



May 21, 2024

Portland Planning Commission
Portland Bureau of Planning & Sustainability

Comments re. Housing Production Strategy

Thank you for the good work thus far on strategies to accelerate housing production. The Architectural Heritage Center / Bosco-Milligan Foundation supports these latest efforts, in general, and continues to urge strategies that avoid demolition of buildings that matter to our shared cultural heritage.

At this time, we particularly want to urge the Commission, the Planning & Sustainability Bureau, and the City Council to prioritize **adaptive reuse of our existing buildings** as the fastest, and most sustainable, means to create new housing. We echo the testimony presented this spring by the Historic Landmarks Commission that calls for **passage of a State Rehabilitation Tax Credit** as a proven and practical means to close the current funding gap for the conversion of commercial buildings into housing. This would, indeed, be a game changer.

The Architectural Heritage Center stands ready to support the City in this effort. Excerpts from the Landmarks report are attached.

Thank you.

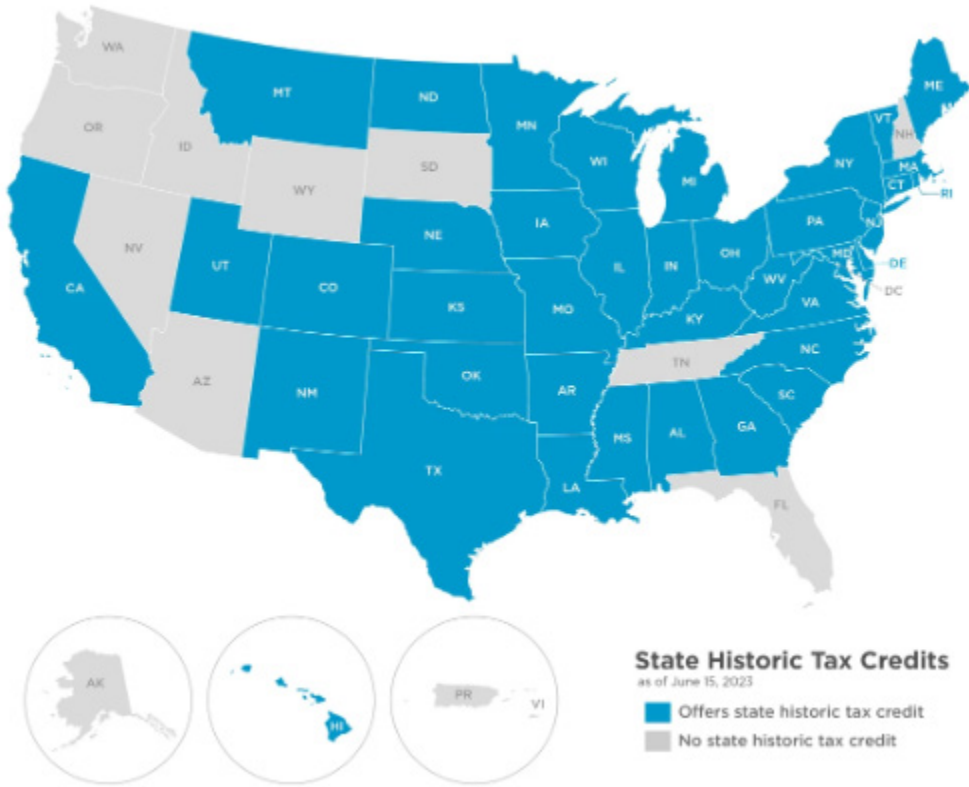
Peggy Moretti
Interim Executive Director

3.0 Recommended Council Action Items

3.1 Lobby Salem for a Rehabilitation Tax Credit to Revive Downtown, Repurpose Existing Buildings for Housing, and Hit Emissions Reduction Goals.

With the expiration of the Special Assessment program, *Oregon is one of just a handful of states in the nation that provide NO economic incentives to rehab and reuse older, historic buildings.* We wring our hands over housing shortages, reviving downtown, and lowering carbon emissions, and fail to recognize a big part of the solution is right in front of us. Literally, BIG. Our largest renewable resource is our existing buildings.

We urge the City to prioritize and lobby for a state rehabilitation tax credit which has been proven effective in 39 other states. Such a tax credit (20% is typical) can be coupled with federal incentives to offset as much as 40% of rehabilitation costs. And we don't have to reinvent the wheel. The National Trust for Historic Preservation has published a virtual roadmap with data and analysis on what provisions make for the most effective outcomes.



States marked in blue offered a historic tax credit as of June 2023

3.0 Recommended Council Action Items

Case in point:

Since taking effect in 2019, the ***Illinois Historic Preservation Tax Credit Program (IL-HTC) has created thousands of jobs, prevented unnecessary building material waste, encouraged millions of private investment in historic places and brought needed affordable housing to market places.*** According to Quinn Adamowski at Landmarks Illinois, 99% of the housing units developed using the IL-HTC are affordable. Because the program makes both economic and environmental sense, it was extended for another five years and increased from \$15 million to \$25 million.

Passage of a state rehabilitation tax credit is the single most important thing we could do to repurpose more buildings and significantly advance our goals to:

- Create more workforce and affordable housing.
- Revitalize downtown by closing the funding gap for conversions of commercial buildings to residential uses.
- Lower carbon emissions in amounts equal to pulling thousands of cars off the road.
- Dramatically reduce landfill waste.
- Seismically retrofit more buildings to improve public safety.
- Retain places that embody our diverse cultural heritage and neighborhood character.

For more information:

<https://savingplaces.org/state-historic-tax-credits>



The Mayer Building, located at 1130 SW Morrison, is an example of an older commercial building that may be suited to residential conversion. Photo credit: Loopnet