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February 28, 2023

Rep. Maxine Dexter, Chair, and Members
House Committee on Housing and Homelessness
State Capitol
Salem, OR

Re: HB 2984, -1: Commercial Conversion to Housing

Dear Chair Dexter and Committee Members:

Thank you for the opportunity to testify today in support of HB 2984, with the -1 amendment. 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.

HB 2984 allows the conversion of buildings from commercial use to "workforce" housing, without requiring a zone change or conditional use permit, within the urban growth boundary of cities over 10,000 in population. "Workforce" housing is defined as housing available to own or rent to families with incomes of 120 percent or less of the area median income, and for which the affordability is enforceable for at least 15 years.

In addition, a city:

- May not charge a system development fee for the resulting conversion;
- Must demonstrate how the affordability restriction will be enforced;
- May not require the conversion to provide parking spaces that are greater than the amount required for the existing commercial use or the amount that may be required on lands zoned for residential uses that would allow the converted development.

Places where this "adaptive reuse" has been an effective contributor to increasing housing supply have demonstrated that success depends on several key components, which are included in HB 2984: allowing the conversion without a zone change and without a conditional use permit, and without requiring any new parking.ⁱ These are critical provisions.

In addition, these buildings have already paid system development charges, have infrastructure, and are currently sitting vacant. They are not only *not* using any infrastructure, but the fact that they are vacant means that existing infrastructure is being *underutilized*. 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 really just 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 2984, with the -1 amendment.

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

¹ *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>