



THE BUREAU OF
**PLANNING &
SUSTAINABILITY**

January 28, 2025

Chair Nathanson
Vice-Chair Reschke
Vice-Chair Walters
House Committee on Revenue
Oregon House of Representatives
Salem, Oregon 97301

Re: City of Portland Support for HB 3190

Chair Nathanson, Vice-Chairs Reschke and Walters, and members of House Committee on Revenue,

The City of Portland supports the renewal of the Special Assessment of Historic Property Program as a tool to stimulate investment in historic buildings, improve the safety of existing structures, attract federal dollars to Oregon, and support the advancement of local development policies.

The Special Assessment Program was first established in 1975 to encourage private investment in designated historic buildings. Although the program is administered by the State Historic Preservation Office, the City of Portland reviews all applications for program enrollment and City staff have regularly participated in legislative reviews of the program's efficacy. The changes proposed in HB 3190—specifically the extension of the program's sunset date and the narrowing of program's eligibility to commercial properties—prioritizes public investment into the most visible and deserving historic properties. The City of Portland supports these changes.

HB 3190 stimulates investment in historically significant commercial buildings. The Special Assessment Program intends to attract investment in designated historic buildings that are underutilized and/or in need of structural upgrades to allow for their ongoing productive use. The program has served as a meaningful financial tool for the rehabilitation and reuse of many now-restored Portland buildings including the landmark Meier and Frank Building, the performing arts venue Portland Armory, and multi-dwelling housing like the Trinity Place



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Apartments. Many downtown Portland buildings are designated historic resources, making the Special Assessment Program an important tool for advancing Portland’s continued recovery.

HB 3190 improves building safety by supporting seismic, fire, and accessibility upgrades. The rehabilitation and reuse of historic buildings provides the opportunity to integrate modern systems within existing structures, making them safer for occupants and less vulnerable to fires and earthquakes. Many of Portland’s designated historic commercial buildings were built of unreinforced masonry, a construction type that is vulnerable to collapse in seismic events. Portland’s adopted seismic design requirements for existing buildings rely on owner-initiated permit applications, making the availability of Special Assessment a motivator for property owners to voluntarily invest in building upgrades.

HB 3190 attracts federal dollars to Oregon consistent with approaches adopted in most other states. At least 40 states have adopted historic preservation tax incentives to support the rehabilitation of historic properties. These programs pair with the the Federal Rehabilitation Tax Credit, a non-competitive 20% federal income tax credit available for substantial rehabilitation of historic commercial buildings. Studies have shown that property owners are more able to access the Federal Rehabilitation Tax Credit in states that offer a matching historic preservation incentive. The Special Assessment Program works in tandem with the federal incentive, leveraging Oregon’s investment to increase the economic viability of historic commercial rehabilitation projects.

HB 3190 supports the implementation of adopted City of Portland policies to maximize the economic viability of historic buildings. Portland’s 2035 Comprehensive Plan provides the framework for development of land and infrastructure to meet housing and economic development needs. The Plan includes numerous policies that support the preservation of historic resources as integral parts of an evolving city. Portland Comprehensive Plan Policy 4.57 addresses incentives for historic preservation: “Provide options for financial and regulatory incentives to allow for the productive, reasonable, and adaptive reuse of historic resources.” The Special Assessment Program assists in achieving local and state policies that call for historic buildings to be adapted into uses that meet community needs and respond to market opportunities.

Thank you for giving HB 3190 your full consideration,



Eric Engstrom, Director
City of Portland Bureau of Planning and Sustainability

