



February 7, 2024

Hon. Kayse Jama, Chair  
Hon. Senator Dick Anderson, Vice-Chair  
Senate Committee on Housing and Development  
Oregon Legislature  
Salem, OR 97301

**RE: SB 1537 - ADDITIONAL TECHNICAL AMENDMENTS REQUESTED**

Dear Chair Jama, Vice Chair Anderson, and Committee Members,

We appreciate the opportunity to provide input and comment on SB 1537 and would like to acknowledge the significant work that has been invested into this bill. Our organization is testifying in opposition to this bill, as introduced, and supports amendments to improve the proposed legislation.

As Oregon's only statewide non-profit historic preservation organization, Restore Oregon works with thousands of communities across the state each year to preserve, reuse, and pass forward the historic places and spaces that embody Oregon's diverse cultural heritage. By helping our fellow citizens preserve our States' unique built, natural and cultural environments, we help celebrate and promote much of what makes Oregon special. We also firmly believe adaptive reuse and infill are critical to addressing the state's housing shortage and that historic and culturally significant areas can, and must accommodate new housing but that it can do so without subverting resource integrity and character.

Restore Oregon would like to acknowledge the important role cultural and historic resources contribute to place-making throughout the state. Historic resources are unique assets for local communities and their long-term preservation requires adherence with longstanding protection rules. Similarly, archeological resources require delicate attention, including regulations requiring archeological oversight and avoidance of Native American sites. Design standards for Main Street and downtown areas are necessary to ensure that these special places remain walkable and economically thriving commercial cores of Oregon's communities. It is for this reason that we strongly opposed 2023 HB 3134, urging adding "designated historic areas" to the list of exceptions subject to the adjustment authorization within that bill. We renew that request, asking that historic resources be protected just as natural resources, the Willamette River Greenway, ocean and beach resources remain preserved.

The benefit of this approach is that it would continue to allow historic and cultural protections and archeological artifacts whose protections are of critical importance to indigenous tribes. This approach would still allow adjustments to development standards unrelated to historic resource protections, thereby ensuring that historic areas provide the same base zone flexibility as non-historic areas.

If this Committee is not willing to amend this bill to exclude designated historic resources outright, Restore Oregon does appreciate amendments made by the Governor's Office to limit the scope of the adjustment relief to make it clearer that adjustment relief extends only where the development is for "net new housing units in new construction projects." Section 38(2)(d). Our understanding is

that the term “new construction” refers to new, detached, from the ground up construction and as such, would not allow an adjustment to regulations relating to the alteration, renovation or remodeling of an existing structure.

As drafted, an adjustment to development standards would not be available for the creation of new housing units accomplished through an alteration or addition to a designated historic resource. Protecting existing historic structures is critical to retaining the uniform design consistency and charm of historic Main Streets.

Restore Oregon shares the legislature and Governor’s concern over the tremendous need for additional housing units but we cannot lose sight of the massive affordability gap that exists between newly constructed housing units of any size and Oregonians’ ability to access them. The preservation of existing housing and adaptive reuse into housing are the single most affordable and efficient ways to bridge this gap. Retaining existing housing units are not only more affordable than new units, reuse avoids the tremendous carbon impact of building new. Adaptive reuse has been the key to downtown housing and affordable housing solutions for decades. Portland and other cities critically need funds dedicated to adaptive reuse including office-to-residential conversions which were identified as a key housing component last session with the adoption of 2023 HB 2984. To see this through, Section 25 of SB 1537 should be revised to provide that an “eligible housing project” must include at least one pre-existing building for alteration or reuse as part of the project in addition to any new construction. And Section 24 (4), should be revised to “Eligible housing project” means a project to construct housing on a property that maintains pre-existing housing or to convert a building from nonresidential use to housing, that is:”

To recap, Restore Oregon is requesting amendments that include:

1. A technical amendment to exclude designated historic resources outright
2. A technical amendment or confirmation that the reference to “net new housing units in new construction” in Section 38 (page 24, line 5) includes only new from-the-ground-up construction and not alteration or expansion of an existing structure.
3. A technical amendment to Section 24, (4): revise to: “Eligible housing project” means a project to construct housing on a property that maintains pre-existing housing or to convert a building from nonresidential use to housing, that is:”
4. A technical amendment to Section 25 to provide that an “eligible housing project” must include at least one pre-existing building, regardless if it has historically been used for housing, for alteration or reuse as part of the project in addition to any new construction.

Thank you for the opportunity to comment on SB 1537 and for taking Restore Oregon’s comments into consideration.

Sincerely,



Nicole Possert, Executive Director