



133 SW 2<sup>nd</sup> Ave, Suite 201 • Portland, OR 97204 • (503) 497-1000 • [www.friends.org](http://www.friends.org)  
Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528 • (541) 474-1155  
Central Oregon Office • 155 NW Irving Ave • Bend, OR 97703 • (541) 797-6761

March 4, 2019

Chair Nathanson  
Members of the House Committee on Revenue  
State Capitol  
900 Court Street NE  
Salem, OR 97301

Re: HB 2663

---

Dear Chair Nathanson and Committee Members:

Thank you for the opportunity to provide testimony on HB 2663; we support this bill. 1000 Friends of Oregon is a nonprofit, membership organization that has worked with Oregonians for more than 40 years to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

HB 2663 requires the appropriate state agency to identify provisions of the state building code that unnecessarily prohibit, restrict, or create disincentives for conversion of single-family homes into two to four dwelling units. The agency must then amend or repeal any identified provisions. The bill also creates a tax credit regarding these conversions.

HB 2663 would make it easier to re-purpose existing houses to meet the housing needs of more Oregonians, by changing the building code to better reflects what is actually necessary for these types of residential conversions. The challenges posed by the state building code to converting a single-family house to a 3- or 4- plex, in particular, was highlighted by the city of Portland in its *Internal Conversion Report*,<sup>1</sup> which concluded, among other things:

*“A primary obstacle to converting houses into 3+ units is the transition from residential to commercial building code. Although appeals are regularly considered to allow for alternative paths to code compliance, advocating for a statewide change in the building code thresholds for internal conversions could more readily enable conversions and minimize the level of exterior change required for 3+ unit conversions.”*

As part of the many tools the state needs to put in the housing tool box, internal conversion of existing single-family homes to middle housing should be do-able without unnecessary costs and burdens. In many cases, there will be no more or only a few more people living in the structure than before; they are just in more households.

---

<sup>1</sup>Portland, *Internal Conversion Report*, October 2016, <https://www.portlandoregon.gov/bps/article/594797>

We encourage your support of HB 2663. Thank you for consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Mary Kyle McCurdy". The signature is written in a cursive style with a large, stylized "M" and "C".

Mary Kyle McCurdy  
Deputy Director