

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.