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April 9, 2023

Sen. Kayse Jama, Chair, and Members
Senate Committee on Housing and Development
State Capitol
Salem, OR

Re: HB 2984A: Commercial Conversion to Housing

Dear Chair Jama and Committee Members:

We appreciate the opportunity to testify in support of HB 2984A. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

House Bill 2984A requires cities, over 10,000 in population, to allow the conversion of a building or a portion of a building from a commercial use to a residential use without requiring a zone change or conditional use permit before allowing the use, if the property is inside the urban growth boundary and meets certain other conditions.

HB 2984A has multiple benefits. It will increase well-located housing; provide viable options for use of vacant or partially vacant commercial buildings; and help revitalize neighborhoods.

The bill was modified in the House to meet specific concerns raised by various interests, and we believe the bill before you appropriately addresses these. These include revisions addressing:

- Local government imposition of system development charges (SDCs): HB 2984A allows local governments to require SDC payment if the charge is based on a specific commercial to residential conversion policy adopted by the local government by December 31, 2023, or if it is for water or wastewater and includes a full offset for any SDCs paid when building was originally built.
- Parking minimums. The conversion may not be subject to parking minimums greater than those required for existing commercial or residential use.
- It does not apply to buildings on lands zoned for industrial use.

Many studies have been made of places where some type of “adaptive reuse” provisions have been adopted. These have demonstrated that success depends on several key components, which are included in HB 2984A: allowing the conversion without a zone change and without a conditional use permit, and without requiring any new parking.ⁱ These are critical provisions.

HB 2984A makes economic sense for cities. These buildings are already located along streets and possibly transit lines, they have infrastructure, and are currently sitting vacant. These buildings are not only *not* using any infrastructure, but the fact that they are vacant means that existing infrastructure is being *underutilized*. It is to the benefit of a city to ensure more efficient use of existing infrastructure for housing than to pay for constructing a full suite of infrastructure to new residential lands.

SB 2984A can also lead to revitalization of stressed commercial areas. Given the changing nature of how we use office buildings and shop, our towns and cities are likely to see more of these underutilized spaces, which create economic holes in our communities. Allowing these buildings to be easily converted to housing means more people shopping, walking around, and contributing to the social and economic vibrancy of our communities.

We urge the Committee to support HB 2984A. Thank you for consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Mary Kyle McCurdy". The signature is fluid and cursive, with "Mary" and "Kyle" connected by a single stroke.

Mary Kyle McCurdy
Deputy Director

ⁱ E.g., *Adaptive Reuse Challenges and Opportunities in California* Terner Center for Housing Innovation, University of California, Berkeley, November 2021, <https://ternercenter.berkeley.edu/wp-content/uploads/2021/11/Adaptive-Reuse-November-2021.pdf>