhoods could face the same outcomes, making the city less affordable and accessible for the people who live and work here.

Historic Neighborhoods Are Economic and Cultural Assets

Preserving historic neighborhoods is essential to maintaining Portland's identity and economic vitality.

Historic districts like Laurelhurst attract visitors who come to experience Portland's unique charm and sense of place. According to the National Trust for Historic Preservation, heritage tourists spend 2.5 times more per trip than the average traveler, boosting local businesses, restaurants, and cultural institutions.

In addition to their economic value, historic neighborhoods highlight Portland's architectural heritage, with styles such as Colonial Revival, Craftsman, and English Cottage. These homes are irreplaceable cultural assets that strengthen Portland's reputation as a vibrant, distinctive city. Losing them to demolition would diminish the very character that makes Portland special.

Demolition review is consistent with the goal of historic resources and neighborhood preservation in the adopted 2035 Comprehensive Plan for Portland and Oregon State Statute. For 50 years, Oregon's Goal 5 has required local governments to protect and conserve historic resources.

Demolition of historic buildings creates a negative environmental impact

Demolition review has also helped preserve Portland's urban tree canopy and reduce urban heat by limiting the uncontrolled cutting of mature trees that often accompanies demolitions.

It has reduced contamination from lead, asbestos, and other toxic substances released during demolition, safeguarding the health of surrounding homes and yards. Furthermore, demolition review has curbed the waste of old-growth timber and carbon embodied in century-old homes, preventing 80% of materials from ending up in landfills and avoiding 126 metric tons of carbon emissions per 3,000 square feet of new construction.

In addition, per the requirements of HB 3409 from the 2023 session, Oregon is actively seeking policies for "reducing greenhouse gas emissions that result from materials used in building construction". The removal of demolition review for historic resources would necessarily reduce the use of existing homes for either continued or expanded residential habitation at the lowest possible emissions impact. In fact, the report issued on December 30, 2024 by DCBS to

the Legislature states that “building reuse” is one of three paths for the state to most effectively reduce GHG from constructions materials in the state of Oregon.

Proposed Solution: Remove Section 22 (1) (f) from HB 2138

We urge lawmakers to remove Section 22 (1) (f) from HB 2138 and preserve the demolition review process. This safeguard has demonstrated its effectiveness in balancing growth and preservation. Instead of repealing the demolition review, we recommend targeted reforms to:

- Promote adaptive reuse of historic properties.
- Incentivize ADU construction and other forms of density without demolition.
- Ensure demolitions align with affordability and housing diversity goals.

The Laurelhurst Neighborhood Association is committed to advancing Portland’s housing goals while safeguarding its historical and cultural assets. Thank you for considering our perspective on this vital issue. We appreciate your leadership in addressing Oregon’s housing challenges and look forward to working together to find solutions.

Please see attachment A for additional information.

Sincerely,

Kayleen Kusterer

Kayleen Kusterer

President, Laurelhurst Neighborhood Association

This attachment provides background information regarding the National Register of Historic Places, demolition review, and the potentially negative impact of HB 2138 section 22 (1) (f) on historic districts throughout Oregon.

Proposed Repeal of Protection for Historic Resources: Section 22 (1) (f) of HB 2138 states “*On or before January 1, 2028, the Oregon Land Conservation and Development Commission shall adopt rules that must include:*

(f) Repealing requirements for demolition review for houses listed on the National Register of Historic Places.”

What Is Demolition Review for National Register Listed Houses

Goal 5 in the Oregon Statewide Land Use Planning Goals, OAR 660-015-0000(5), requires local governments to **protect and conserve historic resources listed in the National Register of Historic Places** (“National Register”) established by the National Historic Preservation Act of 1966 (16 USC 470).

In the Goal 5 regulations, OAR 660-023-0200 **requires local governments to protect National Register-listed historic resources from uncontrolled demolition with “demolition review”** which is, at minimum:

“a public hearing process that results in approval, approval with conditions, or denial and considers the following factors: condition, historic integrity, age, historic significance, value to the community, economic consequences, design or construction rarity, and consistency with and consideration of other policy objectives in the acknowledged comprehensive plan.”

OAR 660-023-0200 represents a **2018 agreement** among stakeholders including cities, the State, housing and development interests, historic preservation and environmental protection interests, and neighborhoods, that **when a house or structure of recognized historic significance is proposed to be demolished, the city shall conduct a hearing** and determine whether to approve demolition.

Demolition in the context of historic buildings is removing the whole structure or over 50% of the roof structure or wall structure or street-facing structure. Maintenance, remodeling, alterations, additions, or any other work short of demolition does not require demolition review. Demolition review does not apply to:

- Non-contributing houses (in a Historic District but not themselves historically contributing)
- Detached accessory structures e.g. garages.
- Demolition urgently required for safety. City of Portland Code, Section 33.445.220.

Portland City code Section 33.846.080(A) provides:

“Demolition review protects landmarks and contributing resources in districts. Demolition review recognizes that historic resources are irreplaceable assets significant to the region’s architectural, cultural, and historical identity and their preservation promotes economic and community vitality, resilience, and memory. In the event that demolition of a historic resource is approved, demolition review also addresses the potential for mitigation of the loss.”

33.846.080(C) **requires demolition to be approved if one of the following criteria is met:**

- (1) *“Demolition has been found to be **equally or more supportive of relevant goals and policies of the Comprehensive Plan**, and any relevant area plans, than preservation, rehabilitation, or reuse of the resource.”*

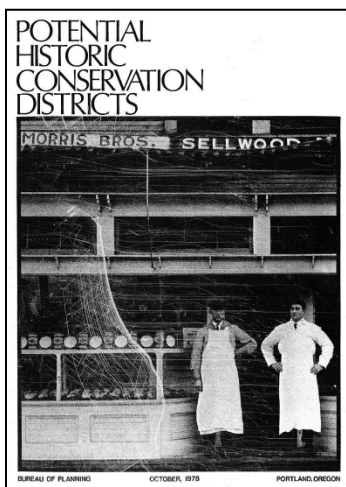
- (2) "Demolition of the resource **will be mitigated** to enhance, preserve, or restore the archaeological, architectural, cultural, or historic significance or integrity of the district."
- (3) "Demolition of the resource **will facilitate the creation of more deeply affordable dwelling units** than could practicably result from preservation, rehabilitation, or reuse of the resource."

These sections represent a multi-year legislative process concluded in **2022** with similar stakeholders as in 2018.

Why Demolition Review Applies to Structures on the National Register of Historic Places

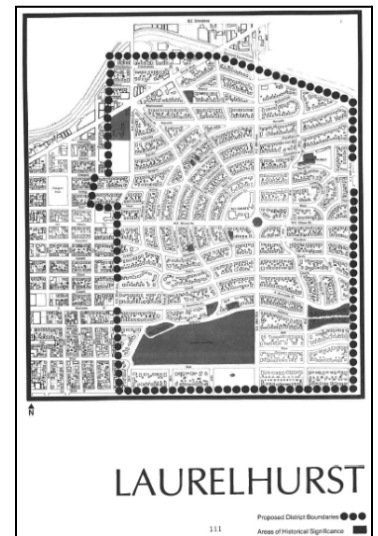
Demolition review applies to the portion of Laurelhurst which is a National Registered Historic District.

Laurelhurst is a historic streetcar neighborhood on Portland's east side, established in 1909. Considered among the most cohesive and best-preserved collections of 1910-1930s era residential architecture in the city, the neighborhood was considered a candidate for historic preservation by the City Planning Bureau as early as 1978. "Potential Historic Conservation Districts," 1978, p 103.



One of the most intricate residential districts in Northeast Portland is Laurelhurst, platted in 1909 by the Laurelhurst Company, an outgrowth of the Ladd Investment Company which was owned by the heirs of William Sargent Ladd. The platting of winding streets, preservation of a creekbed for a public park, and the provisions for the NE 39th and Glisan roundabout and monumental subdivision gates make the district Portland's leading example of the "City Beautiful" movement.

Largely a national, civic state of mind, the City Beautiful movement grew out of turn of the century desires to make amends for past urban developmental practices. Often referred to as the American Renaissance, it was an age which saw the construction of great civic centers, public libraries and parks, and the introduction of widespread community planning. Port-



Laurelhurst was nominated as a Historic District in 2018, approved by the State Historic Preservation Office ("SHPO") in October 2018, approved by the National Park Service, and officially listed in the National Register of Historic Places on March 18, 2019.

This represented a four-year neighborhood effort starting in 2016, in which Laurelhurst residents twice voted overwhelmingly to seek listing. In the first vote, June 2017, 83% of households (owners and renters) voted in favor of the historic district and 13% voted against it. The second vote, conducted by SHPO in 2018, saw only 0.5% vote against (only ten households objecting). Over 200 volunteers devoted over 50,000 hours to this neighborhood accomplishment.

The National Register Nomination summarizes Laurelhurst's historic characteristics:

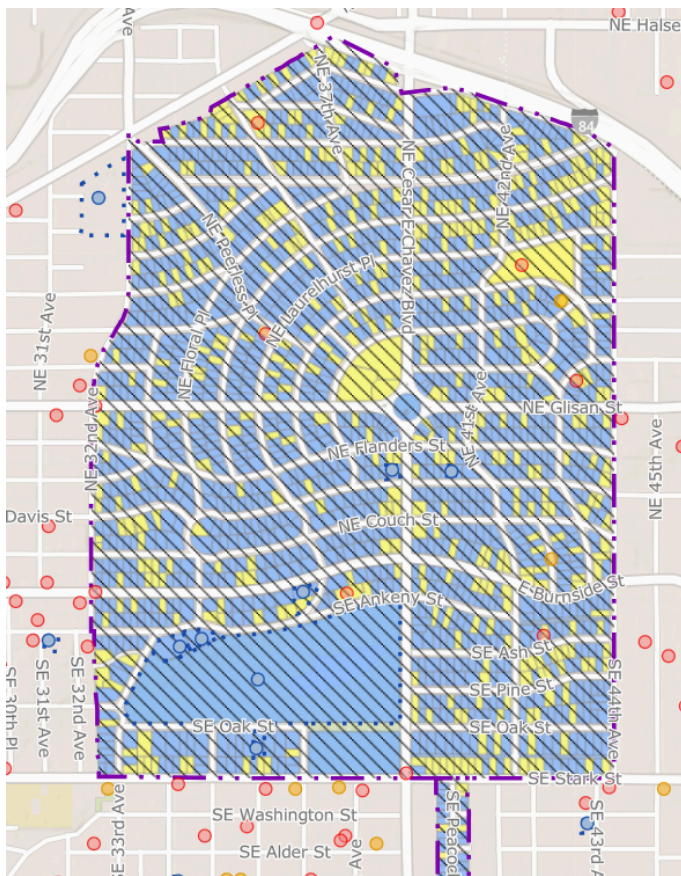
Laurelhurst is a 392-acre residential neighborhood in Portland, Oregon, located thirty-two city blocks east of the Willamette River. Most of the neighborhood is in northeast Portland, with only the southernmost quarter, below E Burnside Street, in southeast Portland. NE/SE César E Chávez Boulevard intersects with NE Glisan Street at Coe Circle at the center of the neighborhood, forming a large roundabout and dividing the neighborhood into four quadrants. Main entrances to Laurelhurst, characterized by their historic sandstone gates, are located in four perimeter locations. Overall, there are 1751 properties/resources within the Laurelhurst Historic District. Contributing resources include 7 objects (four entry gates, two lamp-posts, and a

statue), 3 sites (two alleys and Coe Circle), and 1298 buildings. There are 7 contributing resources previously listed in the National Register (1 site and 6 buildings.) There are 436 non-contributing properties. The most prevalent architectural styles are Colonial Revival, Craftsman, and English Cottage. Most resources date from the 1910s and 1920s, with a full 86% of the surveyed resources constructed before 1930. 1315, or 75% of these 1751 resources are contributing to the district. Contributing resources exhibit their original forms, materials, features, and designs despite, in some cases, minor alterations. Most commonly, alterations include the replacement of at least some of the original windows, and often the replacement of siding and/or the addition of rear volumes or dormers. Freestanding garages have often been enlarged. As a whole, Laurelhurst has excellent historic integrity. The district includes the following character-defining features associated with the development of Laurelhurst from 1910-1948: intact curvilinear street layout with distinct quadrants and central roundabout; Joan of Arc statue; a development pattern exhibiting residential buildings in a range of period styles with planted front setbacks; Laurelhurst Park, a 27-acre property listed on the National Register; decorative pairs of “entry” markers; regularly spaced mature street trees; and associated features such as sidewalks, stamped curbs, historic light poles, and mature trees in yards throughout the neighborhood. “Laurelhurst Historic District nomination”, 2018, and [Oregon Historic Sites Database](#).

How Demolition Review Applies to Laurelhurst

The map below shows the boundaries of the Laurelhurst Historic District, bounded by NE Sandy, Highway 84, NE 32nd/33rd and SE 32nd, NE and SE 46th, and SE Stark. (The Peacock Lane Historic District is separate.)

The 1298 “contributing” houses are colored blue, along with Laurelhurst Park and Coe Circle. The contributing houses, representing 75% of the total, are protected by demolition review.



The 436 “non-contributing” houses are colored yellow, along with All Saints Church and Laurelhurst School. These non-contributing houses, 25% of the total, are not protected by demolition review.

No detached garages are subject to demolition review even if the house is contributing. No houses are subject to any historic-related restrictions on painting, windows, remodeling, additions, or alteration short of demolition. All houses may be expanded and converted to multiple-units, or have accessory dwelling units added, without historic-related restriction.

The neighborhood sought listing on the National Register with the understanding that “density without demolition” would be accomplished through accessory dwelling units (ADUs), additions, internal conversions, and accessory structures.

Why Demolition Review Must Be Retained: Laurelhurst Case Study

Laurelhurst neighbors overwhelmingly supported historic designation in 2018, to protect its historic houses, structures, and tree canopy from uncontrolled demolition. In the decade before Laurelhurst’s listing, over 30 houses in the neighborhood were demolished, often without proper permits. These demolitions replaced smaller, more affordable homes (average price \$355,000) with far larger, luxury homes (average price \$884,000). However, since the National Register listing and the implementation of the demolition review, only one house has been demolished in the past five years.

Demolition review protects housing equity. Without this process, historic neighborhoods may face a proliferation of “McMansions,” where developers replace smaller, affordable homes with high-end properties. This trend displaces middle-income families, reduces housing diversity, and runs counter to Portland’s goals of inclusivity and equity.

There Is No Housing Policy Reason to Eliminate Demolition Review

Advocates for eliminating demolition review claim it will lead to more housing in Laurelhurst. However:

- **Over 400 non-contributing houses** in the district may already be demolished **without review** and replaced with any housing permitted under normal city rules.
- **Any of the contributing houses** can be demolished for **affordable** housing, under demolition review rules.
- Any house, contributing or non-contributing, can be expanded and converted to **multi-family** (duplex, triplex, etc.) use, with no demolition review.
- **Accessory dwelling units** can be built alongside any of the houses, contributing or non-contributing, replacing garages if desired.

The scope for development in Laurelhurst is already extensive – **a quarter of the neighborhood’s houses can be freely demolished** and redeveloped. **Demolition review protects the historic resources of this and other nationally recognized historic districts, with negligible impact on housing creation.**