

HB 2138 Testimony – John Liu, Board President, Bosco-Milligan Foundation.

Hello, I'm John Liu from Portland. I'm president of the Bosco-Milligan Foundation and Architectural Heritage Center.

We believe **preserving and re-purposing existing buildings** is the most affordable and environmentally responsible way to create housing.

We support the goals and many aspects of HB 2138. We **strongly OPPOSE section 22(1)(f)** which **removes demolition review for designated “contributing” historic houses within historic districts.**

This will not create more affordable or middle-income housing; it will lead to small historic bungalows being replaced with luxury McMansions. **We urge you to strike this section from the bill, as pointless and not helping with our housing supply needs.**

I also live in the Laurelhurst Historic District, one of the districts targeted by section 22(1)(f).

Here is what you need to know.

1. **In Laurelhurst's historic district, 25% of the homes** are not “contributing” and **have no demolition review.** Nearly **500** of the approximately 1850 houses can be **landfilled at will.**
2. Under Portland city code¹, demolition of any of the remaining contributing houses **must be approved** if the re-development will create **affordable housing units.**
3. Demolition will also be approved if the historic loss is **mitigated** or if re-development supports the city's **Comprehensive Plan**, including access to quality affordable housing².
4. There are **no restrictions on converting houses to multiple units or building ADUs.**

So what will section 22(1)(f) add? It will allow **developers to cherry-pick the smallest, least expensive bungalows, and replace them with luxury houses more expensive than the original house.**

Examples. A 1920s bungalow: bought for \$365K, being replaced with a large house that will be priced at well over \$1MM. A 1920s bungalow: bought for \$450K, replaced with a duplex priced at \$700K per unit. On average, when houses are demolished in Laurelhurst, the **new house is 2.5X more expensive.**³

Laurelhurst became a Historic District to **slow this replacement of small bungalows and rental houses with million-dollar McMansions.**

¹/ Portland Code Section 33.846.080.

²/ Portland Comprehensive Plan Chapter 5.

³/ <https://www.historiclaurelhurst.com/single-post/2017/04/07/A-Case-Study-Of-Demolitions-Laurelhurst>

The neighborhood is adding lower-priced housing through ADUs. Laurelhurst has built **more ADUs, relative to its size, than any adjacent neighborhood.**⁴

The neighborhood association supported (letters, lobbying, donations) Innovative Housing’s Laurelhurst **Anna Mann House** project which created 128 low-income housing units in a National Register landmark.

A National Register Historic District is established after years of review at the local, state, and national level. In Laurelhurst, 83% of households affirmatively voted “yes” – including 93% of renters - while only 0.5% filed objections. There *should* be a review if a district’s historic houses are to be demolished. Otherwise, **the city and the public are denied a voice** in weighing the benefits of preservation vs demolition, violating Goal 1 and Goal 5 of Oregon’s Land Use Policy.

A **better strategy** to meet our housing needs is financial and regulatory incentives to build more affordable housing, to convert office buildings to residential, and to help families buy and rehabilitate modestly-priced homes and add units and ADUs, thus preventing that modestly-priced housing from being replaced by expensive luxury housing.

Conclusion: strike section 22(1)(f) from HB 2138.

Photos of demolished 1920s bungalows referenced.



⁴ / Laurelhurst 26 ADUs/1000 households. Compare Kerns 12, Sunnyside 21, North Tabor 20. Source: City permit records.