

WHAT'S UP DOWNTOWN?

A PLAYBOOK FOR ACTIVATING OREGON'S UPPER STORIES

OREGON MAIN STREET

OREGON STATE PARKS

OREGON HERITAGE
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The Institute for Policy Research & Engagement (IPRE) is a research center affiliated with the School of Planning, Public Policy, and Management at the University of Oregon. It is an interdisciplinary organization that assists Oregon communities by providing planning and technical assistance to help solve local issues and improve the quality of life for Oregon residents. The role of IPRE is to link the skills, expertise, and innovation of higher education with the transportation, economic development, and environmental needs of communities and regions in the State of Oregon, thereby providing service to Oregon and learning opportunities to the students involved.



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We would like to thank the following individuals and organizations who provided input and feedback throughout this project.

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2026 REPORT UPDATE

Since the publication of *What's Up Downtown? In A Playbook for Activating Oregon's Upper Stories* in 2022, Oregon communities have continued to explore opportunities to reactivate upper-story spaces and address changing downtown needs. To ensure this resource remains current and practical, this report was updated in 2026 by the University of Oregon's Institute for Policy Research and Engagement (IPRE), in partnership with Oregon Heritage.

The 2026 update builds on the original report by incorporating new research, lessons learned from communities implementing upper story initiatives, and additional examples of successful downtown revitalization across Oregon. Existing content was reviewed and revised where appropriate, and new sections were added to reflect current best practices, funding opportunities, inventory methods, and community engagement strategies.

Notable updates include expanded case studies from Oregon communities, revised guidance for conducting upper story inventories (a separate document, the *What's Up Downtown? How-To Guide for Inventorying Downtowns & Supporting Redevelopment*), updated information on funding and technical assistance programs, and additional resources for engaging property owners and local partners.

Although the content has been updated, the report's purpose remains the same: to provide local governments, Main Street organizations, downtown associations, and community partners with practical tools and strategies for identifying opportunities to reactivate upper story spaces. Communities are encouraged to adapt the guidance in this report to their goals, local conditions, and organizational capacity.

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1. INTRODUCTION

Many commercial districts across Oregon contain vacant or unused upper floors. At the same time, cities across the state face massive housing shortages and a lack work, event, and cultural spaces. Some small communities are bringing a creative approach to these twin challenges—re-activating their vacant upper stories to achieve wide-ranging community benefits.

Recognizing potential for supporting housing affordability, climate friendly development, preservation, and revitalization, Oregon Heritage partnered with the Institute for Policy Research and Engagement to:

- Document current uses of upper story spaces
- Identify what inhibits upper story use
- Outline a pathway for overcoming barriers to upper story use

The team set out to learn more about the current conditions of upper stories across Oregon, identify the primary barriers to their development, and determine what has worked well in successful communities. Using this research, we then compiled a set of recommendations for state agencies, local jurisdictions, downtown associations, and property owners to encourage upper story use.

Project Background

Across Oregon, the condition of upper story underuse is widespread, evident in a range of commercial and manufacturing districts, shopping centers, mixed-use neighborhoods, and stand-alone buildings. We intend the findings and recommendations provided in this report to be broadly applicable to buildings throughout communities that have underused upper story space. However, such underuse is most intensely apparent in Oregon's small downtowns, where density highlights the vacancies. This guide focuses on those districts, and our research and data come from those study areas.

Downtown districts are historically the heart of Oregon's smaller cities. They often serve as the social and economic centers of the community and concentrate resources in places that often have dispersed populations. A vibrant center lends a community a sense of "place," fostering community pride and a strong local identity. But often significant space on the upper stories of such downtowns is underused. Oregon is not alone—the downtown areas of small and mid-sized cities throughout the United States have been disinvested for decades. In the mid-20th Century, the interstate highway system rerouted traffic to bypass central corridors whose businesses relied on customers that were passing through. Real estate was less expensive on the outskirts of town, and also easily accessible by car. The development of shopping malls


Independence, OR

(followed by big box retail) with their ample parking, drew additional investment away from downtown commercial districts.[1]

Most communities now recognize the value of an active town center. At the forefront of these efforts is the methodology developed by the National Main Street Center which helps communities embrace a comprehensive place-based economic strategy to sustain and enhance downtowns and traditional commercial districts. Oregon Main Street (a program of Oregon Heritage) provides assistance to communities based on this comprehensive methodology, resulting in revitalization across the state. While ground floors are beginning to see action, however, upper-level spaces continue to be largely neglected.[2] These upstairs vacancies contribute to a lack of "life" in downtown districts that were originally designed to accommodate much more than just ground floor, daytime retail.

Meanwhile, Oregon towns are in urgent need of usable space. Communities disclose that they need co-working offices, lodging, and gathering spaces. But by far the greatest need is housing. Across Oregon, housing – particularly housing that is affordable to all income brackets – is in severe shortage.[3] The imbalance is the result of a combination of factors, including more people moving to Oregon, years of underbuilding, and housing costs rising faster than wages.[4] The low housing inventory pushes prices up—a trend that has continued since 2013.[5] The problem is particularly pronounced for low and very low-income households, among whom 81% are severely cost-burdened (defined as paying over 50% of their incomes toward housing costs). The National Low Income Housing Coalition identifies a shortage of nearly 110,475 rental homes available at affordable levels to those with extremely low incomes in Oregon – a shortage which is pushing many out of housing entirely.[6]

Communities across Oregon are already using creative solutions for upper story use. For example:

- Innovative Housing Inc. in Astoria renovated the historic Merwyn Hotel into affordable studios and 1-bedroom apartments, adding 40 more housing units to the community.

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1 Burayidi, Michael. PAS Report 590, "Downtown Revitalization in Small and Midsized Cities." American Planning Association. 2018. (p 21).

[2] Oregon Main Street: Upstairs Downtown Webinar. Upstairs Downtown & Oregon Main Street Program. July 2, 2021. https://www.youtube.com/watch?v=8EykbceAjmg

[3] The Challenge – Housing Oregon. N.D. housingoregon.org/the-challenge

[4] Runberg, Damon. "Did Oregon's Residential Real Estate Market Become More Affordable in the Pandemic?" *State of Oregon Employment Department.* March 2, 2021https://www.qualityinfo.org/-/did-oregon-s-residential-real-estate-market-become-more-affordable-in-the-pandemic-

[5] 2021 Oregon Housing Profile. *National Low Income Housing Coalition.* Accessed July 19, 2021.

[6] *Oregon, Housing Needs by State*. (n.d.). National Low Income Housing Coalition. Accessed March, 2026.

- The 621 Main St. project in Klamath Falls is another example of how renovating the upper floor of an historic building can add housing stock.

However, projects like these are neither simple nor easy. As we explore in this report, property owners who are interested in pursuing upper story renovation grapple with financial feasibility concerns and navigating complex and costly code requirements. Despite these barriers, there is a path forward: this report troubleshoots upper story activation and provides support to Oregon towns poised to take on the challenge.

Purpose & Report Organization

The findings in this report are designed to help Oregon Heritage, other state agencies, local jurisdictions, downtown associations, and property owners understand the conditions and opportunities present in Oregon's smaller communities. Our recommendations will help communities take the next step in activating underused buildings to address community needs and enhance downtowns. The remainder of the report:

- **Describes relevance (Section 2: Context for Upper Story Redevelopment):** What is the benefit to communities of pursuing full upper story occupancy? Why should agencies and other partners such as downtown associations and Main Street programs support this goal?
- **Details current conditions (Section 3: Current Conditions):** What are the current conditions and needs of underutilized downtown upper-story spaces statewide?
- **Assesses barriers (Section 4: Barriers):** Based on case studies and responses from community-level experts, what are typical barriers that prevent property owners from converting unused upper-story space into usable space?
- **Identifies solutions (Section 5: Recommendations):** What resources and policies can state agencies, local jurisdictions, and key partners use to encourage greater upper-story utilization?

Methods

Every upper story development project comes with unique circumstances. To both capture the range of experiences and identify common conditions across Oregon, we gathered information from multiple sources. While we focused outreach and research around downtowns because of the Oregon Main Street program's pre-existing relationships, we believe this report's findings, and particularly the recommendations, can also be applied to upper stories beyond the downtown district.

To determine prevailing conditions and barriers to upper story development, IPRE distributed a 33-question survey to city staff and representatives from downtown associations who are members of the Oregon Main Street Network between January 6-26, 2022. A similar but much abbreviated survey asked property owners to reflect on similar questions.

To identify best practices for upper story redevelopment and understand the nuanced conditions that might impact projects, we interviewed members of our advisory group and representatives from case study communities identified by Oregon Heritage. We also visited Albany, Cottage Grove, Independence, and Lebanon to tour downtowns and speak with city, Main Street, and property owner representatives.

Finally, to help solidify our recommendations, we conducted two focus groups. A focus group with attendees at the Oregon Heritage Conference provided additional in-depth insight into local challenges and solutions, while a focus group with topical experts helped us add specificity to our recommendations.

Table 1 offers an overview of the research and data collection tools. Appendices to this report contain specific details about the research and analysis.

Table 1: Data Collection at a Glance

Method	Key Topics Explored	Target Population	Number Completed	Appendix
City & Main Street Representative Survey	• Current and desired conditions • Interactions with property owners • Barriers • Goals for upper story redevelopment	City and Main Street organization representatives most familiar with circumstances in their downtowns (distributed to representatives in Oregon's 66 Main Street Communities)	48 (representing 33 communities)	Appendix B
Property Owner Survey	• Current and desired conditions • Barriers	Property owners in Oregon Main Street Communities (distributed to property owners by city and Main Street representatives who volunteered to share it)	28 (from 11 communities)	Appendix B
Advisory Group Interviews	• Affordable housing needs and connections with upper story redevelopment • Equity considerations for downtown development • Ideas and resources available for supporting upper story redevelopment	Housing and underserved community advocacy and support nonprofits; State agencies	5	Appendix C
Community Interviews and/or Site Visits (Case Studies)	• Current conditions • Barriers • Successes • Tools and strategies for promoting upper story redevelopment	Oregon Main Street Communities identified by Oregon Heritage: Albany, Astoria, Cottage Grove, Independence, Klamath Falls, Lebanon, Pendleton, and Woodburn.	8	Appendix A

Table 1: Data Collection at a Glance, Continued

Method	Key Topics Explored	Target Population	Number Completed	Appendix
Oregon Heritage Conference Focus Group	• Current conditions • Tools and strategies for promoting upper story redevelopment	Oregon Heritage Conference Attendees (mostly city and Main Street representatives)	15	-
Topical Expert Focus Group	• Tools and strategies for promoting upper story redevelopment	Topical experts identified by Oregon Heritage from: Business Oregon, Homes for Good, Oregon Building Codes Division (BCD), Oregon Heritage, Oregon Housing & Community Services (OHCS), Oregon Department of Land Conservation & Development (DLCD), Oregon Department of Transportation (ODOT), and Regional Solutions	9	-

2. CONTEXT FOR UPPER STORY REDEVELOPMENT OVERVIEW

What is the benefit to communities of pursuing full upper story occupancy? Why should agencies and other partners such as downtown associations and Main Street programs support this goal?



Development & Disinvestment

Oregonians love their hometowns and aspire to see them flourish, but the health of the community is tied to the local economy and public policy. As conditions shift, we need to bolster Oregon's small cities.

- **Development:** As railroad lines brought prosperity to the towns, merchants built multi-story buildings to accommodate shops and production spaces.
- **Disinvestment:** Beginning in the 1950s new freeways bypassed downtowns. In later decades town centers were further disinvested due to suburban sprawl, mall development, and weakening industrial economies.
- **Revitalization:** Community driven revitalization efforts have helped restore centrally-located commercial vitality, but opportunities to develop upper stories should not be overlooked.

Property Ownership & Exclusion

Property ownership is the primary method of building generational wealth in the United States, but for generations, all residents except those perceived or legally identified as white were excluded from ownership through various discriminatory legal and social structures.

- **Inequitable History:** Historic racist policies and ongoing social stratification continue to negatively impact access to real estate by Oregon's communities of color.
- **Repercussions and Obligations:** We have an obligation to correct this history. A genuine commitment to equity must be a central element of housing and community development policy as Oregon defines its future.





Untapped Potential

With the right vision, upper story redevelopment can generate energy, excitement, and economic activity; support more equitable outcomes for marginalized groups; and contribute to a sustainable future.

Community Benefits

- **Sense of Community and Identity:** Activation of upper floors in historic buildings has a multiplier effect on the vitality of a community.
- **Housing:** Oregon is facing an historic shortage of housing at every level. Unused or underused upper stories can help fill that gap.
- **Community Space:** Upper stories have been redeveloped into a range of event venues and art spaces, including dance studios, artist studios, galleries, and even small theaters.
- **Offices and commercial space:** Upper stories can serve as co-working spaces or as expansion space for growing local businesses.

Social Benefits

- **Affordable Housing:** Some upper story apartments are naturally affordable due to their compact size. Subsidized affordable housing and creative models of real estate investment can also extend access for lower income individuals.
- **Preservation:** Historic designations initiate access to resources for revitalization. Other creative methods such as Multiple Property Designations can support equity through upper story redevelopment and building preservation.

Environmental Benefits

- **Minimizing Waste:** Renovation can reduce environmental impacts that would take 80 years for new construction to overcome.
- **Reducing Transportation Emissions:** Renovation of downtown spaces supports climate action by creating more opportunities to live and work within walkable, full-service areas and reducing car reliance.

2. CONTEXT FOR UPPER STORY REDEVELOPMENT

Upper story development supports the entire community. Full building occupancy is objectively good: it keeps structures maintained, revenue flowing, and eyes on the street. This is particularly true in downtown districts, which need a permanent presence and consistent flow of people to maintain their vitality.

By focusing on upper story redevelopment as a strategy for community revitalization, we have an opportunity to consider our history and ensure widespread benefits to community members. In this chapter we explore the history of development in Oregon and how communities have endeavored to support the health of their downtown cores. Then we discuss the history of property ownership in Oregon, examining the ways in which legal restrictions and discriminatory practices led to racial and ethnic disparities in stability and generational wealth. Finally, we highlight the benefits upper story redevelopment can bring to all members of our communities.

Development and Disinvestment

Oregonians have always loved their hometowns and aspired to see them flourish. From the earliest development, residents have cultivated their towns with care. But towns are also a function of trade, finance, and law; for small towns, the health of the community is tied to the health of the local economy and the changing tides of public policy. For a time, we took our downtowns for granted. Now, even as conditions shift, we understand the need to focus resources to create and maintain the vibrancy at our communities' hearts.



Woodburn, OR 1900s

Source: Oregon Main Street

The bones of today's permanent communities in Oregon were first established around ferry landings and gristmills.[7] Market competition drove towns to develop improved roadways, and merchants and craftspeople expanded shops to accommodate production.[8] As railroad lines brought prosperity to the towns they ran through, merchants built multi-story buildings to accommodate shops and

[7] *Sawmills and agricultural structures*. (n.d.). Retrieved August 15, 2022, from https://www.oregonhistoryproject.org/narratives/wooden-beams-and-railroad-ties-the-history-of-oregons-built-environment/sawn-lumber-and-greek-temples-1850-1870/sawmills-and-agricultural-structures/#.Yvp8n-zMLeo

[8] Mahoney, T. R. (2003). The Small City in American History. *Indiana Magazine of History*. Retrieved from https://scholarworks.iu.edu/journals/index.php/imh/article/view/12027

production spaces.[9] Apartments for merchants and fraternal lodges were located on the upper floors.[10] Francaviglia argues that "the development of the 'two-part commercial block' (which features a lower floor devoted to retailing and an upper story occupied by residences, usually of the owner or merchant) [was] essential to the development of America's Main Street architecture."[11]

Pleasure roads initially encouraged travel, tourism, and town pride.[12] But with the congressional mandate for the interstate highway system in 1956, new freeway routes bypassed downtowns. Recognizing the repercussions to Oregon's smaller communities, the state was an early adopter of preservationist efforts and the state's pioneering land use planning in the 1970s supported those goals.[13] However, market forces pushed downtown disinvestment as sprawling, low-rise suburban tract development and shopping centers with acres of parking lots drew business away from town centers. Small town economies in Oregon were further hit by the decline of the timber industry and other industrial boom and bust cycles.[14] As street-level businesses fled downtown, so did upper story occupants.

Revitalization and reinvestment have ramped up over the past several decades, led by the passionate residents who are committed to their town's success. Community driven efforts at street beautification, downtown business support, and "placekeeping" have helped restore downtown vitality. Meanwhile, cultural winds have shifted. Downtown living has become trendy and appealing. Remote work offers opportunities for employees to live in more rural locales, and new policies in Oregon aim to intensify downtown use. Upper stories are an asset. Their development is the natural next step in fostering a thriving downtown and a flourishing community. It also offers opportunities to create a more inclusive and equitable future.

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[9] *Town beginnings*. (n.d.). Retrieved August 15, 2022, from https://www.oregonhistoryproject.org/narratives/wooden-beams-and-railroad-ties-the-history-of-oregons-built-environment/sawn-lumber-and-greek-temples-1850-1870/town-beginnings/#.YvqCvuzMLeo

[10] Francaviglia, R. V. (1996). Main Street Revisited: Time, Space, and Image Building in Small-town America. University of Iowa Press. Page 8

[11] Ibid, 19

[12] Engeman, Richard H. (2005). "One big city, many small towns." *The Oregon History Project*. Oregon Historical Society. Retrieved August 15, 2022, from https://www.oregonhistoryproject.org/narratives/wooden-beams-and-railroad-ties-the-history-of-oregons-built-environment/revival-styles-and-highway-alignment-1890-1940/one-big-city-many-small-towns/#.YvqOzezMLeo

[13] Engeman, Richard H. (2005). "Roads to freeways: Building and land preservation." *The Oregon History Project*. Oregon Historical Society. Retrieved August 15, 2022, from https://www.oregonhistoryproject.org/narratives/wooden-beams-and-railroad-ties-the-history-of-oregons-built-environment/international-northwest-and-cryptic-styles/roads-to-freeways-building-and-land-preservation/#.YvqQWezMLeo

[14] *State of Oregon: Oregon ghost towns—About ghost towns*. (n.d.). Retrieved August 15, 2022, from https://sos.oregon.gov/archives/exhibits/ghost/Pages/about.aspx

Property Ownership and Exclusion in Oregon

Property ownership is the primary method of building generational wealth in the United States,[15] but for generations, all residents except those perceived or legally identified as white were excluded from ownership through various discriminatory legal and social structures. The results of these restrictions have rippled through Oregon's communities of color for generations. When we consider our priorities for Oregon towns and cities, it is critical that we acknowledge this imbalance. We should recognize development projects as opportunities to invest in policies and strategies that are not only inclusive, but also endeavor to correct wealth and access disparities.

Prior to white settlement, diverse Indigenous communities with sophisticated relationships to the natural environment and a complex web of connection with one another stewarded the land that is now Oregon. For millennia, they shaped the natural and built environment. As white American and European settlers introduced disease and violence, weakening the resistance to white ownership claims, Indigenous residents were forced onto increasingly small tracts of land.[16] Now tribal lands make up 1.6% of Oregon.[17] With the introduction of land ownership systems and the exclusion of Indigenous people from their ancestral territories, Oregon's earliest and most long-standing residents lost control of and access to the resources that soon made white landholders wealthy.

Black exclusion laws were established in 1844 with a vision for a white utopia.[18] The laws had the effect of deterring Black immigrants, and continue to shape Oregon's communities today, with only 2% of the population identifying as Black or African American.[19] The first survey grid was established by the Oregon Provisional Government under the Donation Land Act of 1850, excluding Blacks and Hawaiians and most Native Americans explicitly. Most desirable Kalapuya territory was taken by force.[20] The Oregon Constitution prohibited Chinese land ownership in

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[15] Boehm, Thomas P. and Alan Schlottmann. "Wealth Accumulation and Homeownership: Evidence for Low Income Households." December 2004. US Department of Housing and Urban Development.

[16] Engeman, Richard H. (2005). "Surveyed patterns on the land." *The Oregon History Project.* Oregon Historical Society. Retrieved August 15, 2022, from https://www.oregonhistoryproject.org/narratives/wooden-beams-and-railroad-ties-the-history-of-oregons-built-environment/euro-american-adaptation-and-importation/surveyed-patterns-on-the-land/#.YvpwZezMLep

[17] *Tribal governments in Oregon: Background Brief.* September 2016. Legislative Policy and Research Office. https://www.oregonlegislature.gov/lpro/Publications/BB2016TribalGovernmentsinOregon.pdf

[18] Engeman, Richard H. (2005). "Black exclusion laws in Oregon." *The Oregon History Project.* Oregon Historical Society. Retrieved August 15, 2022, from https://www.oregonencyclopedia.org/articles/exclusion_laws/

[19] Bureau, U. C. (n.d.). *Oregon Population 4.2 Million in 2020, Up 10.6% From 2010.* Retrieved August 15, 2022, from https://www.census.gov/library/stories/state-by-state/oregon-population-change-between-census-decade.html

[20] Engeman, Richard H. (2005). "Oregon donation land law." (n.d.). *The Oregon History Project.* Oregon Historical Society. Retrieved August 15, 2022, from https://www.oregonencyclopedia.org/articles/oregon_donation_land_act/

1859, and a series of exclusion acts swept Japanese nationals under the umbrella; that status quo remained in place for almost a century.[21]

Formalized anti-Black prohibitions, exclusionary laws, and discrimination continued through much of the 20th century. Restrictive racial covenants on property deeds formally prohibited Black ownership in many cities, and discriminatory lending practices prevented Black families from accessing mortgages. Urban renewal projects in the 1950s and 60s led to the destruction of Black neighborhoods, and discriminatory lending practices sharply limited Black residents' access to property. More recent gentrification in Portland neighborhoods has displaced whole communities.[22]

Oregon's history of white supremacy, both overt and tacit, has shaped a structurally inequitable present. We have an obligation to correct this history by redistributing power in our communities. A genuine commitment to equity must be a central element of housing and community development policy as Oregon defines its future. We need our entire toolbox to build an equitable future; upper stories are a tool we should not overlook.

Untapped Potential: The Future of Upper Story Redevelopment

Underused upper stories offer substantial potential to communities with a vision. By supporting upper story redevelopment, communities are investing in their future. Renovating spaces and attracting tenants improves both the physical, social, and economic prospects of the areas around multi-level buildings. As towns seek opportunities to increase their vitality, it is important to understand the numerous benefits of investing in upper stories. With the right vision and support, upper story redevelopment can generate energy, excitement, and economic activity; support more equitable outcomes for historically marginalized groups; and contribute to a sustainable future.

Community Benefits

Sense of Community and Identity

Activation of upper floors in historic buildings has a multiplier effect on the vitality of a community. Occupying vacant spaces preserves the physical capital against deterioration while improving a building's aesthetics and contributing to a pleasant streetscape. Upper floor housing and offices add a population bump, which contributes to steady patronage of surrounding businesses. Event spaces, venues, and studios bring additional foot traffic and add depth to a sense of community identity. The buildings themselves impact the character of a city, with a range of architectural styles that speak to the community's history and stories.

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[21] Oregon Multicultural Archives. "Oregon Chinese disinterment documents." Oregon State University, Special Collections & Archives Research Center. Retrieved August 26, 2022, from http://scarc.library.oregonstate.edu/omeka/exhibits/show/oregondisintermentdocuments/history/discrimination

[22] Millner, David. (January 2022). "Blacks in Oregon." *The Oregon Encyclopedia.* Oregon Historical Society. Retrieved August 15, 2022, from https://www.oregonencyclopedia.org/articles/blacks_in_oregon/

Revitalized buildings in historic downtowns protect and celebrate local heritage, contribute to the community's sense of place, and attract visitors to experience the community's unique identity.

Housing

Oregon is facing an historic shortage of housing at every level. The Oregon Housing Needs Analysis (OHNA) estimates that the state must produce approximately 29,500 new homes annually through 2045 to meet existing housing shortages and future demand. The analysis estimates that 95,937 homes are needed to address the current housing deficit, plus 398,566 additional homes to accommodate future growth, for a total need of roughly 494,500 housing units over the next 20 years.

Recognizing the urgency of this challenge, Governor Tina Kotek has made increasing housing production a statewide priority, supporting initiatives to reduce barriers to development, improve accountability, and accelerate the delivery of new housing. Communities are being encouraged to identify a variety of locally appropriate strategies to help meet Oregon's housing needs.

Unused or underused upper stories can help fill that gap. Upper story spaces have the benefit of greater flexibility than single-family homes: housing units can be designed to accommodate a range of needs and income levels. Upscale loft-style apartments can occupy entire floors, or smaller, well-designed apartments can be made available at lower prices. Upper story housing can even be set aside as affordable (subsidized) housing or developed as permanent supportive housing for populations in need of particular social and health services. Although upper stories alone cannot solve Oregon's housing shortage, they have the potential to make a difference.

Metropolis Marketplace, Downtown Woodburn

The upper floor of the Metropolis Marketplace is a popular venue with a large open floor plan that is rentable for celebrations, meetings, and other events. Originally built in 1891, the building has been fully renovated with contemporary electrical and lighting, adding modern aesthetic touches while maintaining original interior elements.



Source: Oregon Main Street Program



Source: Oregon Main Street Program

Community Space

Housing is an urgent need, but our interviews with community representatives indicate that there is a significant demand for other kinds of gathering spaces as well. Event spaces and performance venues are highly desirable and in short supply in many communities. Mid to large capacity gathering spaces give residents local options for private events such as quinceañeras and weddings, while also attracting out-of-town guests who appreciate small-town charm. Many communities have upper story spaces that were originally developed as fraternal lodges, a mostly open-concept design that can be adapted to event space.

Upper stories have also been redeveloped into a range of art spaces, including dance studios, artist studios, galleries, and even small theaters. Providing visible space for local arts fosters an organic vitality, contributing to and showcasing the town's unique character. Such vibrancy introduces a draw for both locals and tourists, and is an essential element of placemaking.

Offices and Commercial Space

Historically, downtown upper stories were frequently developed as professional offices for lawyers, accountants, and other pursuits that were not space intensive. As many businesses go remote or relinquish large office buildings, downtown upper stories spaces are an appealing alternative. Upper stories can also serve as co-working spaces for small businesses with more flexible space needs or as expansion space for growing local businesses that want to remain based in the community. Downtown offices have the added benefit of placing workers near restaurants and other downtown activity. In addition to office space, businesses can also use upper stories for retail such as galleries, clothing shops, and bookshops. By contributing working space to downtown, upper stories can support economic development and efficient use of existing buildings.

Economic Benefits

Shifting Perceptions

Revitalizing upper stories, particularly into housing, office, and community spaces, increases the number of people living, working, and visiting downtown. This increase in the diversification of activity can build momentum and shift public perception.[23] Visitors begin to see the downtown area as a lively and welcoming destination, reversing negative impacts of long-term vacancies and supporting the appeal of local businesses. Such a shift also supports residents' confidence in the wider economic health of their city and can lead to further investment and development in the area.[24]

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[23] Love, H. & Kok, C. (2021, July 27). *The inclusive economic impacts of downtown public space investments.* The Brookings Institution. https://www.brookings.edu/articles/the-inclusive-economic-impacts-of-downtown-public-space-investments/

[24] Preservation League of New York State & Genesee/Finger Lakes Regional Planning Council. (n.d.). *Upper floor reuse: A guidebook for revitalizing downtown buildings.* https://static1.squarespace.com/static/5ce6e114ce7798000182c79f/t/5ceee64fe79c70dc9360cdcc/1559160430757/upperfloorsguidebook.pdf

Economic Resilience

Upper story development that fosters downtown diversification can drive economic resilience. A wider variety of businesses and spaces allows for adaptation and flexibility, meaning the local economy can weather hard times and bounce back more quickly. Meanwhile, avoiding over-reliance on any one economic activity contributes to a more balanced economy, allowing a region to more easily absorb the shock of any potential economic downturn.[25]

When carried out with intention and coordinated planning, including embedding efforts to ensure accessibility and support for underserved residents and small businesses, renovation of downtown spaces can build a more resilient economy, with positive impacts for building owners, businesses, and residents.[26]

Social Benefits

Affordable Housing

Oregon's history of exclusionary policies paired with nationwide lending discrimination has led to barriers which disproportionately impact property ownership rates (and therefore wealth) among communities of color. While the statewide homeownership gap has narrowed in recent years, significant disparities remain. As of 2022, 65.8% of White Oregonians owned their homes, compared with 50.5% of Black, Indigenous, and People of Color (BIPOC) Oregonians, a 15.3 percentage-point gap. Progress has been especially limited for Black and Native American households. These longstanding disparities continue to affect housing stability, wealth-building opportunities, and economic mobility for many Oregon families and communities.

Upper story redevelopment, however, presents an opportunity to work towards racial equity. Communities of color face disproportionate rates of housing insecurity.[27] Adding inventory of housing at any level has the potential to bring down housing costs by simply increasing the supply of available housing. Upper story apartments (if not developed as luxury housing) have "natural affordability" due to their compact size or can be developed specifically as subsidized affordable housing to ensure access for lower income, lower wealth individuals and families.[28]

Historically, many downtown upper-story spaces were used as single-room occupancy (SRO) housing, providing modest, affordable homes for workers, students, seniors, and individuals living alone. Oregon has recently taken steps to encourage the return of this housing type. House Bill 3395 (2023) added SROs to the statutory definition of *needed housing*, requiring local

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[25] Goschin, Z. (2019). Specialisation vs diversification. Which one better upholds regional resilience to economic crises?. *Journal of social and economic statistics*, *8*(2), 11-23. https://reference-global.com/download/article/10.2478/jses-2019-0002.pdf

[26] Love, H. & Kok, C. (2021, July 27). *The inclusive economic impacts of downtown public space investments.* The Brookings Institution. https://www.brookings.edu/articles/the-inclusive-economic-impacts-of-downtown-public-space-investments/

[27] Task Force on Homelessness and Racial Disparities in Oregon. (2022). *Findings and Recommendations: Report to the State Legislature.* Oregon Housing and Community Services, State of Oregon.

[28] Koo, Annie. (2020). *Rethinking space to increase affordability and quality of life*. New Cities. Retrieved August 26 from https://newcities.org/the-big-picture-rethinking-space-increase-affordability-quality-life/

governments to allow them in residential and mixed-use zones. More recently, House Bill 2138 (2025) expanded opportunities for SRO development by broadening allowable SRO configurations and authorizing local governments to offer incentives such as density adjustments, expedited permitting, and modifications to certain development standards. These changes create new opportunities for communities to consider upper-story spaces as locations for small, attainable housing options.[29]

Beyond affordable rents, other creative models are emerging to support property ownership for groups that have experienced past discrimination and those with low incomes. Community Land Trusts (CLTs), Real Estate Investment Trusts (REITs), and Community Investment Trusts (CITs) all support small dollar investment that both benefit the investors and support goals of increasing ownership. Businesses owned by members of underserved communities also have access to support for purchasing their commercial building as a business investment. Deploying these models in the context of upper story redevelopment can help increase social equity while simultaneously making better use of underutilized spaces.

[29] Oregon House Bill 3395 (2023), 2023 Regular Session, Chapter 223, amending the definition of "needed housing" to include single-room occupancies and requiring local governments to allow certain SROs in residential zones, Oregon Legislative Information System – HB 3395. See also Oregon House Bill 2138 (2025), 2025 Regular Session, Chapter 476, expanding allowable single-room occupancies and related housing provisions, Oregon Legislative Information System – HB 2138

Preservation

Other creative methods to support equity through upper story development begin with identifying important heritage sites for groups that have often been excluded or sidelined in the mainstream account of history. Historic designations initiate access to additional funding and resources for revitalization. Many historic main street buildings rely on those designations; however, the histories of many populations have, at best, been ignored. At worst they have been systematically erased. As Oregon attempts to forge a more equitable future, recognizing the histories of its diverse population is critical.

Designation as an historic site can bring awareness, recognition, and resources to revitalization efforts. Strategies that promote historic designations for communities that are often excluded or erased from the mainstream historical narrative are particularly important to pursue.

The Golden West Hotel, Portland, Oregon

In 2020 the National Park Service approved a Multiple Property Designation for Portland sites that were central to the African American community between 1851 and 1973. The Oregon Black Pioneers and the Architectural Heritage Center worked to map these sites and established thematic constructs which support inclusion of spaces that were important due to their civil rights, business, and journalism contexts. Included were cultural spaces such as the Golden West Hotel, which was established by an African American entrepreneur and provided short- and long-term housing to a Black clientele.[i]



Source: Abioto, Intisar / courtesy City of Portland. (n.d.). Black Historic Sites Approved. December 2020. The Portland Observer.

[i] Oregon Black Pioneers. (n.d.). *NPS Approves MPD for African American Historic Sites of Portland*. Retrieved August 12, 2022, from https://oregonblackpioneers.org/2020/07/08/nps-approves-mpd-for-african-american-historic-sites-of-portland/

Environmental Benefits

Minimizing Waste

Renovating existing spaces (rather than demolishing and rebuilding from scratch) is inherently sustainable. Redevelopment of existing buildings preserves the building's embodied energy – the energy that was consumed in the original construction of the building. Renovation can reduce environmental impacts that would take 80 years for new construction to overcome.[30] Renovation projects also decrease the amount of material that ends up in landfills, an estimated 30% of which comes from the demolition of older buildings.[31]

[30] U.S. Green Building Council. (n.d.). *Adaptive reuse is even more sustainable with LEED.* Retrieved August 12, 2022, from https://www.usgbc.org/articles/adaptive-reuse-even-more-sustainable-leed

[31] Oregon Main Street. (2020). Oregon Main Street 2020 Program Handbook. Oregon Heritage, Oregon Department of Parks and Recreation. P.4.

Reducing Transportation Emissions

Renovation of downtown spaces supports climate action by creating more opportunities to live and work within walkable, full-service areas. Residents who can access most or all their needs without driving help decrease emissions from fossil fuel powered vehicles. Further, promoting downtown residential aligns with Oregon's Climate Friendly and Equitable Communities Rulemaking goals[32], which direct cities to prioritize housing and development within designated walkable areas – generally the downtown districts in small cities.[33]

[32] See both *Climate-Friendly Housing Production Strategies Report* and *Department of Land Conservation and Development: Climate-Friendly and Equitable Communities : Climate Change : State of Oregon* for guidance on the connections between housing production, climate planning, and state housing policy.

[33] Department of Land Conservation and Development. (n.d.). Climate-friendly and equitable communities rulemaking: Laws and rules. State of Oregon. Retrieved August 26, 2022, from https://www.oregon.gov/lcd/LAR/Pages/CFEC.aspx

3. CURRENT CONDITIONS OVERVIEW

What are the current conditions and needs of underutilized downtown upper-story spaces statewide?

Based on responses from 48 city and Main Street respondents representing 33 Oregon Main Street Communities



Downtown Upper Story Use

Upper Floor Occupancy Status	Average % Reported
Unusable and unoccupied (needs repairs or renovations for it to be used)	28%
Usable but NOT regularly occupied or used by people (for example, primarily used for storage)	19%
Occupied/regularly used by people	53%

Current & Desired Uses for Downtown Buildings

Retail and restaurants/dining dominate downtown use, but respondents notably expressed a desire for an increase in **residential** and **lodging** space allocation:

- On average, only about 9% of respondents' downtown spaces are residential and 3% are lodging, but respondents indicate that in an ideal scenario, residential use would be closer to 14% and lodging 6%.





Downtown Districts & Designations

Economic and historic designations create access to funding and support, but can also complicate development:

- Almost all the communities we surveyed (26 of 30 who answered this question) have some kind of special economic designation including urban renewal, enterprise zones, economic improvement districts, or business improvement districts.
- 73% of respondents were aware of downtown buildings being listed on the Historic Registry. 54% confirmed their city has a preservation program that requires design review. Many confirmed their downtown is either in a National Register Historic District (31%) or in a Local Historic Landmark District (17%).

Property Owners

Relationships between city/Main Street representatives and property owners can greatly facilitate the upper story redevelopment process.

- **Communication usually happens occasionally and is reactive**. While 21% of respondents communicate monthly with property owners, 64% of respondents communicate just a few times a year.
- **Few communities track property owner information**. Only 13% of respondents reported some form of property owner information tracking.

Community Support & Action

Both city and Main Street representatives say they **would like to see Oregon's small downtowns fully occupied**.

- 78% of respondents reported that their communities support upper-story development projects.
- 64% of respondents report that there have been efforts to increase upper story use in their communities.

3. CURRENT CONDITIONS

Upper stories in buildings across Oregon stand empty at the same time as the state struggles to meet a massive shortage of housing, offices, and other community venues. So where is the disconnect? This section identifies patterns — and reveals opportunities — based on the current conditions of upper stories in Oregon Main Street Districts.

This snapshot of current conditions is drawn primarily from three sources:

- A survey sent to city officials and Main Street organizations
- A similar, but highly condensed survey sent to property owners by willing city and Main Street representatives
- Interviews with city and Main Street representatives

Most of the data in this chapter is derived from the city/Main Street survey, which reached the widest range of communities. The survey data provide a statewide summary while information from stakeholder interviews helps contextualize the statewide results with background and examples. Although respondents came from Main Street-designated downtowns, we believe there are also relevant lessons for communities without a Main Street program and upper stories outside of downtowns. Find the full survey results in Appendix B as well as interview summaries in Appendix C.

In this chapter, we cover the use of upper stories, the current and desired uses of downtown spaces, districts and other designations present in downtowns, relationships with property owners, and the support cities and Main Street organizations offer to property owners.

Downtown Upper-Story Use

Close to half of upper stories are empty. While the majority of respondents reported that at least 75% of all their downtown buildings (ground and upper stories) were fully occupied, respondents reported that on average, 47% of upper story spaces were unoccupied – a combined total of space that is currently usable and space that needs renovation (see Table 2). While striking, this Oregon estimate is lower than estimates of the nationwide average of 68%. [34]



Albany, OR

[34] Powe, Mike. (March 31, 2022). "At Home on Main Street: Virtual Dialogue on Barriers to Addressing Housing in Main Street Districts." PowerPoint Presentation.

Table 2: Breakdown of Upper Story Occupancy and Usability

Upper Floor Occupancy Status	Average % Reported	Minimum % Reported	Maximum % Reported
Unusable and unoccupied (needs repairs or renovations for it to be used)	28%	0%	100%
Usable but NOT regularly occupied or used by people (for example, primarily used for storage)	19%	0%	50%
Occupied/regularly used by people	53%	0%	95%

Source: Question 12 of City/Main Street Survey - To the best of your knowledge, please estimate the percentage of your downtown's upper-story spaces that fall into the following categories. N=47.

Unused spaces require significant renovation. Of the unused spaces reported by respondents, respondents estimated that on average, about 60% of spaces are mostly unusable – they need significant repairs or renovations before they can be occupied.

Breaking communities into those with better used and those with less well-used upper stories did reveal some distinctions:

- For respondents that reported more than half of their upper story spaces as occupied or used frequently, the remaining vacant spaces were divided roughly equally on average between the "usable but not occupied" and "unusable and unoccupied" conditions.
- For respondents that reported half or more of their upper story spaces being unused, almost two-thirds of the vacant spaces were categorized as unusable on average.

This indicates that in communities where upper stories are already not well used, the conditions of those spaces are generally worse than in communities where upper story utilization is greater.

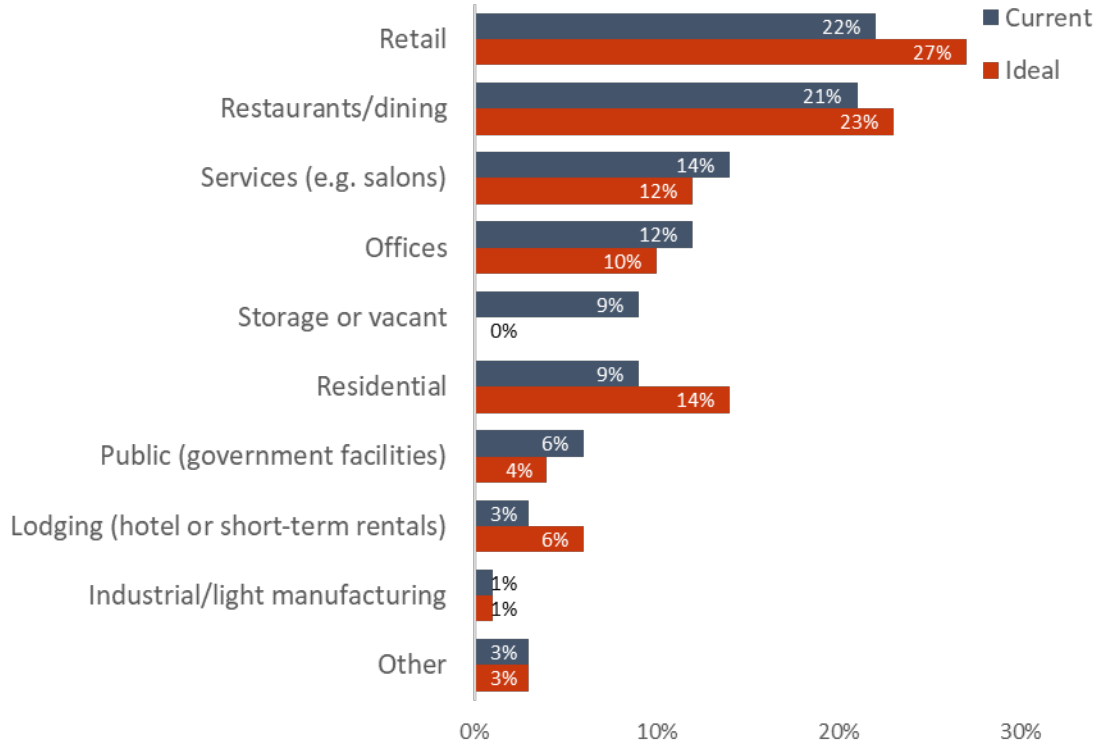


Cottage Grove, OR

Current & Desired Uses for Downtown Buildings

To better understand potential uses for upper story spaces, we asked city and Main Street representatives to share the breakdown of current uses in their downtowns, followed by the mix they would like to see in an ideal scenario. Most communities wish to increase downtown spaces for retail, restaurants/dining, residential, and lodging purposes. For residential uses in particular, upper stories are the most natural location for expansion.

Figure 1: Average Estimated Distribution of Current & Ideal Downtown Uses



Source: Question 8 & 9 of city/Main Street Survey - Please estimate what percentage of all the interior building space in your downtown (including ground floors and upper floors) is used for the following purposes; In an ideal scenario, how would you like uses to be distributed in your downtown interior building spaces? N=47.

Though retail and restaurants/dining remain the downtown building uses with the highest desired allocation of space, respondents notably expressed a desire for an increase in residential and lodging space allocation. An average of current uses shows only about 9% of downtown spaces are residential and 3% are lodging, but respondents indicate that in an ideal scenario, residential use would be closer to 14% and lodging 6%. These uses are particularly well suited to occupying upper story space.

Downtown Districts and Designations

When communities create special districts or other designations in their downtown, they gain eligibility for certain tax benefits, funding access, and protections. At the same time, these designations often come with restrictions and requirements for how properties are maintained and developed. We asked survey respondents to identify what special districts and designations were present in their communities to better understand what resources and restrictions might impact upper story spaces. While each community has its own mix of special designations, almost all communities have at least one designation that might open up some resources for upper story redevelopment.

Economic Designations

Most survey respondents reported that their downtowns have special designations designed to support economic development:

- Nearly half of respondents (48%) confirmed that all or part of their downtown belongs to an urban renewal or tax increment financing district. Although not all urban renewal plans include housing as a specific component, many provide sufficient flexibility to support upper-story rehabilitation and mixed-use redevelopment projects. Communities should consult their adopted urban renewal plan to determine eligible uses of tax increment financing to support improvements in downtown.
- Almost all the communities we surveyed (26 of 30 who answered this question) have some kind of special economic designation including urban renewal, enterprise zones, economic improvement districts, or business improvement districts.
- Other designations mentioned specifically in open-ended responses included Opportunity Zone and Vertical Housing Tax District.

Historic Designations

Most survey respondents reported that their downtowns have historic elements:

- Close to 80% of respondents reported that half or more of their downtown buildings are at least 50 years old.
- Nearly three quarters (73%) of respondents were aware of downtown buildings being listed on the Historic Registry. More than half of the respondents (54%) confirmed their city has a preservation program that requires design review. Many confirmed their downtown is either in a National Register Historic District (31%) or in a Local Historic Landmark District (17%).
- Other designations mentioned specifically in open-ended responses included Oregon Historic District, Historic Resource Area, and Historic Cultural Overlay.

Property Owners


Lebanon, OR

Maintaining relationships with property owners is a key element of supporting upper story redevelopment. We asked city and Main Street representatives to reflect on how well and how often they communicate with owners in their communities. We also hoped to determine if respondents track information about owners, and which information they might track. Communications with property owners are mostly positive, though much is dependent on individual relationships. The frequency and proactiveness of communications vary significantly across communities. Most respondents reported that they would like to improve their level of interaction with property owners.

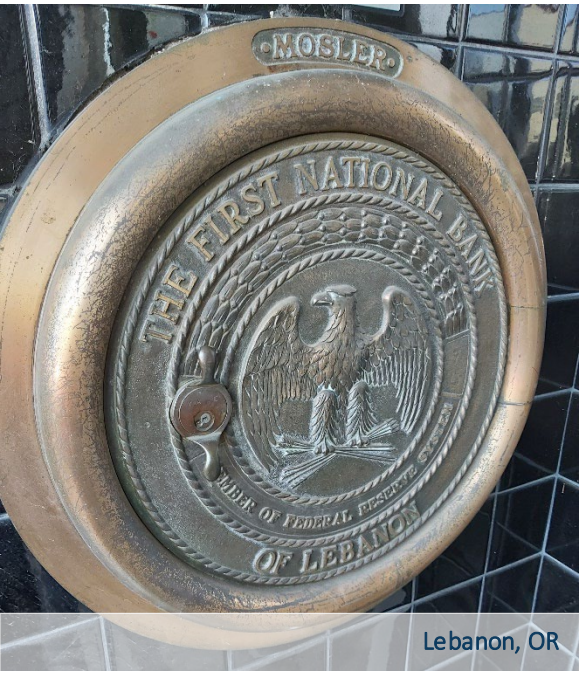
Communication with Property Owners

Communication usually happens occasionally and is reactive. While 21% of respondents communicate monthly, 64% of respondents communicate just a few times a year. A smaller percentage of respondents (15%) rarely communicate with property owners. Although a higher percentage of city representatives than Main Street representatives indicated they communicate frequently with property owners (26% versus 19%), a higher percentage of cities compared to Main Street organizations also communicated rarely or never (17% versus 10%). This means that overall, Main Street organizations are more likely than cities to have contact with property owners.

According to survey respondents, property owner communication is more reactive than proactive and depends on what initiatives are available at the time. An explanation for "We don't communicate with downtown property owners" is that the city does not communicate with property owners on a regular basis unless property owners are in violation of code, require attention for an active application, or an event is upcoming.

Most communication occurs in person or via email. Almost all respondents (81%) said they communicate with property owners individually in person and/or that they use email to reach property owners. About half or less said they used phone calls, social media, e-newsletters, and/or flyers.

Communication can be challenging. When describing relationships with property owners, many respondents indicated that they would like to improve the level of interaction with property owners. It is "[i]mproving but less than optimal," wrote one respondent. "[We n]eed to do a better job of outreach to better understand their investment plans and how we can help. We have available resources but need to do more outreach and education about available tools to help property owners plan and not just respond."



Lebanon, OR

Another noted that out-of-town owners tend not to be as connected as local owners: "Owners from the local level and those that visit regularly, contact [us] to catch up on downtown activity [and] family life with a smearing of talking shop, whereas others reach out when a need arises. Some out of the area owners that are uninvolved in the property and area I have no contact with."

Tracking Information to Facilitate Contact

Few communities track property owner information. Only 13% of respondents reported some form of property owner information tracking. Twenty-eight percent of respondents said they either plan to start tracking information or plan to track additional information. Those who already track or who are planning to start tracking are primarily interested in gathering contact information and location of residence. A few also track demographic information, but not the majority.

Who owns property?

Property ownership skews white. Because most respondents do not track property owner demographics, it is difficult to say who actually owns property in Oregon's downtowns. Nationally, property ownership, an important element of building generational wealth, is disproportionately white.[35] That condition is replicated in Oregon, where white homeownership rates is 64% higher than all other races combined.[36] Although we do not have quantitative information about Oregon's downtowns, it is probably safe to assume that the demographics of property ownership don't reflect the diversity present in Oregon communities. One survey respondent summarized the breakdown of downtown property owners in their community as: "White: 100%; Male (either single or in coupleship): 95%."

Community Support and Action

Both city officials and Main Street representatives say they would like to see Oregon's small downtowns fully occupied. Overall, 78% of respondents reported that their communities support upper-story development projects. Sixty-four percent report that there have been efforts to increase upper story use in their communities. Together these data indicate that there is a high level of motivation for upper story renovations across the Main Street communities.

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[35] Choi, Jung Hyun. (December 8, 2021). "Racial homeownership rates vary across the most commonly cited datasets. When and why should you use different ones?" *UrbanWire*. Urban Institute. Retrieved August 21, 2022, from https://www.urban.org/urban-wire/racial-homeownership-rates-vary-across-most-commonly-cited-datasets-when-and-why-should-you-use-different-ones

[36] Forecasting State and National Trends in Household Formation and Homeownership: Oregon." (n.d.). Urban Institute. Retrieved August 21, 2022, from https://www.urban.org/policy-centers/housing-finance-policy-center/projects/forecasting-state-and-national-trends-household-formation-and-homeownership/oregon

Support

Strongest support is in the Willamette Valley/Metro and Central/Eastern Oregon, as well as among "Performing" Main Street communities. While community support is high across respondent communities, the range of responses indicates a diversity of experiences throughout Oregon. No discernable patterns emerged when considering communities' racial/ethnic makeup, income, or population size, but two patterns did emerge related to location in the state and Main Street tier. While it is important to remember that our sample of communities is small, we noted some differences between regions and Main Street tier:

- A greater proportion of communities in the Willamette Valley/Metro and Central and Eastern Oregon reported support for upper story redevelopment compared to those on the Coast and in Southern Oregon. (See Table 3 for details.)
- As the designated Oregon Main Street tier increased, so did reported support for upper story redevelopment. A higher proportion of Performing and Transforming communities indicated support compared to Exploring communities. (See Table 3 for details.)

Table 3: Breakdown of Support for Upper Story Redevelopment by Region & Main Street Tier

Region	Total Communities	Total Reporting Support	% Reporting Support
Willamette Valley & Metro (Includes Travel Oregon Regions Metro, Mid-Valley, and South Valley)	15	12	80%
South Central & Eastern Oregon (Includes Travel Oregon Regions South Central, and Greater Eastern South)	3	2	67%
North Central & Eastern Oregon (Includes Travel Oregon Regions North Central, Greater Eastern North, and Northeast)	5	3	60%
Coast (Includes Travel Oregon Regions North Coast, Mid-Coast [broken out from South Valley], and South Coast)	5	2	40%
Southern (Includes Travel Oregon Region Southern)	1	0	0%

Main Street Tier	Total Communities	Total Reporting Support	% Reporting Support
Performing	7	7	100%
Transforming	8	7	88%
Exploring	15	7	47%

Source: Question 26 of city/Main Street Survey – Key stakeholders in your community are generally _____ (supportive of, resistant to, indifferent to) increasing downtown upper-story use. N=45.

2026 Oregon Main Street Update
Since the original survey was conducted, Oregon Main Street has updated its community designation structure. The original tier names are retained in Table 3 to accurately reflect the survey categories used at the time. As of 2026, the network includes.

Oregon Main Street Designation	Number of Communities
Accredited	8
Designated	22
Affiliated	15
Connected	62
Total	**107**

Source: *Oregon Main Street, 2026.*

For more information on tier information and Oregon Main Street, click here.

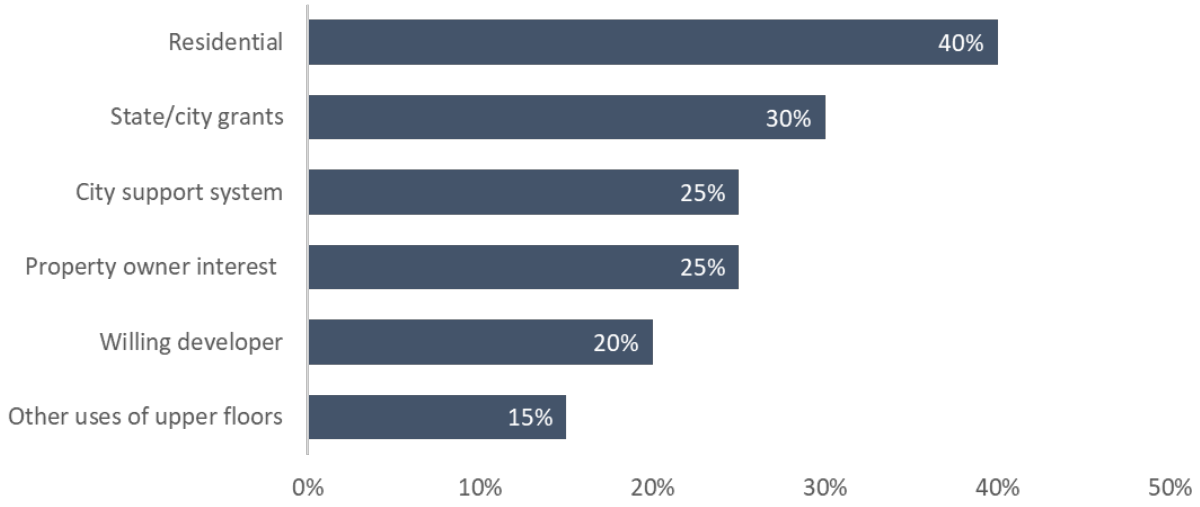
Action

Most communities have taken some action to increase upper story use. Two-thirds of responding communities reported that there had been efforts to increase upper story usage in their downtowns. No discernable patterns emerged when considering communities' racial/ethnic makeup, income, population size, or region, but Main Street tier did show some differences across communities:

- As the designated Oregon Main Street tier increased, so did reported efforts to increase use of upper-story spaces. Six out of seven Performing communities and six out of eight Transforming communities reported efforts, while only eight out of 15 Exploring communities reported efforts.

Successful action comes from residential projects that leverage multiple support systems. We asked communities who reported taking some action to increase upper story use to share notable successes. Many reported successful renovations of upper stories into residential spaces through leveraging grants and both public and private support systems. Respondents frequently mentioned use of the Oregon Main Street Revitalization Grants, local funding sources like Urban Renewal, and support from local agencies in coordinating and connecting to these resources. Figure 2 shows the range of successful elements mentioned by respondents.

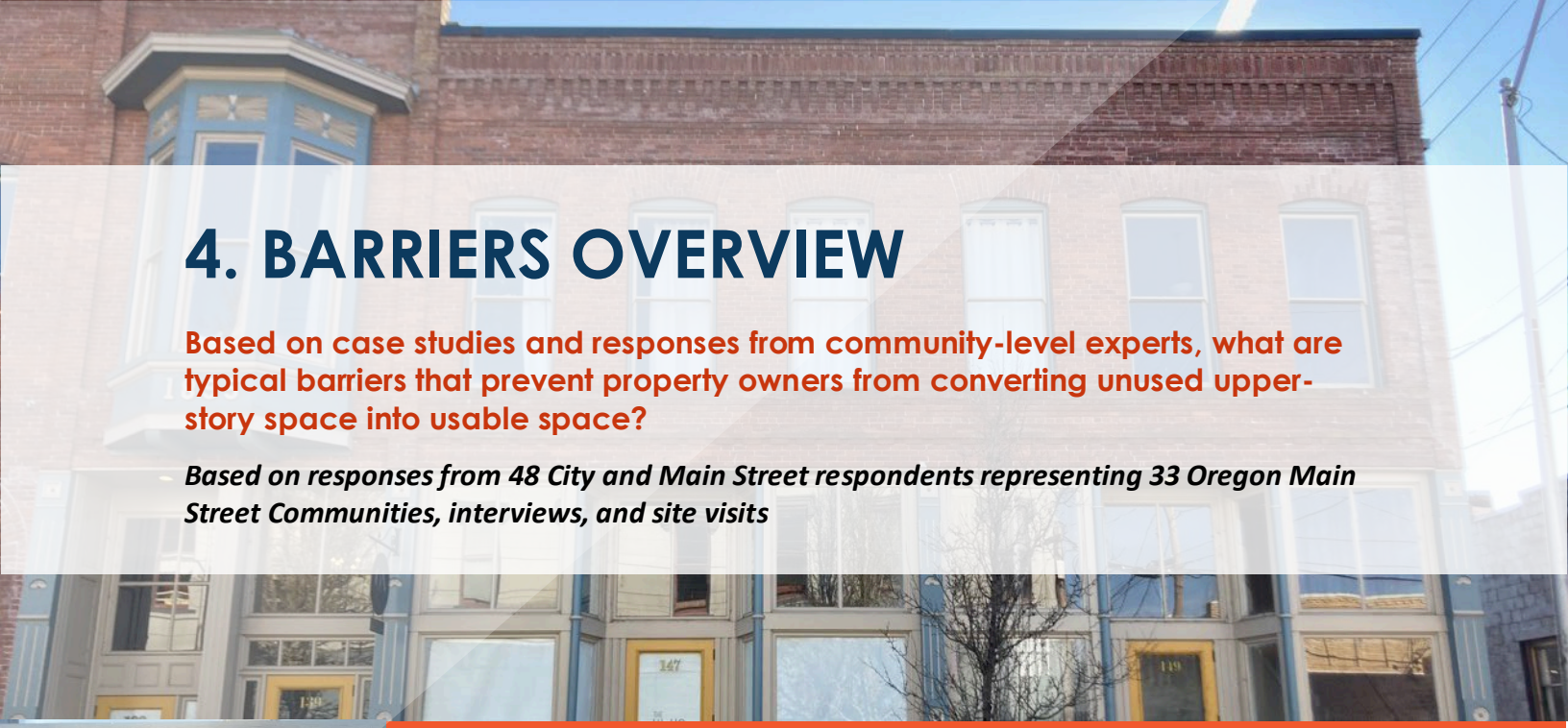
Figure 2: Successes in Upper Story Redevelopment



Source: Question 28 of city/Main Street Survey – Optional: Please share any notable successes or challenges you have encountered when working on upper-story revitalization. N=20

Conclusion

Understanding upper story conditions at the state and community scale is the first step in assessing the possibility of organizing, promoting, and incentivizing further development. The state level information in this section provides a starting point. It is clear that there is an opportunity: the space is available and communities are supportive of seeing it developed. So what is standing in the way? The next section identifies barriers that impede downtown upper story occupancy in Oregon.



4. BARRIERS OVERVIEW

Based on case studies and responses from community-level experts, what are typical barriers that prevent property owners from converting unused upper-story space into usable space?

Based on responses from 48 City and Main Street respondents representing 33 Oregon Main Street Communities, interviews, and site visits

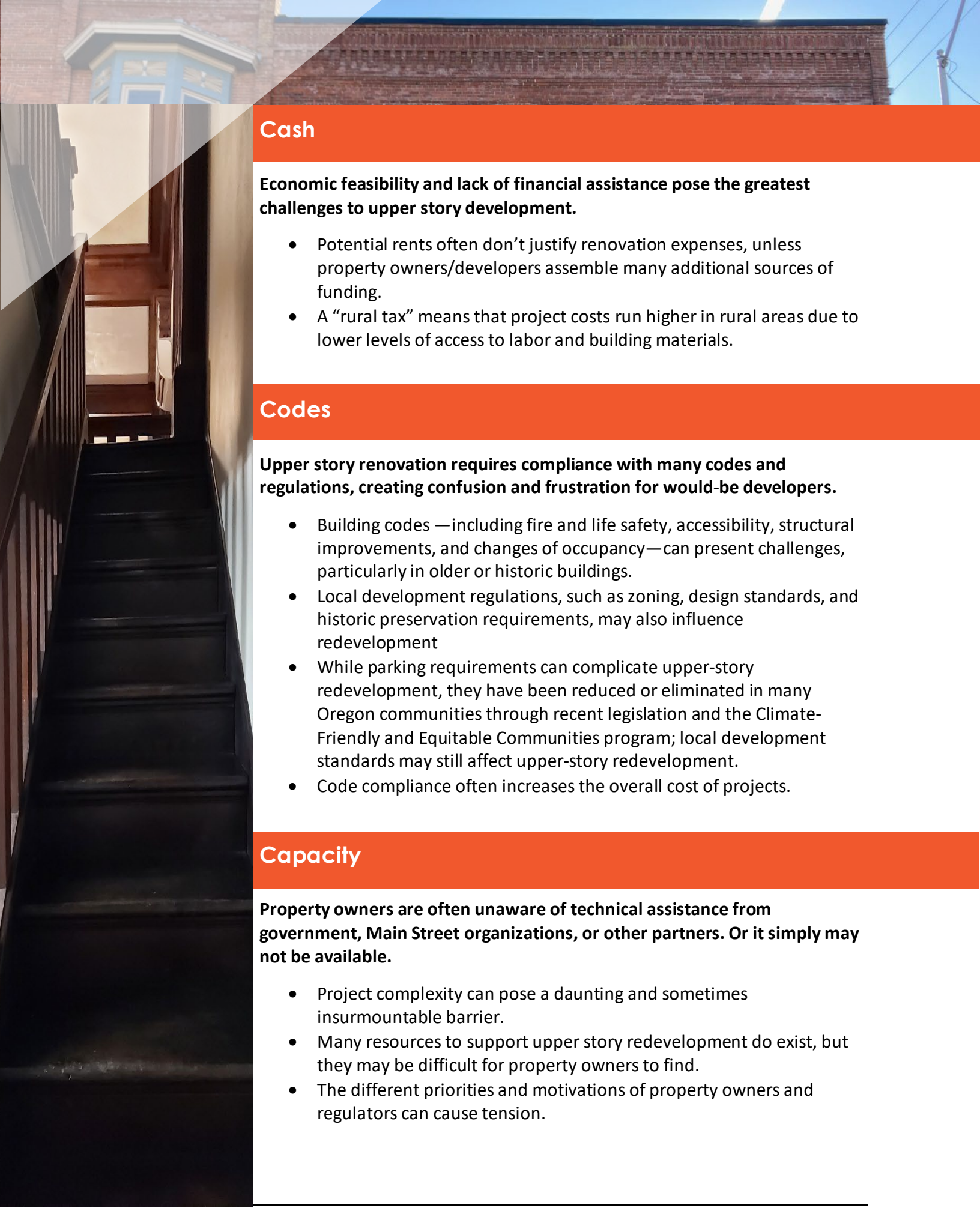


Cash, Codes, and Capacity

In sum, "**cash, codes, and capacity**" is the shorthand for the barriers that stymie upper story development. Respondents in Oregon's Main Street network ranked barriers to their community's upper story development by degree of significance (significant, moderate, small, not a barrier):

Top Three Significant or Moderate Barriers Identified by City/Main Street Representatives	Average % Reported
Economic feasibility concerns or uncertainty (market demand, cost-benefit analysis, etc.)	74%
Lack of financial assistance, incentive, or awareness of financial resources	58%
Lack of property owner interest	56%

Top Three Significant or Moderate Barriers Identified by Property Owners	Average % Reported
Lack of financial assistance, incentive, or awareness of financial resources	83%
Economic feasibility concerns or uncertainty (market demand, cost-benefit analysis, etc.)	68%
Building code compliance (safety, accessibility, design/aesthetics, etc)	63%



Cash

Economic feasibility and lack of financial assistance pose the greatest challenges to upper story development.

- Potential rents often don't justify renovation expenses, unless property owners/developers assemble many additional sources of funding.
- A "rural tax" means that project costs run higher in rural areas due to lower levels of access to labor and building materials.

Codes

Upper story renovation requires compliance with many codes and regulations, creating confusion and frustration for would-be developers.

- Building codes —including fire and life safety, accessibility, structural improvements, and changes of occupancy—can present challenges, particularly in older or historic buildings.
- Local development regulations, such as zoning, design standards, and historic preservation requirements, may also influence redevelopment
- While parking requirements can complicate upper-story redevelopment, they have been reduced or eliminated in many Oregon communities through recent legislation and the Climate-Friendly and Equitable Communities program; local development standards may still affect upper-story redevelopment.
- Code compliance often increases the overall cost of projects.

Capacity

Property owners are often unaware of technical assistance from government, Main Street organizations, or other partners. Or it simply may not be available.

- Project complexity can pose a daunting and sometimes insurmountable barrier.
- Many resources to support upper story redevelopment do exist, but they may be difficult for property owners to find.
- The different priorities and motivations of property owners and regulators can cause tension.

The building owners in Oregon's smaller communities acquired their properties in a variety of ways and with a range of intentions.

- Property owners may be disengaged in their properties for a variety of reasons, but city and Main Street representatives referenced two primary causes: Absenteeism and complex inheritance structures.
- Property owners may be hesitant to invest if they have limited examples of success.

4. BARRIERS

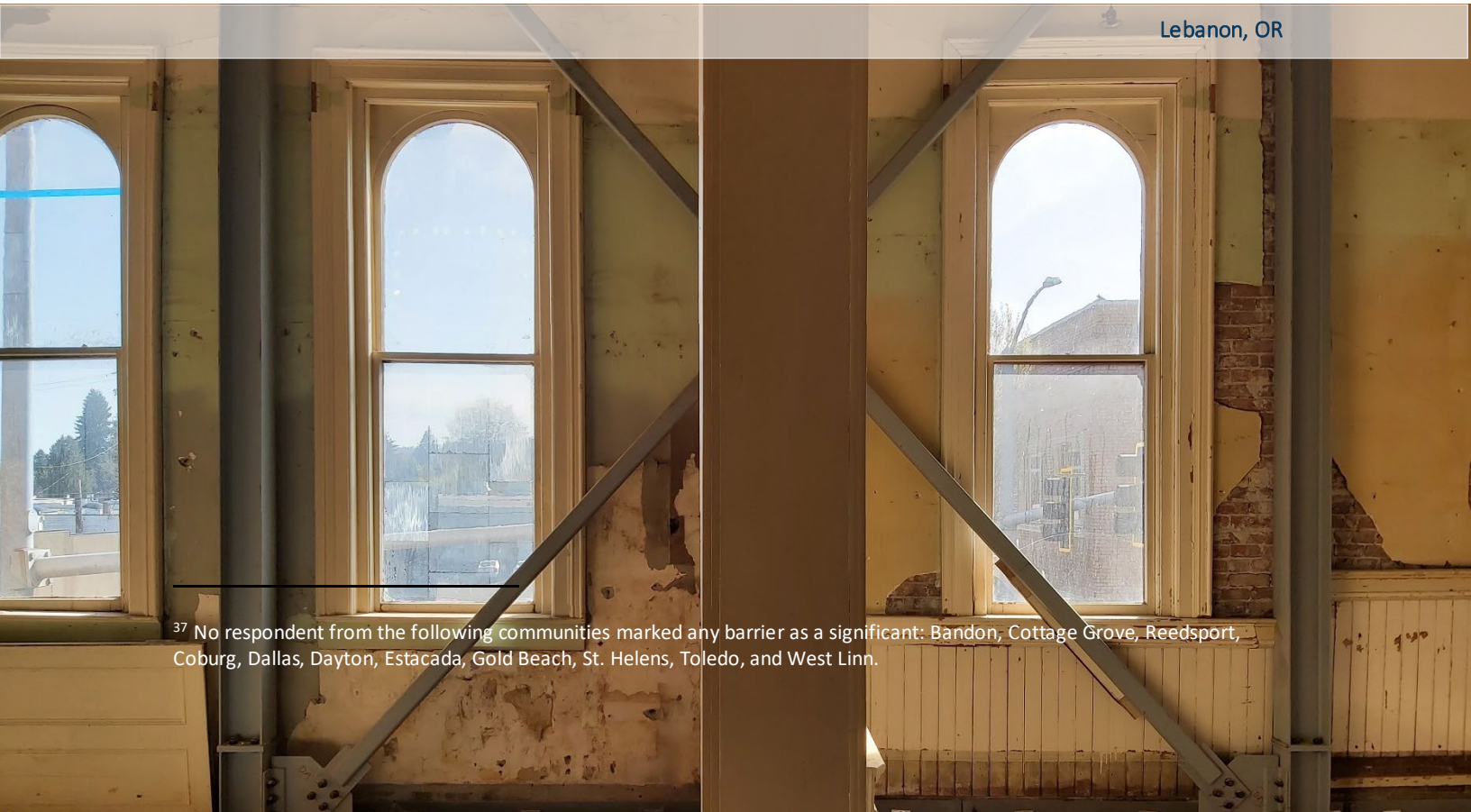
Communities and property owners alike say they want to see their upper stories in use. But despite earnest efforts from all partners, upper stories are not easy to develop. In this section, we look at common barriers to upper story development in Main Street communities across Oregon. It is likely most of these barriers translate outside of Main Street districts to other parts of town and to communities without a Main Street program.

Cash, Codes, and Capacity

In sum, "cash, codes, and capacity" is the shorthand for the barriers that stymie upper story development. Respondents in Oregon's Main Street network ranked barriers to their community's upper story development by degree of significance (significant, moderate, small, not a barrier).

Figure 3 shows the five barriers with the highest combined percentage of respondents noting them as significant or moderate, from both the city/Main Street survey and the property owner survey. Responses indicate that funding and economic feasibility are the most significant barriers to upper story development. Code and regulations are also identified as imposing substantial obstacles.

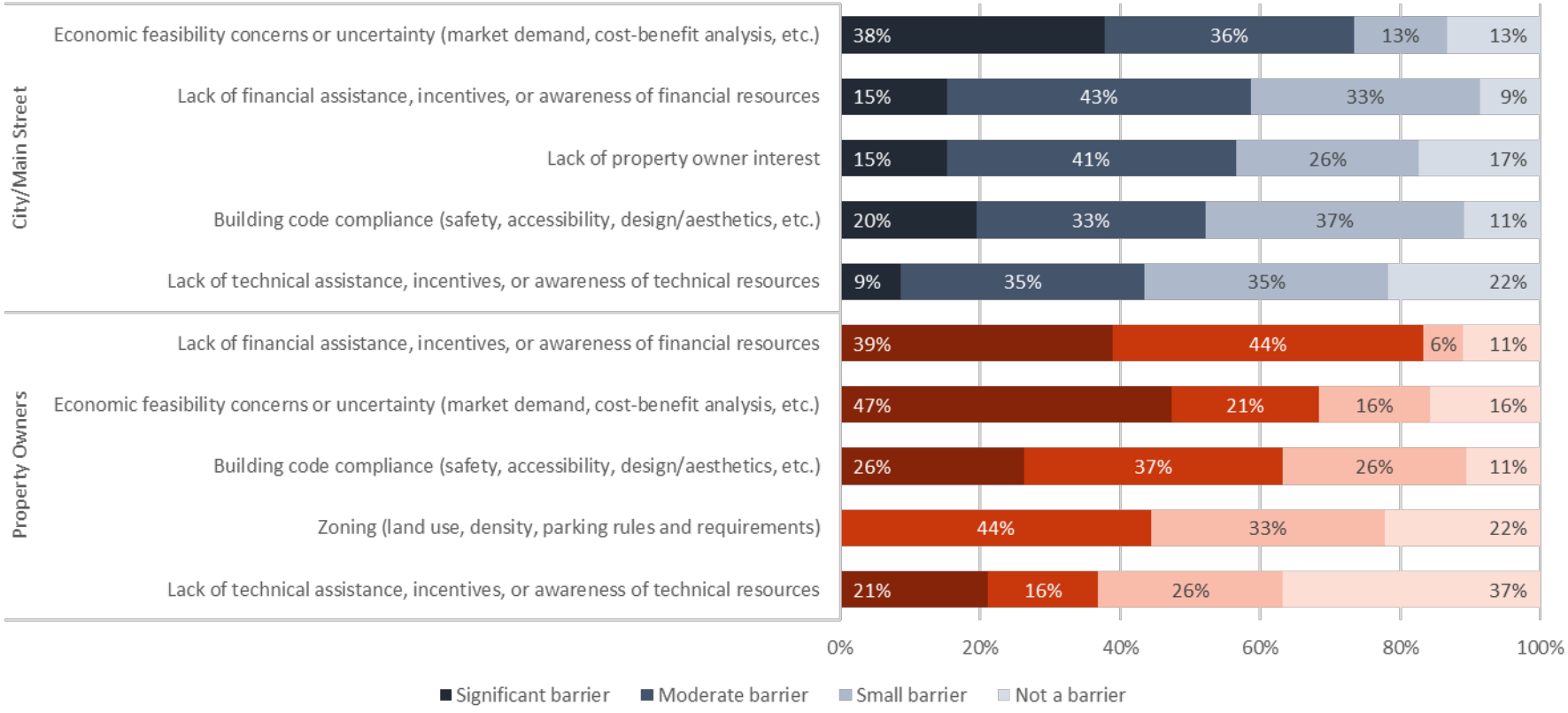
It is important to note that, on the city/Main Street survey, 11 of 31 responding communities (35%) indicated that there were no significant barriers whatsoever.[37] This suggests that in some communities, city officials and Main Street representatives have a positive outlook about the prospects for upper story redevelopment.



Lebanon, OR

[37] No respondent from the following communities marked any barrier as a significant: Bandon, Cottage Grove, Reedsport, Coburg, Dallas, Dayton, Estacada, Gold Beach, St. Helens, Toledo, and West Linn.

Figure 3: Top Barriers Identified by City/Main Street Representatives and Property Owners *(Five barriers with the highest combined percentage of respondents indicating it as significant or moderate)*



Source: Question 23 of city/Main Street Survey and Q5 &Q6 of Property Owner Survey – Please indicate the extent to which the following factors are a barrier to increasing use of upper-story spaces in your downtown. City/Main Street: N=46; Property Owners: N=19.

Differences in Public/Nonprofit and Private Sector Perceptions

Property owners believe the situation is more challenging than city officials and Main Street representatives. While city officials, Main Street representatives, and property owners ranked top barriers similarly, greater percentages of property owners rated most barriers as significant or moderate compared to city officials and Main Street representatives. This indicates property owners might perceive upper story renovation projects to be more difficult overall than public and nonprofit sector staff.

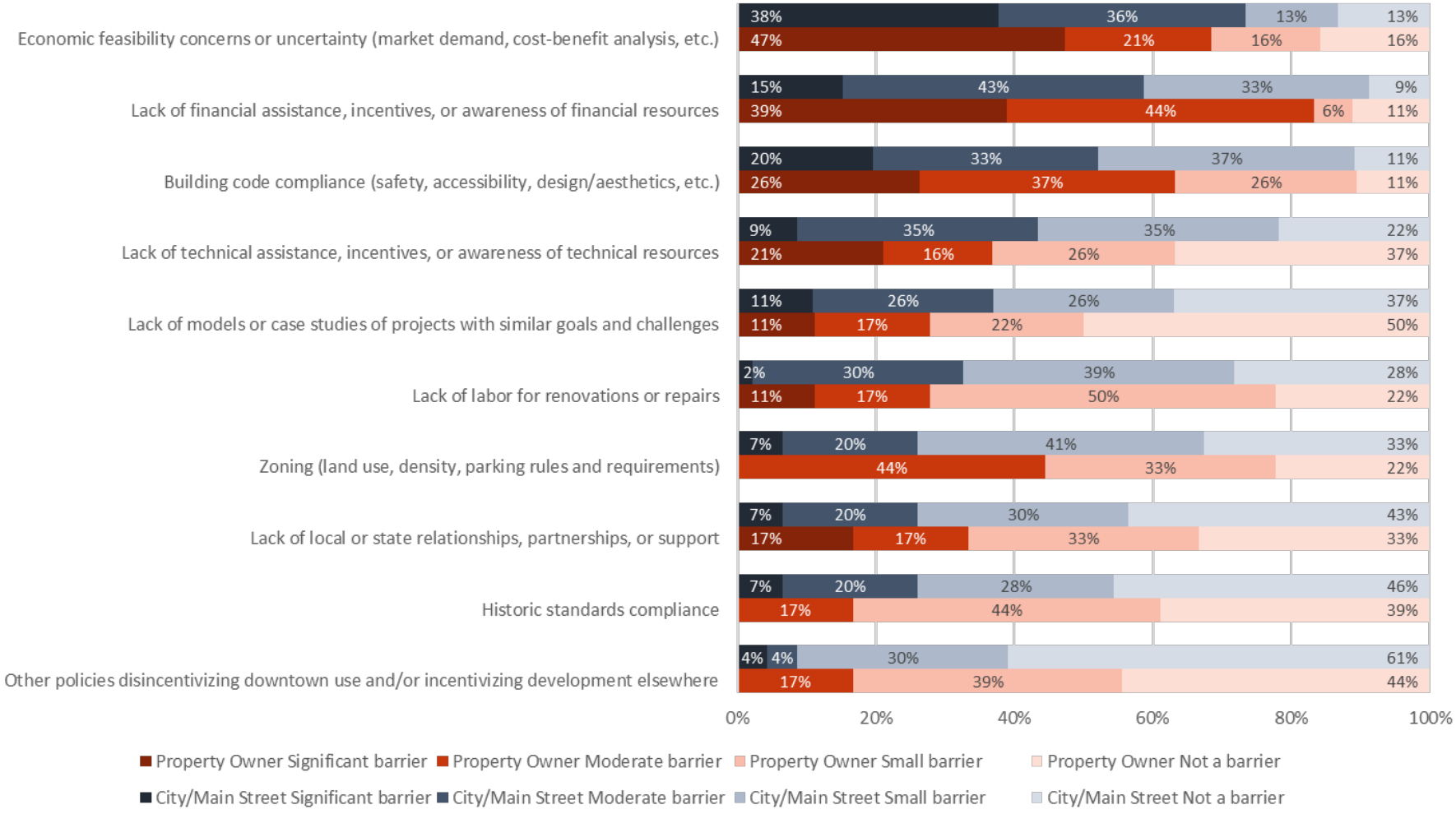
City officials and Main Street representatives believe property owner interest is a barrier. While we did not ask property owners if their own level of interest posed a barrier, 57% of city and Main Street respondents thought this was either a moderate or significant barrier. This perhaps aligns with the idea of property owners viewing upper story redevelopment as particularly difficult: if property owners generally think the process will be too cumbersome, it follows that many would not be interested in pursuing such projects.

Zoning and availability of supportive relationships stood out more for property owners than for city officials and Main Street representatives. Figure 4 shows barriers rated on both the city/Main Street survey and the property owner survey. Notably, "zoning" and "lack of state of local or state relationships, partnerships, or support" had higher percentages of property owners than city/Main Street respondents rating them as moderate or significant barriers. On the other hand, a notably larger percentage of city/Main Street respondents rated "lack of models or case studies of projects with similar goals and challenges" and "historic standards compliance" as moderate or significant barriers compared to property owners. This provides further evidence of diverging perceptions, perhaps from different access to information, between the private sector and public/nonprofit sectors.



Lebanon, OR

Figure 4: All Barriers Ranked for City/Main Street Representatives Compared to Property Owners



Source: Question 23 of city/Main Street Survey and Q5 &Q6 of Property Owner Survey – Please indicate the extent to which the following factors are a barrier to increasing use of upper-story spaces in your downtown. City/Main Street: N=46; Property Owners: N=19.

Cash: Financing

Renovating buildings, particularly when seeking to preserve the historic character, can be costly. In rural communities, which represent much of the Main Street membership in Oregon, the costs can be even more dramatic. Importing labor and building supplies incurs what one city representative called a "rural tax." Together, those factors result in higher building costs. Meanwhile, rural rents tend to be lower, and some communities noted that the cost-benefit analysis simply does not pencil out.

Financial Feasibility

Economic feasibility poses the greatest single challenge to upper story development. A combined 73% of city/Main Street respondents marked economic feasibility is a significant or moderate barrier. While a slightly lower proportion, 68% of property owners also marked economic feasibility as a significant or moderate barrier. Based on site visits, interviews, and open-ended responses to the city/Main Street survey, we identified two primary issues related to making projects pencil out:

- **Cost-benefit analysis** – In interviews, stakeholders pointed out that some smaller markets in Oregon are unable to bear rental rates that justify the expense of renovation, leading to an unfavorable cost-benefit analysis on the part of property owners. As one survey respondent put it, "rent rates…are such that builders/building owners just can't make projects pencil out without financial incentive."
- **"Rural tax"** – City/Main Street survey respondents brought up the idea of a "rural tax" – the idea that project costs can run higher in rural areas due to lower levels of access to human and financial capital. "We live so isolated from Urban Centers that we pay travel charges for specialty services when they are not available locally (or the local contractors are too booked out, or not adequate). Thus, we refer to it as "rural tax" which applies financially but also to goods/services available." Supply chain issues and labor shortages can also amplify the disparity between more urban and more rural communities.

Using Capitalization Rate Calculations to Determine Whether or Not to Invest

Let's pretend you purchased a historic building and are looking into renovating and repairing it. How do you know how much you can spend and still retain that value in the building? At what point are you spending more than the building is worth?

One way to determine this is to do a Capitalization Rate (cap rate) calculation. Cap rate is the percentage of the money you put into a project that you receive back in profit each year. Usually, investors hope for at least an 8% return on the money they put into the project. In real estate, investors may even consider a cap rate as low as 6%.

Work through a full cap rate calculation in Appendix D.

Lack of Sufficient Financial Assistance

Without supplemental financial assistance, most projects won't pencil. Because the cost-benefit analysis on upper story redevelopment often doesn't pencil out for property owners/developers based on the potential building rents alone, it becomes necessary for property owners/developers to seek additional sources of funding to make a project viable. Property owners in particular highlighted this issue in their survey responses: 83% of respondents to the property owner survey listed lack of financial assistance, incentives, or awareness of financial resources as a moderate or significant barrier; 59% of city/Main Street respondents listed this as a moderate or significant barrier. Two primary factors make accessing financial assistance difficult:

- **Small funding amounts make multiple funding streams necessary** – Interviews with downtown associations indicate that, because the cost of upper story renovation is often very high and existing financing options tend to be in relatively low dollar amounts, projects often require several funding streams. Astoria's Merwyn Hotel, for example, required many different funding sources to finance renovation.
- **High administrative capacity is required to manage multiple funding streams –** Stakeholders suggest that managing financial packaging requires significant administrative investment and expertise, which may be beyond the reach of many property owners who do not have experience with property development. City and Main Street representatives pointed out that understanding where to find financial resources requires financial savvy, long-standing connections, and an understanding of various types and levels of funding sources. Similarly, applying for, reporting on, and managing funding sources requires a significant investment of time as well as a variety of specialized skills.

Merwyn Hotel Funding Package (Astoria, OR)

Developers relied on many different grants and tax credits to finance the renovation of the Merwyn Hotel:

SOURCES:	
Oregon Main Street Revitalization Grant	**$100,000**
Historic Tax Credits	**$1,500,000**
4% Low Income Tax Credits	**$2,000,000**
State LIFT Funds	**$2,155,097**
Permanent Mortgage	$875,000
Deferred Developer Fee	$100,000
Meyer Memorial Trust Grant	$195,000
Oregon Brownfields	$125,000
Energy Trust	$13,000
Oregon Community Foundation Grant	$25,000
TOTAL	**$7M**
USES:	
Hard	$5.31M
Soft	$1.69M
TOTAL	**$7M**

Source: Oregon Main Street

Codes: Regulation

Regulation refers to a broad umbrella of requirements imposed at different levels of government. Upper story renovation often requires compliance with many regulations, standards, and codes and can create barriers for would-be developers:

- Over half of city/Main Street respondents and even more property owner respondents (63%) listed building code compliance (including safety, accessibility, design/aesthetics, etc.) as a moderate or significant barrier.
- While of lower concern to many respondents, 26% of city/Main Street and 44% of property owner respondents identified zoning (including land use, density, parking rules and requirements) as moderate or significant barriers.
- Twenty-six percent of city/Main Street and 17% of property owner respondents identified compliance with historic standards as moderate or significant barriers.


Lebanon, OR

Building Codes

Codes are complicated and can feel inflexible. Building codes guide minimum construction standards intended to guarantee safety and access. While they are an important element supporting public safety, health, and equity, building code compliance can also be confusing, cumbersome, and expensive — particularly when renovating older buildings. During a focus group with stakeholders, two issues in particular emerged as complicating factors for building code compliance:

- **Jurisdictional variation –** Regional variation exists because local interpreters from different jurisdictions interpret the state code differently.
- **Liability concerns –** Local interpreters of building code report that the threat of liability has a chilling effect on identifying creative solutions or flexibility within the state code.

Parking Requirements and Zoning

Parking requirements attached to zoning can also create complications for upper story redevelopment. Zoning defines how a property in a particular geographic area can be used, how densely developed it may be, and regulate parking requirements. Open-ended survey responses particularly point to parking requirements as an impediment to projects. As one survey respondent wrote, "Parking in our Downtown is a significant issue as a tourist community. Parking analyses and plans over the years have resulted in a significant burden for any second story residential development."[38]

[38] Oregon House Bill 2097 (2023) and Oregon House Bill 3395 (2023**)** reduced or eliminated minimum off-street parking requirements for many housing developments and expanded opportunities for housing production. See Oregon Legislative Information System, *HB 2097 (2023)* and *HB 3395 (2023).*

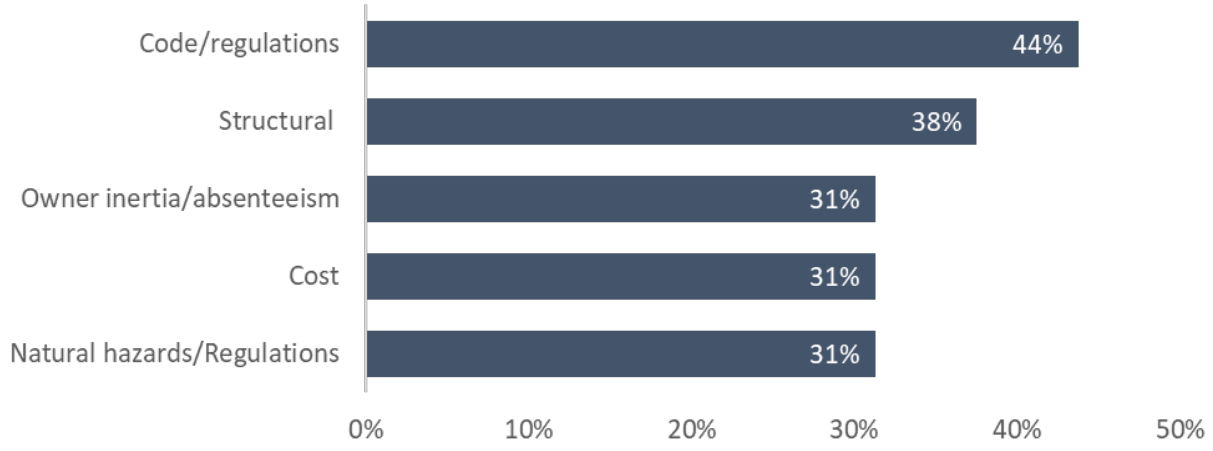
Historic Standards

Historic standards may contradict other building code requirements. Historic standards are devised to protect our communities' cultural heritage. This becomes particularly challenging for developers when balancing the requirements of various building codes with those of historic standards, which in some cases can be contradictory. "I am currently renovating an upper story and state codes are requiring me to cover historic original walls and ceilings for a firebreak," wrote one survey respondent. "This not only adds cost which makes the project impossible from a cost/benefit analysis, but also removes original features that historic grants require to remain. The codes and the grant requirements are at odds with one another."

The Cost of Code Compliance

Code compliance often increases the overall cost of projects. City officials and Main Street representatives noted on the survey that expensive upgrades like elevators required to bring buildings into ADA compliance and seismic renovations are some of the primary reasons upper story projects do not pencil out. "The largest barrier to upper story residential," one respondent wrote, "is the cost involved with seismic upgrade requirements." Another wrote, "primary barriers: elevators, fire/life safety, seismic upgrades secondary: parking." Figure 5 lists additional barriers mentioned by survey respondents, most of which relate to the challenges and costs stemming from regulations.

Figure 5: Top Additional Barriers to Upper Story Redevelopment Noted by Respondents



Source: Question 24 of city/Main Street Survey – Optional: Please describe any other barriers to increased use of upper-story spaces in your downtown and/or provide more detail about any of the above factors. N=16.


Lebanon, OR

Capacity: Lack of Technical Assistance

Developing a property requires significant levels of expertise in a range of areas. Upper story occupancy will necessitate small scale and incremental development, however property owners who do not have experience managing large construction projects report being overwhelmed by their complexity. Property owners are often unaware of technical assistance from the local government, Main Street organization, or other partners, or it simply may not be available.

Complex Projects

Project complexity can pose a daunting and sometimes insurmountable barrier. Survey responses, interviews, and site visits revealed that individual property owners often have difficulty navigating:

- Funding
- Building code
- Permits and permitting process
- Pro formas

If property owners are not well-connected or aware of resources, these barriers may prevent them from moving a project forward.

Lack of Resource Awareness

Many resources to support upper story redevelopment do exist, but they may be difficult for property owners to find. Main Street organizations and city governments report that their communications with property owners are mostly positive but more responsive than proactive, which indicates that they are not necessarily seen as a resource for upper story development. As one respondent to the city/Main Street survey shared, “perceived challenges are often overestimated and while resources and assistance [are] available, those tools are not always understood or marketed well. Packaging the right tools and incentives could be more effective if property owners [are] engaged proactively earlier in the planning phase rather than when the project is ready to start.”

Lack of Support

The different priorities and motivations of property owners and regulators can cause tension. In some cases, property owners perceive cities as adversarial to upper story renovation efforts. One property owner wrote “[i]n our 3 years of development I don't think we EVER encountered

anyone from the city, county, or state who was actually helpful…[they would say] OK we'll let you do this but in order to be approved you have to do this and that and pay these outrageous fees."

Capacity: Lack of Property Owner Interest

Understanding Property Owner Interest

Property owners acquire and hold downtown buildings for many different reasons. Some have deep ties to the community and are interested in reinvesting in their properties, while others view their buildings primarily as long-term investments or have limited capacity to pursue redevelopment. In the 2022 survey, 57% of city and Main Street respondents identified a lack of property owner interest as a moderate to significant barrier to upper-story redevelopment.

A lack of interest does not always reflect opposition to redevelopment. In many cases, owners face barriers that make projects difficult to pursue, including uncertainty about where to begin, financing challenges, or limited time and resources. Other common situations include absentee ownership, where owners have few connections to the community, or inherited properties that require multiple owners to agree before investments can move forward.

Communities should recognize these challenges while focusing outreach on property owners who are interested in exploring redevelopment opportunities. Building relationships, providing clear information about financing and technical assistance, and supporting early projects can create momentum that encourages additional property owners to participate over time.

Disengaged Property Owners

Property owners may be disengaged in their properties for a variety of reasons, but city and Main Street representatives in the survey and during site visits referenced two primary causes:

- **Absenteeism** – Non-local owners who have little connection with the community will be less likely to invest in a potentially expensive and time-consuming renovation. If owners can make even a small profit on their property with little to no effort, there is almost no incentive to undertake an extensive project that may take years to recoup the investment.
- **Inheritance** – Inheritance of properties becomes a complicating factor in renovation when multiple heirs must agree to a given investment strategy or plan of action.

Lack of Comparable Developments

Property owners may be hesitant to invest if they have limited examples of success. Interviews with stakeholders and site visits suggest that lack of successful examples can leave property owners with little data on how valuable a potential investment in renovation will be, what they can expect to spend, and what revenue they might draw. Having successful projects can be an important catalyst for further action. As one survey respondent from Klamath Falls shared, "[we] received 2 OMSRGs leading to the addition of nearly 30 new residential units downtown. This has helped to provide local market comps and increase developer confidence in additional residential development."



Albany, OR – upper story renovated as a rental

Conclusion

If a space is vacant, there is usually a reason why. This chapter identified the primary reasons why upper story spaces stand vacant in Oregon's small, historic downtowns:

- Financing and low returns on investment
- Regulatory barriers
- Lack of technical assistance
- Lack of owner interest

But although there are reasons for the vacancy, there are also solutions. The next section introduces targeted recommendations for state and local stakeholders and property owners hoping to take these spaces from empty to occupied.

5. RECOMMENDATIONS OVERVIEW

What resources and policies can state agencies, local jurisdictions, and key partners use to encourage greater upper-story utilization?

Addressing the multifaceted issues in upper story development requires the collaboration of multiple actors across fields from the state to local scale. The following table summarizes our recommendations, what actions each of them require, and who should be leading the efforts.

Recommendation	Action	Scale	Primary actors	Collaborating actors
Groundwork Develop a strategy for utilizing upper story assets	**Identify and track conditions of upper stories**			
	Continue to track statewide development progress	State	Oregon Heritage	Downtown Association
	Track local conditions and progress by inventorying downtown properties	Local	City's planning office, Downtown Association	Property owners
	Know the property	Project	Property owner	
	Develop a strategy for upper story development			
	Engage elected officials and other decision-makers	Local	City council, Downtown Association	
	Target specific goals for upper stories in existing planning processes	Local	City's planning office	Downtown Association
	Know the market	Project	Property owner	Downtown Association



Recommendation	Action	Scale	Primary actors	Collaborating actors
Addressing Financial Barriers Increase access to financial support for upper story redevelopment	**Improve property owners' access to funding at the local level**			
	Build capacity to manage grant programs and support property owners	Local	Downtown Association	Oregon Heritage
	Package financial resources	Local	Downtown Association	
	Introduce property owners to financial planning tools	Local	Downtown Association	City government
	Maintain existing and create additional financial supports at statewide and local levels			
	Continue and expand funding for the Oregon Main Street Revitalization Grant	State	State Legislature	Oregon Heritage
	Encourage use of funding for purposes other than historic preservation	State	Oregon Heritage	Various state departments
	Appropriate funding to address specific needs	State	State Legislature	Oregon Heritage
	Pursue programs and designations that allow access to additional funding	Local	City council, City government	Downtown Association
	Allocate existing local resources to downtown development	Local	City council, City government	Downtown Association
	Develop a policy for reducing or waiving permit fees and impact fees to incentivize upper story redevelopment	Local	City council, City government	
	Use creative investment and financing strategies tailored to each project's unique circumstances			
	Directly acquire property or support property acquisition	Local	City council, City government, Downtown Association	Property owners
	Explore creative approaches to minimize renovation costs	Project	Property owner	
	Seek outside investors	Project	Property owner	



Recommendation	Action	Scale	Primary actors	Collaborating actors
Addressing Regulatory & Technical Barriers Cultivate a regulatory landscape that offers flexibility and support for upper story redevelopment	**Evaluate current building code and support flexible applications of the code**			
	Evaluate building code and provide support around interpretation	State, Local	State Building Codes Division, City's Building Department	
	Host upper story conferences or trainings	State	Oregon Heritage	State Building Codes Division, nationwide experts
	Develop and adopt upper-story model code language	State, Local	State Building Codes Division, City's Building Department	Statewide/Regional/Local non-profits or associations
	Adopt code according to IEBC update timeline	Local	City's Building Department	
	Evaluate historic designation for buildings with significance to marginalized communities	Local	City's Planning Department	Downtown Association, community organizations and minority advocacy groups
	Organize, curate, and publicize existing technical resources			
	Create a centralized resource library	State	Oregon Heritage	Various state departments, statewide non-profits
	Designate a local downtown development liaison (or incorporate into existing duties) to help property owners and developers navigate regulatory issues and access relevant resources	Local	City government	
	Connect property owners with expert advice	Local	City government, Downtown Association	
	Provide construction disruption assistance	Local	City government	Downtown Association
	Partner with state agencies, and statewide or regional affordable housing nonprofits to encourage affordable housing development in upper stories	Local	City government	
	Collaborate with downtown development experts to remove the technical burden from individual property owners			
	Explore district-level development	Local	City government, Downtown Association	
	Build relationships with developers specializing in downtowns and historic buildings	Local	City government, Downtown Association	



Recommendation	Action	Scale	Primary actors	Collaborating actors
Coordination & Collaboration Ensure a coordinated and collaborative approach to supporting upper story redevelopment	**Encourage local-level collaboration**			
	Build a collaborative relationship between local-level resource and oversight providers	Local	City government, Downtown Association	
	Develop a peer support network for property owners	Local	Downtown Association	Property owners
	Encourage collaboration between local actors and regional/statewide actors			
	Build collaborative relationships between local and state coordinators	State, Local	State departments, Local government, Downtown Association	
	Share cases studies of successful projects	State	Oregon Heritage	Downtown Association
	Build collaborative connections with regional and statewide nonprofits that promote affordable housing and opportunities for marginalized communities	Local	City government, Downtown Association	Statewide/Regional/Local non-profits

5. RECOMMENDATIONS

The current conditions of upper stories throughout Oregon are clear, and we have a good sense the barriers that often stymie their renovation. So now what? To move these projects forward, this section presents a set of recommendations for a range of stakeholders:

- State agencies
- City governments
- Downtown associations and other non-profit organizations
- Property owners

Regardless of your role, these recommendations can help you approach your project by identifying a starting point, areas of collaboration, and ways to navigate common barriers. There are different ways to use this handbook. You may read the complete recommendations – it can lend insight into multiple levels of the upper story renovation process. However, you may also skip to sections relevant to you and your projects. Each stakeholder is identified by a colorful icon. Use these to find pertinent sections.



We divide our recommendations into four main categories:

- **Groundwork:** Develop a strategy for utilizing upper story assets
- **Addressing Financial Barriers:** Increase access to financial support for upper story redevelopment
- **Addressing Regulatory & Technical Barriers:** Cultivate a regulatory landscape that offers flexibility and support for upper story redevelopment
- **Coordination & Collaboration:** Ensure a coordinated and collaborative approach to supporting upper story redevelopment


Cottage Grove, OR

Groundwork: Develop a strategy for utilizing upper story assets

Upper story development is, by nature, a piecemeal process. But establishing such projects as a statewide goal has the potential to expedite upper story renovation broadly. This first stage offers opportunities to align stakeholder interests and stoke community enthusiasm. In each city, the effort begins with determining what spaces exist, whether and how they are being used, and what condition the spaces are in. As the state, cities, and downtown associations prioritize upper story development, property owners and developers can come together with community leaders to comprehend market conditions and community needs.

Identify and track conditions of upper stories

State: **Continue to track statewide development progress**

State | City | Downtown Association | Property Owners

Oregon Heritage contracted with IPRE to conduct this study to identify the conditions and barriers of upper-story development and identify gaps in support. We recommend that Oregon Heritage carries this effort through by committing to implementation, tracking community efforts and results, and continuing to adjust resources and support as needed. This will involve a record keeping system as well as frequent communications with local governments and downtown associations. Oregon Heritage could expand their record for grant administration to include buildings and renovations that did not require public funding. Simple number tracking such as the number of upper-story projects conducted in a year could be useful in seeing town-wide progress over time. Maintaining a log of which community reached out for further support, what type of support was needed, and how the support was delivered would also be useful for identifying needs and improving resource allocation. At the local level, downtown associations can take the lead on tracking development in their own communities with the support of a committee. The local results could be included as an element in Main Street member's reporting.



Cottage Grove, OR

City and Downtown Association: **Track local conditions and progress by inventorying downtown properties**

City | Downtown Association

Knowing built assets is the first step to planning developments. A record of downtown buildings and their associated upper-story spaces would allow communities to identify and prioritize opportunities for upper story redevelopment. We provide a template and a step-by-step guide to inventory downtown buildings: What's Up Downtown Guide for Communities. We recommend maintaining a record of the following information:

- Property owners' contacts, building conditions, and ground-floor and upper-story uses can help the city and the local downtown association tailor communication strategies to the right owners.
- Zoning, codes, and special designations associated with each building can help identify both cost items and potential sources of funding.

As the main contact point for property owners, the local downtown association is the best actor to provide regular inventory updates and utilize this inventory to deliver better technical assistance. A city can also use this inventory to develop programs to encourage investments.

Failure to keep track of building conditions could lead to deterioration of historic properties.

Pendleton's Downtown Inventory

The Pendleton Urban Renewal Agency, with staff help from the Resource Assistance for Rural Environments (RARE) AmeriCorps Program, conducted a thorough community inventory in 2016. This inventory involved interviewing each property owner, photographing the building, and accessing property potentials as well as the property owner's interest. The agency then used a ranking system to determine levels of priority for each building's upper story development.

Pendleton's upper story inventory map



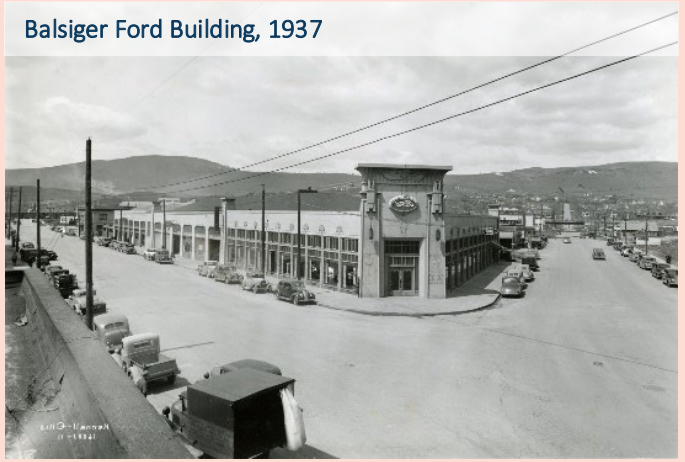
Source: Pendleton Development Commission. (April 19, 2016). Pendleton Development Commission Action Plans 2016-2017. City of Pendleton. https://cityofpendletonor.civicweb.net/document/15043/. Accessed 10 Aug. 2022.

The Collapse of the Balsiger Site

A 2013-2018 study assessed the feasibility of a public-private partnership to develop the Balsiger site – a massive historic building in downtown Klamath Falls.[i] Unfortunately, the building collapsed before stakeholders could come up with a development plan. Now the historic site is under construction for a mixed-use project that includes ground-level commercial, apartments, and a high-end hotel. If the city had an extensive inventory and used it to plan development projects, incidents like this might be avoided in the future.

[i] Klamath Falls Downtown Plan. (October 2020). City of Klamath Falls. https://www.klamathfalls.city/DocumentCenter/View/1483/Klamath-Falls-Downtown-Plan. Accessed 21 July 2022.

Balsiger Ford Building, 1937



Source: 'Balsiger Ford Building 1937'. Klamath County Museum Facebook Page, https://www.facebook.com/Klamath.County.Museum/photos/a.125751600803505/1068099513235371/. Accessed 21 July 2022.

Balsiger Building Demolition



Source: 'Building Demolition and Salvage'. (July 2018). Anderson Environmental Contracting LLC, https://www.aecllc.net/services/projects/klamath-falls-balsiger-building-demolition/.

New Balsiger site draft conceptual layout



Source: 'Development Plans Unveiled for "Balsiger Block" in Downtown Klamath Falls'. (February 27, 2020). KOBI-TV NBC5 / KOTI-TV NBC2. https://kobi5.com/news/development-plans-unveiled-for-balsiger-block-in-downtown-klamath-falls-122729/.

Property owner: **Know the property**



Property Owners

Property owners need to understand the conditions of their buildings to assess how easy or difficult it will be to renovate their upper-story space. The downtown association could work with their local building code office to create a template for building assessment that property owners can follow. Condition assessment may include an evaluation of structural, seismic, or safety compliance issues, as well as regulatory information about zoning, codes, and districts. All this information can help to identify the extent of needed renovations, what is allowed, and what resources might be available to assist with renovation.

Inexperienced property owners might find it challenging to evaluate buildings and understanding code and zoning regulations. Depending on property owners' knowledge, they could seek support from city officials, the local downtown association, or a professional on-site inspector. Engaging with experts in the early phase could ultimately save the property owner cost and time. The local downtown association should be able to connect property owners to government offices and local building assessment service.

Develop a strategy for upper story development

After identifying the conditions of the built assets, the next step is to align these built assets with the community's downtown goals, market demands, and local resources. Here, we highlight how a downtown housing analysis has contributed to Klamath Falls' upper-story development.

Klamath Falls' Downtown Housing Analysis

The city of Klamath Falls conducted a downtown housing analysis in 2016.[i] This study helped set the vision for downtown housing, identified housing needs for a five-year period, and identified potential downtown residents.

Some recent renovation projects have successfully targeted these groups, which include college students, medical professionals, and military staff. For example, a building owner recently renovated their building into a 22-room dormitory for medical students. The owner was successful in winning a 10-year contract with a local university.

[i] Klamath Falls Downtown Plan. (October 2020). City of Klamath Falls, https://www.klamathfalls.city/DocumentCenter/View/1483/Klamath-Falls-Downtown-Plan. Accessed 21 July 2022.

Cities & Downtown Associations: **Engage elected officials and other decision-makers**



City staff and downtown associations can build support for policy changes that will encourage upper story redevelopment by engaging elected officials and other decision makers through targeted education and one-on-one engagements. Communities have found it beneficial to provide examples of successful projects to demonstrate the possibilities and benefits of upper story redevelopment. Oregon Heritage's Upper Story Highlights resource can help with this. The Department of Land Conservation and Development (DLCD) can complement these efforts by developing housing planning guidance and technical assistance that encourages communities to consider upper-story redevelopment as a strategy for increasing housing production and revitalizing downtowns.

City: **Target specific goals for upper stories in existing planning processes**



Many planning efforts could inform or include upper-story development strategies. Some examples include:

- Oregon communities are required to conduct a Housing Production Strategy every 6 or 8 years (depending on location). A Housing Production Strategy (HPS) outlines the actions a community will take to facilitate housing production, affordability, and housing choice based on identified local housing needs. Upper-story redevelopment can support many of these objectives by expanding housing opportunities, encouraging adaptive reuse, and making more efficient use of existing downtown buildings and infrastructure. We encourage cities to view upper stories as a potential solution to housing and other types of space in their communities.
- A city's Comprehensive Plan, Downtown Plan, Climate Action Plan, Housing Plan, Urban Renewal Plan, or Economic Development Plan provide a space to set up goals for utilizing upper stories. Cities need to identify and target specific needs for downtown upper stories in these plans, which allows for directing more resources toward renovation. In "Targeted uses of upper stories" on the following page, we provide a summary and examples of upper story uses in Oregon towns and explain how each use could be beneficial to the communities.

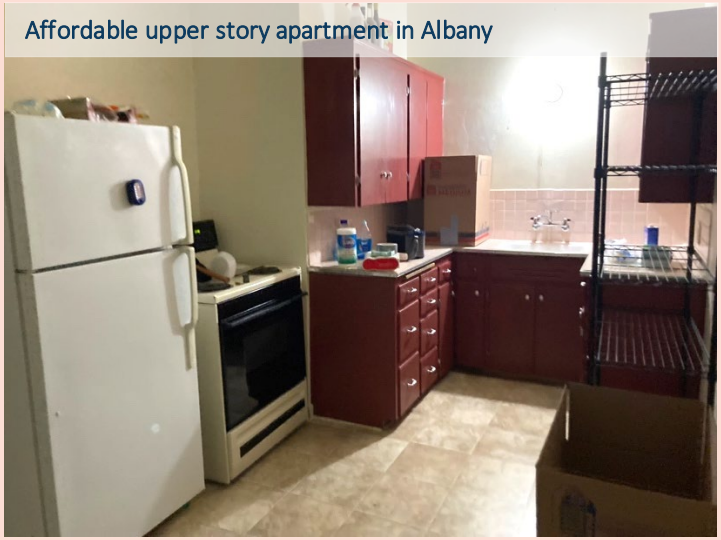
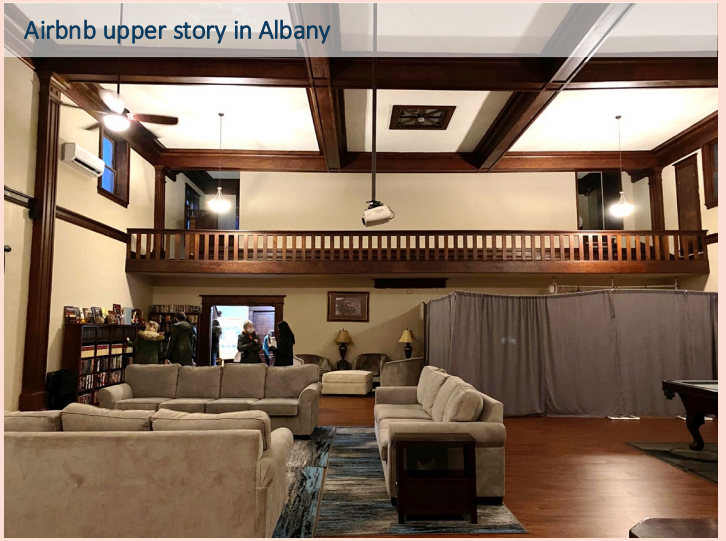
Property owner & Downtown Associations: **Know the market**

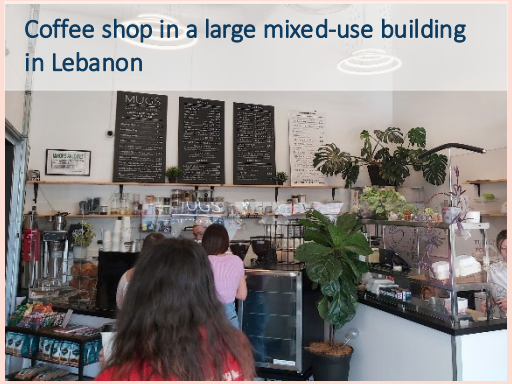


Property Owners

Property owners need a vision for their upper stories, whether it is their own home, a rental space, a commercial floor, a community venue, or a mix of uses. In determining target uses, property owners need to balance their own desire with market demands and property conditions to ensure the cost feasibility. A local realtor, developer, or the downtown association can help property owners come up with a clear and sound plan for their property. The clearer the vision, the easier it will be to find support.

Targeted uses of upper stories

Uses:	Housing	Lodging
Rationale	✓ Downtown residency helps stimulate economic development. ✓ Demand for housing is constantly rising, especially at lower market segments. Upper-story units are generally affordable because of smaller unit size. ✓ Mixed-cost housing contributes to downtown inclusivity. ✓ Aligns with climate goals and satisfies CFEC requirements in relevant jurisdictions. ✓ Supports infill, taking pressure off land capacity constraints.	✓ Some communities have a shortage of hotel rooms in downtown. ✓ Some communities expressed caution with this use because the demand for lodging could grow so much that it pushes local residents out of downtown.
Example	Affordable upper story apartment in Albany  A building owner in downtown Albany recently renovated their upper story into 13 apartments. They rent out most of those units to long-term residents but keep some for short-term tourist rentals. According to the owner, all units were pre-filled before the renovation complete. Another building owner in Albany created affordable upper story units and was also able to rent them out immediately.	Airbnb upper story in Albany  There are few hotel options in downtown Albany, thus many recent projects have targeted short-term lodging for tourists. The picture above shows a five-bed loft located in an old fraternal lodge on the top story of a downtown building.

Uses:	Offices	Community spaces	Mixed use
Rationale	✓ Demand for small offices is rising in some communities as a result of economic development and a side effect of the Covid-19 pandemic. ✓ Office use can lift some code requirements compared to housing.	✓ Events, arts, and cultural gathering space is a critical need in many communities.	✓ Mixed-use upper stories create co-working space for small organizations, or office space for businesses that do not require a public-facing facility, which allow for more publicly engaged businesses at street level. ✓ A mix of uses allow for different rental rates and income streams so that property owners are less vulnerable to market fluctuations.
Example	Co-working space in a large mixed-use building in Lebanon  MBVA LLC provides small office suites, a conference room, and an event room to the Lebanon community. The business operates in a 1950 building that was renovated in 2019. The MBVA building now houses businesses in real estate, law, education, counseling, non-profits, a coffee shop, and an office for the fire district.	Event space in McMinnville  The Grand McMinnville is a wedding and event venue operating in an 1892 building in downtown McMinnville. The building was fully restored in 2022 with beautiful Douglas fir floors, high ceilings with turned pillars, elevator, and AC. The main ballroom and a small event space are both located on the second floor.	Coffee shop in a large mixed-use building in Lebanon  The MBVA building in downtown Lebanon, which used to be a community college, now houses an office, a coffee shop, and a meeting space on the ground floor. The upper story is awaiting additional renovation to provide more event spaces and some apartments.

Addressing Financial Barriers: Increase access to financial support for upper story redevelopment

High project expenses, poor returns-on-investment, and lack of access to financial support are frequently cited as the greatest barriers to upper story development. Successful upper story projects, however, have benefited from creative financial strategies. By applying a combination of existing funding, new assets, and financial guidance, upper story projects can become lucrative investment opportunities and important community resources.

Improve property owners' access to funding at the local level

Downtown Association: **Build capacity to manage grant programs and support property owners**



Downtown Association

The downtown associations can serve as local administrators for federal and state grants. In towns that have received the Oregon Main Street Revitalization Grant, the downtown association plays a crucial role throughout the grant cycle, leading tasks from outreach, preliminary project screening, application support, and, sometimes, persuading property owners to apply for grants. This model can apply for any other federal or state financial resources. Grant and incentive applications are often overwhelming to an average property owner. Therefore, having the local downtown association identify opportunities and handhold property owners can help build tremendous momentum.

Downtown Association: **Package financial resources**



Downtown Association

The massive upfront investment for upper story projects means that property owners have to look into several sources of funding. However, the process of putting together different funding sources often requires extensive

> "There's never going to be just one pot of money. Almost always, it's going to be a combination of programs that come together. There can be different aspects of projects that can be funded from different pots of money."
>
> *Joy Sears*
> *Restoration Specialist, Oregon Heritage*

knowledge and time, which an average property owner might not have in abundance. Fortunately, this issue can be handled with economy of scale. The local downtown association, with their local knowledge and their connection to statewide resources through the Oregon Main Street program, has the right expertise to consult property owners on where to find the most financial supports for their projects. To do this, the association needs to have knowledge of both public and private funding sources at the state and local levels.

- For **public funding**, downtown associations can help property owners identify grants or incentive programs applicable to the property at hand. Through conversations with Oregon communities, we found that many of them are very active in using Urban Renewal funds and historic preservation programs such as those listed in Table 4. Yet other financial resources such as those related to affordable housing, energy efficiency, or brownfields are not often thought of for upper-story development. Though these funding sources are less directly tied to downtown revitalization, they can be the last puzzle piece to certain projects. We suggest that downtown associations maintain and constantly update a comprehensive list of grants and incentive programs that are applicable to their local communities, based on the preliminary list of statewide resources we provide in Appendix E. This list should include all sources of funding potentially helpful to development.

Combining Oregon Main Street Revitalization Grant and Urban Renewal funds

The city of La Grande has used Urban Renewal funds and Oregon Main Street Revitalization grants to fund mixed-use projects.

According to the Economic Development Director of La Grande, although Urban Renewal is mainly directed towards commercial uses, it can fund most downtown renovations that include housing as part of a mixed-use project. For example, it can be used for structuring, façade improvement, electrical and plumbing, or elevator, which can bring buildings up to code for a mixed commercial and residential project. The Oregon Main Street Revitalization Grant is then used for the residential cost components.

Urban Renewal, like other local funds, have been used to match the Oregon Main Street Revitalization Grant to help projects pencil out in many communities.

Table 4: Grant and Tax Incentive Programs related to Historic Preservation

Program name	Type of support	Normal support amount
Federal Historic Preservation Tax Incentives Program	Tax credit	20% of the total cost of rehabilitation
Special Assessment of Historic Properties program	Tax exemption	The value added by rehabilitation is excluded for tax assessment for 10 years
Oregon Heritage Grant	Grant	$3,000 to $20,000
Oregon Main Street Revitalization Grant	Grant	Up to $400,000
Diamonds in the Rough	Grant	Up to $20,000
Preserving Oregon	Grant	Up to $20,000
Certified Local Government Program	Grant	$5,000-$20,000
Paul Bruhn Historic Revitalization Grant	Grant	$200,000 to $750,000
Save America's Treasures Grants	Grant	$125,000 to 500,000
African American Civil Rights	Grant	$15,000 to $750,000
History of Equal Rights	Grant	$15,000 to $750,000

- For **private funding**, downtown associations can provide property owners with references to lending institutions such as banks and community credit unions. We recommend downtown associations develop relationships with local lenders who might be interested in historic property preservation. Projects could move forward quickly if the association refers property owners to a banker that has experience sponsoring historic renovation projects, or is willing to provide hands-on support with the loan application process.

Combining tax incentives with commercial loans

Two main barriers with utilizing tax incentives are:

- They do not bring down initial investment costs
- Property owners can only realize tax benefits after their buildings are placed in service

One way to tackle this problem is to use tax incentives in combination with commercial loans. A loan provides the investment upfront, and property owners could redirect the tax benefits to make interest payments in the years following development.

City and Downtown Association: **Introduce property owners to financial planning tools**



Because projects often require multiple financial resources and each of them can be complex, sometimes property owners find it difficult to understand how grants and incentives translate into actual cashflow for their projects. We have designed a pro forma template in Appendix D to help visualize grants, incentives, investments, and income in an easy-to-follow cost and benefit analysis. This tool helps property owners establish reasonable expectations of cash-ins, cash-outs, and returns on investment for their projects. We suggest that the downtown association and partners at the City engage in introducing this tool and supporting property owners to use it effectively. The pro forma can also be a tool for downtown associations to help property owners overcome the perception of "financially impossible renovations."

Maintain existing and create additional financial supports at statewide and local levels

Through extensive online research, we have identified a preliminary list of 53 potential financial resources available at the federal, state, and local levels that could be used to assist upper story development. We provide this list in Appendix E. Many of these programs directly cover the costs of building repair, architectural services, or building acquisition. Supports are available to local governments, nonprofit organizations, and property owners, among others. These funds are not necessarily tied to historic preservation, but also housing, community development, and other uses.

Table 5: Summary of potential funding sources (July 2026)

Number of programs					
By eligible applicant		**By type of support**		**By purpose of use**	
State government	19	Grant/ Subsidy	31	Housing	26
Local government	29	Loan	16	Historic preservation	12
Non-profit	34	Tax incentives	7	Community space	10
Private business	24	Cash rebate	3	Energy efficiency	3
Property owners	19	Others	8	Business	2
Tribal entity	18	Total	53	Total	53
Renters	1				
Total	53				

***State:* Continue and expand funding for the Oregon Main Street Revitalization Grant**

State

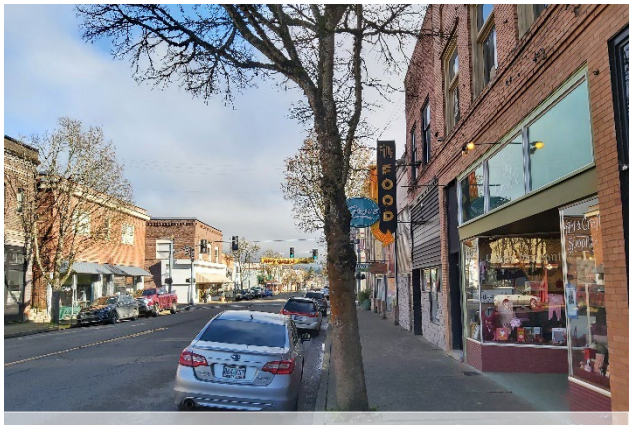
Communities agreed that the Oregon Main Street Revitalization Grant was most impactful among those funding sources related to historic preservation. The high award amount of up to $400,000, compared to other grant programs, could cover a significant portion of the total rehabilitation cost. Furthermore, the involvement of local downtown associations makes this program more visible to property owners, while also improving the quality of applications. We recommend that the State take advantage of this existing structure to amplify the impact of this program. By increasing the total funding of the Oregon Main Street Revitalization Grant, the State can accelerate local historic preservation efforts and prevent the rapid deterioration of historic properties.

***State:* Encourage use of funding for purposes other than historic preservation**

State

State agencies and statewide nonprofits offer numerous funding opportunities for housing, diversity and inclusion, business services, and more. Viewing upper story development as means to these goals could open access to more funding. For example, we found 26 financial resources that could support affordable housing developments.

To encourage use of these funds for upper story development at the statewide level, state agencies should work collaboratively to evaluate which pools of funds are applicable and provide clear access pathways to local downtown associations. This could mean Oregon Heritage's extensive involvement in a few pilot projects, followed by the creation of some templates or resources for future projects. Extensive communication with local downtown associations, including notices of funding availability and success stories, can help keep up to momentum.



Cottage Grove, OR

Cross-department collaboration could also generate more funding to target multiple goals. For example, collaboration among Oregon Heritage, the Housing and Community Services Department, the Disabilities Commission, and other state partners could help develop funding models that support upper-story rehabilitation, increase housing opportunities, improve accessibility, preserve historic buildings, and advance downtown revitalization. Oregon's Regional Solutions Teams can help

facilitate this collaboration by connecting communities with the appropriate state agencies, coordinating technical assistance, and identifying funding opportunities that support local redevelopment goals.

***State:* Appropriate funding to address specific needs**



State

For cost-intensive projects like historic building renovation, more funding is always appreciated. To accelerate efforts statewide, the State can focus on funding major cost drivers that have been blocking development such as elevators, sprinklers, seismic retrofits, and other elements to bring historic buildings up to code. Financial support could take the form of a statewide grant, or contract awards to qualifying contractor.

Similarly, working towards diversity and inclusiveness in Oregon, the State could create funding programs to encourage projects that serve the low-income residents and communities of color, or to incentivize contracting with minority-owned businesses during the construction phase.

***City:* Pursue programs and designations that allow access to additional funding**



City

Some programs or special designations could enable access to more funding and better technical support from the State to encourage development. For example, the listing of a property or district in the National Register of Historic Places entitles property owners to the federal historic preservation tax credit and numerous grant programs. The program does not impose federal standards for rehabilitation unless the property receives federal assistance tied to its historic status. Cities and property owners only benefit from having their properties listed in the National Register. The City of Forest Grove, which recently earned the historic district title for its downtown area, emphasized that clear communication of benefits to property owners was critical as it was a common belief that historic designation would inhibit what owners could do to their properties.[39]

Some other programs, such as the Certified Local Government program or some federal grant programs, require administration by the Cities or qualifying organizations. Communities should explore programs like enterprise zones and opportunity zones to increase funding options. In jurisdictions implementing Oregon's Climate-Friendly and Equitable Communities (CFEC) rules, Climate-Friendly Areas (CFAs) are often designated in or near traditional downtowns, making

[39] Evanson, Wade. 'Downtown Forest Grove Makes History'. *Https://Joomlakave.Com*, https://pamplinmedia.com/fgnt/36-news/490400-394382-downtown-forest-grove-makes-history. Accessed 29 Aug. 2022.

upper-story redevelopment a strategy that can help communities advance both housing production and climate goals. Communities should also explore funding opportunities through agencies such as the Oregon Department of Environmental Quality (DEQ), which administers programs that encourage the reuse of existing buildings to reduce construction and demolition waste.

The local downtown associations play an important part in this process. For district-level efforts, the association provides added capacity when compiling applications. For property-level efforts, the association can help identify eligible properties, communicate benefits to property owners, and guide them through the nomination process.

Klamath Falls in Pursuit of Certified Local Government

Klamath Falls is working to become a Certified Local Government. If approved, the city will have access to:

- If approved, the city would become eligible to apply for competitive CLG matching grants of up to $16,000 (based on current program guidelines) to support historic preservation projects.
- Expert assistance in historic preservation available through the State Historic Preservation Office and National Park Service, including trainings, workshops, conferences, listservs, and networking opportunities with other local governments.

Being a Certified Local Government comes with some obligations on the city's part:

- Establishing a historic preservation commission,
- Passing a preservation ordinance to outline how they will address historic preservation issues,
- Contributing to the state's historic building inventory program,
- And other obligations.

The Klamath Falls Downtown Association spent years persuading the city to make this decision. This process involved connecting the city council and city staff with national experts to discuss the benefits of upper story renovation and how the potential funding would enable renovation and prevent the costs of further deterioration. Grants require a 50/50 match.

City: Allocate existing local resources to downtown development



City

Some communities have been creative in directing their existing financial resources to support upper story development. They have created local grants from other pools of funds to expand the capacity of federal and statewide programs or to address some of the most cost-prohibitive items such as elevators and sprinklers.

These local grants have been used to match federal and state grants and close the funding gap for property owners.

Local Grants

- Some cities have created local grants that resemble the Oregon Main Street Revitalization Grant. The city of Klamath Falls pulled money from the city's economic development budget to create a façade and building improvement grant.[i] The Klamath Falls Downtown Association contributes additional amounts when available and is in charge of administering the grant.
- The city of La Grande utilized their Urban Renewal fund to assist downtown building rehabilitation and renovation projects within its Urban Renewal district, with a priority placed on façade improvements.[ii]
- Pendleton Urban Renewal offers several grant programs that support upper-story restoration, façade improvements, and other building rehabilitation projects within the Urban Renewal District. [iii] Depending on the grant program and project type, grants generally cover 10% to 25% of eligible construction costs, up to $250,000, helping property owners bring vacant and underutilized spaces back into productive use.

[i] 'Facade & Building Improvement Grants | Klamath Falls, OR'. City of Klamath Falls, https://www.klamathfalls.city/457/Facade-Building-Improvement-Grants. .

[ii] 'Facade Grant Program'. La Grande Main Street Downtown, https://www.lagrandemainstreet.org/facade-grants.html.

[iii] Pendleton Urban Renewal. *Rejuvenation Grants.* https://pendletonurbanrenewal.com/

***City:* Develop a policy for reducing or waiving permit fees and impact fees to incentivize upper story redevelopment**



City

Communities assess permit fees or impact fees to raise revenues for public infrastructure. However, for projects targeting rehabilitation of historic properties, which are often high-cost, these permit fees can add up and make projects become cost-prohibitive. To encourage investment in downtown revitalization, cities could consider waiving, reducing, or deferring all or some of these fees based on their goals for downtown revitalization. Consider some of the following approaches:

- A community with a primary goal of preserving historic properties could base fee reductions on historic districts.
- A community hoping to increase access to downtown housing could allow fee waiver for projects that provide affordable housing.
- Deferring fees until the property can generate income is another way to reduce the upfront financial burden for investors, while still guaranteeing revenue for public infrastructure.

SMART Housing Program – Austin, TX

The SMART housing program in Austin, TX provides private developers with full or partial waivers of development fees, subject to the condition that housing is preserved for low- and moderate-income households and persons with disabilities. Fee reduction ranges from 25% to 100% depending on the level of affordability.[i]

[i] 'Reduced or Waived Fees for Qualifying Projects'. Local Housing Solutions, https://localhousingsolutions.org/housing-policy-library/reduced-or-waived-fees-for-qualifying-projects/.

DLCD is developing adoption-ready resources related to permit fee and system development charge (SDC) exemptions and deferrals that communities may use when evaluating local policies to encourage housing production and adaptive reuse. Communities should consider these resources when developing fee reduction programs for upper-story redevelopment.

Designed appropriately, fee waivers can support the communities' goals for both downtown revitalization and downtown inclusiveness.

Use creative investment and financing strategies tailored to each project's unique circumstances

City and Downtown Associations: **Directly acquire property or support property acquisition**

City | Downtown Association

When the private sector cannot overcome a financial problem, local governments and nonprofits can step in to bring buildings back to life:

- Cities can directly purchase properties through public development authorities to renovate and sell back to the private market at an appropriate time.
- Cities with less resources can negotiate with local developers to waive certain fees or taxes collected by the city, with conditions that the developers put such money toward building rehabilitation.

Lebanon, OR



Weaver building – John Day, OR

Weaver building before rehabilitation[i]



In 2017, the city of John Day purchased the 11,294 square foot Weaver building at 131 West Main Street after the building had been listed for sale for nearly 900 days.[i,ii] The total cost to the city was $100,000 plus closing costs, which was funded by a $100,000 Oregon Main Street Revitalization grant. The city secured an additional $65,300 grant from the Brownfields Redevelopment Fund available through Business Oregon and put in additional funding to remove asbestos and lead paint. The total abatement cost was $74,924.

In mid-2019, the city opened the bid process for the Weaver building. The property was included in the John Day Urban Renewal area and the city aided with owner financing options. The city received two local offers[iii] and sold the building for $125,000[iv].

Today, construction is completed, and the Weaver building is being operated by private owners.

Weaver building today



Source: Google Maps

[i] 'Weaver Building - Notice of Sale & Bid Package | City of John Day Oregon'. *City of John Day*, https://www.cityofjohnday.com/planning/page/weaver-building-notice-sale-bid-package. Accessed 12 July 2026.

[ii] 'Main Street Revitalization - Weaver Building | City of John Day Oregon'. *City of John Day*, https://www.cityofjohnday.com/planning/page/main-street-revitalization-weaver-building. Accessed 12 July 2026.

[iii] Eagle, Richard Hanners Blue Mountain. 'City Receives Two Local Bids for Weaver Building'. *Blue Mountain Eagle*, https://www.bluemountaineagle.com/news/city-receives-two-local-bids-for-weaver-building/article_d048daa0-9860-11e9-af84-2775b02ce505.html. Accessed 12 July 2026

[iv] 'Grant County Tax Accessor'. *Grant County*, https://www.cci400web.com:8183/GrantCo_PropertyInq/lot_names?1121. Accessed 12 July 2026.

Property owners: **Explore creative approaches to minimize renovation costs**

City | Downtown Association

Consider the following simple ways to bring down costs:

- **Do it yourself –** While economic feasibility continues to be a major blocker, do-it-yourself remains a popular approach. Depending on knowledge, skills, and time available, property owners could reduce some labor costs by doing parts of the work themselves. A relationship network among property owners could additionally help spread the know-how and encourage a can-do spirit.
- Communities can also facilitate connections among property owners pursuing similar projects. Sharing information about contractors, architects, engineers, and other professionals with relevant rehabilitation experience may help property owners identify qualified partners. Where appropriate, coordinating similar projects can create opportunities for shared contracting, more competitive pricing, and greater efficiency.
- **Transfer some costs –** Depending on uses of upper stories, some property owners might be able to transfer portions of the costs to the prospective tenants. For example, the owners could invest in building basics, such as framing and windows, then allow tenants to furnish the space according to their use in exchange for lower rents. This approach could be suitable for business tenants, especially those directed towards

Managing multiple projects



A couple owning two buildings in downtown Lebanon with functional commercial ground floors are renovating the upper stories into apartments. The couple is using one finished apartment as their temporary home while they continue with their projects.

Between the two, they bring experience in real estate, visioning how their properties serve the local market, and construction expertise. The couple are handling portions of the work themselves and have spent about 1-2 years renovating each of their properties. By completing some of the work themselves, they are saving costs on the project.

They have also successfully pursued grant funding. They recently secured a Diamond in the Rough grant for façade and window improvements.

customer service and experiences like restaurants, cafés, or spas.

- **Break down bigger projects –** An owner might consider breaking down the construction work into phases by the types of work, such as framing, façade improvement, and furbishing. Alternatively, owners could break work out based on scale of the project, such as 1-2 apartments every year until all apartments are complete. Phasing the project allows the owner to be eligible for grants each year during their renovation.

Property owners: **Seek outside investors**

Property Owners

Property owners might seek additional investments for their projects from outside investors. The tax incentives available for historic properties open opportunities for tax credit equity investment. This is a win-win transaction, where the property owner has access to additional funding for their renovation project while the investor can rightfully shrink their tax bill thanks to the historic preservation tax credit.

This approach turns one large investment into many smaller, accessible investments that invite more hands to the project. Investments can be any amount, in-kind services that contribute to renovation, or building ownership. This is also an opportunity to engage experts from different fields, such as contractors, realtors, financiers, attorneys, and so on, to address different aspects of a renovation and widen the support network for the project.

These transactions often take place with the formation of a private investment group, often an LLC. The LLC manages and distributes income from the rehabilitated property to investors based on their share of contributions. Property owners could seek investing partner themselves and find support with establishing their LLC from their Local Small Business Development Centers (SBDCs) and other organizations. They could also submit their project to a professional tax credit syndicator like the National Trust Community Investment Corporation to be connected to interested investors.

Lebanon, OR



Addressing Regulatory & Technical Barriers: Cultivate a regulatory landscape that offers flexibility and support for upper story redevelopment

Upper story renovation projects face a maze of regulatory and technical barriers. An explicitly flexible and supportive regulatory landscape will foster the goal of upper story development across the state. In a streamlined environment with clarified zoning, development policies, and building codes, more accessible instructional resources, and well-established relationship, property owners and cities can move projects forward with more ease and fewer obstructions.

Evaluate current building code and support flexible applications of the code

State and city: **Evaluate building code and provide support around interpretation**



The state building code conforms to the International Existing Building Code by supporting the "use and reuse of existing buildings" and providing optional paths to compliance.[40] The Building Codes Division places a priority on downtown revitalization, particularly related to housing.[41]

We heard from numerous jurisdictions that local interpretation of the building code makes it difficult for upper story projects to move forward. To remedy this, the Building Codes Division should convene a working group to evaluate the current state code. The working group should include representatives from the State Historic Preservation Office and local developers, planners, and building officials who have recently engaged in upper story projects. Drawing upon the recent experience of one or two jurisdictions, the working group can identify common roadblocks to upper story development, particularly for historical structures. The Building Codes Division can then use the findings of the working group to develop implementation guidance, training, and best practices and, where appropriate, recommend future code updates. These resources can help local officials apply existing code flexibility more consistently and streamline future upper-story redevelopment projects.

Communities may also benefit from technical assistance provided by the joint Building Codes Division/Department of Land Conservation and Development Housing Accountability and

[40] 2019 Oregon Structural Specialty Code, Chapter 1 Amendments. (April 2021). Building Codes Division. Department of Consumer and Business Services. State of Oregon.

[41] Rogers, Richard S. (August 1, 2009). "Housing, Fire Protection, and Downtown Revitalization." Building Codes Division. State of Oregon.

Production Office (HAPO), which helps local governments and developers navigate housing regulations and identify barriers to housing production. While HAPO does not administer the building code, it can complement the Building Codes Division's efforts by supporting implementation and coordination across housing-related policies.

In particular, the Building Codes Division should continue to provide clear guidance on code interpretation and liability. While the Building Codes Division adopts the statewide building code, local jurisdictions have broad interpretive latitude, making some officials hesitant to pursue alternative compliance pathways because liability rests at the local level. Stronger guidance, technical assistance, and examples of successful applications could help smooth the path to upper-story redevelopment.

***State:* Host upper story conferences or trainings**



State

Training sessions or workshops present an opportunity to spur upper story renovation by demystifying the development process, educating communities about resources, and bringing together relevant parties to connect and communicate. Audiences should include elected officials, building code officials, planners, engineers, architects, and property owners. Workshop design can be flexible, responding to specific questions or needs; they can be local, regional, or statewide; they can be scalable, responding to the size and background of your participation; and participation can be open, by invitation, or both.

UpstarisDowntown Workshop

UpstairsDowntown: Upper Floor Housing Development is a day-long workshop run by Carmody Consulting and Mike Jackson, FAIA, based in Illinois. The workshop focuses on how to drive a market for upper floors, how to assess buildings and their capabilities, and what tools can be used to complete financial assessments. Oregon Heritage has hosted the well-attended workshops both in-person and on Zoom with funding from Department of Land Conservation and Development Transportation and Growth Management. Stakeholders have reported that this workshop jumpstarted conversations and work on upper story renovation in their communities.

***Statewide nonprofits/associations, state, and cities:* Develop and adopt upper-story model code language**



State City Downtown Association

Model code can reduce regulatory barriers and streamline upper-story development by creating standard approaches to zoning, parking, adaptive reuse, and other local land use regulations. We suggest that organizations like the League of Oregon Cities or state agencies

such as the Department of Land Conservation and Development (DLCD) insert upper story development goals into their practices by working to create model code language based on examples from jurisdictions that have measures in place to support downtown redevelopment.

Building codes serve a different purpose than development regulations. The Oregon Building Code, administered by the Building Codes Division, incorporates the International Existing Building Code (IEBC), which provides alternative compliance pathways for existing and historic buildings while maintaining life safety standards. Rather than developing model building code language, the Building Codes Division should continue to provide guidance, training, and best practices that promote consistent application of existing code flexibility across jurisdictions.

***City:* Adopt code according to IEBC update timeline**



City

The International Code Council updates the IEBC at three-year intervals. Cities may be able to increase support for upper story development by taking careful note of the IEBC timeline and priorities, and by adopting the updated recommendations in a timely manner.

***City:* Evaluate historic designation for buildings with significance to marginalized communities**



City

Partner with community organizations and establish an enhanced process to identify sites that have been historically significant to communities of color and other marginalized groups. Prioritize special designations for such buildings or create new designations and provide funding to advance equity in historic preservation. Certified Local Government (CLG) funds can support survey and designation processes for important heritage sites.

For such heritage projects, also consider a Multiple Project Designation (MPD). An MPD is a National Register of Historic Places designation that creates an umbrella document to group together separate historic buildings that are culturally significant. It lifts the burden on individual property owners and expedites the enrollment process.

Oregon Black Pioneers (OBP)

OBP is Oregon's only historical society focused on the history of people of African descent. They partner with local organizations to plan, interpret, and advocate for the preservation and commemoration of sites with African American historical significance statewide. They identify historic Black buildings and businesses on a History Map, and newer projects will include working with "statewide agencies and museum partners to commemorate Black historic sites with markers, headstones, signage, and tours."[i]

Portland African American Community Multiple Property Documentation (MPD)

The National Register of Historic Places approved an MPD in 2020, which represents a formal recognition of the African American experience and contributions to Oregon. It establishes eligibility for properties significant to the African American experience between 1965 and 1973, and designates several thematic areas of eligibility including civil rights, business, and journalism. The Billy Webb Lodge building, which was an important gathering place for the Black community in Portland, is the first building enrolled through the program.[ii]

San Francisco Equity Resolution

In California, the San Francisco Planning Department adopted an equity resolution that directs the department to advance racial justice and social equity through historic preservation work by collaborating with communities of color and other marginalized communities. San Francisco will support historic resource designations in the following ways:

- Determine best practices for identification and preservation of intangible resources
- Prioritize Landmark and Legacy Business designations in underserved communities
- Assess historic resource inventories for omissions, biases, and disparities

In addition, the department commits to assessing such projects as a priority and expanding funding.[iii]

[i] Lawana Holland-Moore (2021). From Trails to Timber: Uncovering Black History in Oregon. Retrieved July 20, 2022, from https://forum.savingplaces.org/blogs/lawana-holland-moore/2021/01/22/from-trails-to-timber-black-history-oregon

[ii] NPs approves MPD for African American Historic Sites of Portland – Oregon Black Pioneers. (n.d.). Retrieved July 30, 2022, from https://oregonblackpioneers.org/2020/07/08/nps-approves-mpd-for-african-american-historic-sites-of-portland/

[iii] Community Equity | SF Planning. https://sfplanning.org/division/community-equity. Accessed 3 June 2022.

Organize, curate, and publicize existing technical resources

Multiple state and local grants and incentive programs as well as technical supports are available for upper story renovations. However, not all communities and property owners know about all resources, let alone how to use them efficiently. State departments, local governments, and local organizations need to cooperate to streamline support, which includes centralizing resource keeping and creating local support networks.

Vertical Housing Development Zone – an underused resource?

Cottage Grove and Klamath Falls each have a Vertical Housing Development Zone. Residential projects that lie within this area could qualify for a 10-year tax exemption of up to 80% on the costs of new constructions or rehabilitation. Developers in these communities have not taken full advantage of this resource because confusing communication about the rules led them to believe only new construction projects would qualify for the tax exemption. State law makes no distinction between construction and rehabilitation projects in determining eligibility for the tax exemption, so this has been a missed opportunity for developers.

State: Create a Centralized Resource Library



State

There is currently no centralized resource page for either financial or technical assistance. Resources and supports are often listed on various agencies' websites, which may be convenient for state management but difficult for communities to navigate.

With the goal of encouraging upper story development, we recommend that Oregon Heritage collaborates with other state departments and a statewide nonprofit to develop and maintain a centralized resource-keeping page. This resource library could serve multiple audiences, from individual property owners and developers to government agencies and local organizations which support upper story renovation. Appendix E lists grants and incentives that could be used towards upper-story revitalization could serve as a starting point for building the financial resource library. For technical resources, we recommend that the library provides at least one central contact point for each town that could help property owners with the overall renovation process.

This resource page developed by the State could serve as a starting point if a local community is interested in building their own. An example is the Independence Historic District's restoration resource page that include guides to restoration, local addresses for contractors and parts, grant opportunities and tax incentives, and helpful contacts at the local and state levels.

Potential Content for a Centralized Resource Library Hosted on a State or Statewide Nonprofit Webpage

Centralizing resources would help property owners and developers more easily navigate the many sources of support available to them.

Upper-story Revitalization Resource Page

For Property Owners



Guide to planning renovation projects

- How-to: property and market assessment, financial planning, networking, etc.
- Tools: pro forma



Technical resources

Contacts, types of service, and example projects from

- Downtown association
- Local building official
- Local contractors, realtors, architects, business support organizations, etc.
- Local network for property owners



Spotlight projects

Success stories of how property owners carry out their projects



Financial resources

Announcements, instructions, templates, and example projects for grants, tax incentives, and commercial lending applications

For Local Gorvernment & Organizations



Program and designations

- Summary of benefits and obligations
- Examples of other communities which are utilizing programs effectively



Tool kit

- Guide for inventorying downtown
- Templates for public communications
- Project planning tools: pro forma



Local highlights

- Success stories of projects
- Approach to upper-story development

***City:* Designate a local downtown development liaison (or incorporate into existing duties) to help property owners and developers navigate regulatory issues and access relevant resources**



City

Even with streamlined code, navigating downtown development will likely still be complex and challenging. By clearly identifying a point-person, local government can provide an easy entry-point and navigation assistance as property owners and developers move through their projects.

While most cities may not have the capacity to develop an entirely new downtown liaison position, most already have someone who works closely on downtown development through urban renewal, planning, or economic development. We encourage cities to more formally designate this position as a navigator for downtown development to create a clear entry point for those hoping to undertake an upper story redevelopment project.

Specifically, liaison/navigator duties could include:

- **Interacting with property owners and developers:** hosting pre-development meetings to identify opportunities and barriers, connecting projects with financial resources, being available to assist with navigating regulations as the project progresses, and connecting projects with contractors and suppliers
- **Coordinating across city departments:** ensuring that the property owners/developers are not being shuffled constantly between departments and given contradictory information
- **Coordinating with the Downtown Association:** working to identify and package funding opportunities, identifying and maintaining relationships with contractors and suppliers with expertise in historic preservation and downtown development
- **Communicating with the State:** providing an up-line to relevant State departments that might assist with all aspects of the project from planning through construction

Charles Denight, Associate Director of the Pendleton Urban Renewal Association (PURA)

In his role at PURA, Denight has shepherded many property owners through the process of renovating and developing their upper stories and has also implemented several programs to encourage more to engage. These efforts have included education campaigns, technical assistance, and creating local grants. He has helped owners apply for external grant funding, loans, and tax credits. PURA education campaigns have included open houses and workshops. Under Denight's guidance, the agency has tried innovative strategies. For example, it brought in an architectural firm to produce designs for the upper story spaces, which the agency offered to property owners. Denight is currently creating a detailed downtown inventory, which will allow the agency to prioritize future projects.

Cities & Downtown Associations: Connect property owners with expert advice



City

While a statewide resource library could be a useful entry point for anyone engaged in upper story redevelopment, a static resource can never fully replace personal connections and assistance. Thus, cities (through the liaison position) and downtown associations have an important role to play in directly connecting property owners and developers with expert advice. Cities and downtown associations should maintain a good working knowledge of resources and relationships with experts so they can easily assist the community with their needs. See "Development Advice" for potential sources of expert knowledge. This can be a jumping off point for local officials.[42]

Technical Support in Dispersed Locations

- **The Department of Land Conservation and Development** maintains a database of handbooks on common downtown revitalization concerns such as parking reform, small cities model code, planning for smart development. The goal of this work is to encourage mixed use development, density, and multi-story construction, as well as infill development and restoration.
- **The Building Codes Division** publishes a variety of documents and technical bulletins that outline the Oregon Structural Specialty Code. Local governments will benefit from understanding the background of the regulations, if they are state or federal, what alternatives may exist, and how to guide property owners when they begin a project.

While these pages are informative, city staff or local downtown associations might not think of them as their go-to resources because there is no direct tie to upper story development.

[42] See *Department of Land Conservation and Development : Education and Outreach : Transportation and Growth Management Program : State of Oregon* for additional resources.

Development Advice

UpstairsDowntown has been helping property owners develop their upper stories since 2005. It focuses on building community capacity to revitalize its underutilized assets and helps stakeholders work together to create more robust downtown by putting the market forces to work building greater resiliency and strengthening local economies.

Incremental Development Alliance is a nonprofit alliance of practitioners who train small developers, helping residents strengthen their own neighborhoods and helping city champions get the kind of development their community wants. Their goal is to build the capacity for locals to invest in their own neighborhoods and to help institutions encourage that small-scale development.

Financing & Financial Organization Advice

Small Business Development Centers (SBDCs) and other organizations that assist with planning and forming businesses can provide support to property owners and developers who are struggling with the organizational side of development financing.

State Departments Providing Technical Assistance

Oregon Heritage – Oregon Heritage helps property owners navigate historic standards, combine funding sources for projects, and communicate with city staff. This assistance is typically project-specific. Through Oregon Main Street, Oregon Heritage provides training to local executive directors and volunteers so they have the knowledge to connect property owners with the resources they need. They also provide free access to webinars, workshops, and tools via their website.

Housing Accountability and Production Office- HAPO can support upper-story redevelopment by providing technical assistance to local governments as they identify, evaluate, and implement housing production strategies. This assistance could include developing guidance documents, highlighting upper-story redevelopment as a housing production strategy, sharing model ordinances and best practices, facilitating peer learning among communities, and connecting local governments with available funding and technical resources.

Oregon Housing and Community Services – OHCS provides technical advice regarding preservation compliance, data and analysis on housing, and information about applying for funding opportunities, as well as workgroups and partner calls for those working on developing affordable housing.

Building Codes Division – BCD assists builders via their website, which provides guidance on code interpretations and alternate methods. The agency offers project-specific assistance on elevators, as well as information about general code inquiries (though most specific inquiries are routed to the local building department).

Business Oregon – Business Oregon administers several relevant grant, loan, and incentive programs, including seismic and brownfield programs, which are accessible through the website. Program-specific coordinators are listed in the staff directory and are available by phone and email.

Department of Land Conservation and Development: Transportation and Growth Management – The Education and Outreach Department of Transportation and Growth Management (TGM) provides local communities with a variety of free services to encourage dense, walkable development. To be considered, a local elected official must submit a letter of application indicating the specific interests and which topics they hope to learn about. TGM also provides community workshops around specific issues and sponsors conferences and lecture series to educate both targeted audiences and the general public.

Cities & Downtown Associations: **Provide construction disruption assistance**



City

As the development process gets underway, construction can cause extensive disruption and long-term changes and challenges for small businesses, long-term renters, and low-income property owners. By working with property owners, developers, and local businesses, cities, and downtown associations can develop and implement a mitigation plan. Common mitigation measures include support with marketing and signage to ensure that customers know businesses are open during construction, financial assistance in the form of grants or forgivable loans that help sustain businesses experiencing a downturn in sales due to construction, assistance for businesses that need to relocate, and robust legal protections for tenants.[43]

Cities: **Partner with state agencies, and statewide or regional affordable housing nonprofits to encourage affordable housing development in upper stories**



City

Navigating the affordable housing development landscape often requires significant specialized knowledge. Solid partnerships with service providers such as Oregon Housing and Community Services (OHCS), local housing authorities, regional and statewide nonprofit housing developers, and other affordable housing partners, give city governments access to their expertise when they pursue affordable housing projects and allows them to support the work of other organizations.

Nonprofit organizations have experience working within the complex frameworks

The 3,000 Challenge

The Homelessness Research and Action Collaborative, based at Portland State University, launched the 3,000 Challenge to encourage community quick response to critical housing needs. The challenge aimed at creating safe spaces for people that meet their diverse needs and respect their autonomy.[i] The Challenge hopes to fast track three strategies:

- Increase utilization of empty apartments through rent support, landlord coordination, and wraparound services
- Accelerate access to existing properties through public ownership
- Prioritize funding for supportive housing for those experiencing homelessness

[i] *3000 Challenge PDX*. (n.d.). Retrieved September 1, 2022, from https://3000challengepdx.org/

[43] Construction Disruption Assistance. (n.d.) Small Business Anti-Displacement Network (SBAN). https://antidisplacement.org/tool/construction-disruption-assistance/. Accessed 5 July 2022.

around federal affordable housing funding, such as low-income housing tax credits (LIHTC). At the same time, affordable housing projects are often slowed by city-level regulatory requirements. The city government may be able to streamline local land use policies, identify permitting flexibility, or reduce fees for affordable housing projects.

Cities should also consider upper-story redevelopment as part of their Housing Production Strategy (HPS). Through the HPS process, communities identify and commit to actions that address local housing needs. Where appropriate, cities can include upper-story redevelopment, affordable housing in downtowns, fee reductions, regulatory improvements, or partnerships with housing organizations as HPS actions. Doing so not only supports local housing priorities but also integrates upper-story redevelopment into an established state planning process and implementation framework.

Communities should also consider whether recent changes to Oregon housing law, including provisions supporting Single-Room Occupancy (SRO) housing, create additional opportunities for upper-story redevelopment that addresses local housing needs.

Collaborate with downtown development experts to remove the technical burden from individual property owners

Cities & Downtown Associations: **Explore district-level development**



Rather than approaching upper story redevelopment one property at a time, we encourage communities to consider a broader, district-wide approach. Although the planning and coordination to assemble a large group of property owners would likely require a significant up-front time investment, the efficiencies of a coordinated effort could pay off in the long run.

After assembling willing property owner participants, city officials and the downtown association could package projects together to secure funding, fast-track code and permitting processes, and coordinate contractors. Working on many projects collectively would save time and money on processes like securing funding, navigating regulations, and identifying contractors that would otherwise happen multiple times for each individual project. Redeveloping the neighborhood with a cohesive vision, rather than engaging in one-off projects, may also spur greater community buy-in and local support.

Pendleton's Urban Renewal Association funds upper story development

Pendleton's longstanding Urban Renewal Association established a grant program that initially funded elevator construction for upper story projects. It expanded to fund sprinklers. Ultimately, it expanded further to help fund entire upper story projects. Property owners can access grants that provide up to 40% coverage of the renovation. Their budget is up to $3 million per year.

Cities & Downtown Associations: **Build relationships with developers specializing in downtowns and historic buildings**



City



Downtown Association

As part of their role in connecting property owners with expert advice, cities (specifically through the liaison position) and downtown associations can identify and cultivate relationships with developers that have experience with or interest in historic rehabilitation, downtown development, or upper story projects. Because the redevelopment of older downtown properties requires specialized knowledge, not all developers and contractors have an interest in this type of project. There are, however, a few developers that already have the expertise or might be motivated to gain the expertise. If local officials work to find and build relationships with such developers, they can more easily provide support to interested property owners. See "Partnering with Developers to Renovate Astoria's Merwyn Hotel" for an example of how local officials and expert developer collaborated to accomplish a complex project.

Partnering with Developers to Renovate Astoria's Merwyn Hotel

The Astoria Downtown Historical District Association (ADHDA) partnered with Portland-based developer Innovative Housing Inc (IHI) to renovate the dilapidated Merwyn Hotel. IHI is a low-income developer with a depth of experience with similar projects.

The building could not appraise as a traditional development, but IHI was familiar with the multiple incentives available for affordable developments that, combined, allowed the project to be completed. ADHDA brought deep community connections to the table, partnering with local community-based organizations to ensure that diversity and equity were centered throughout the planning, construction, and operation of the building.

Facilitating Connections with Experts

La Grande houses the Economic Development Division under the same department as Building and Planning Services, which streamlines collaboration with the La Grande Downtown Association.

Independence partnered with local developers by offering incentives and price reductions in exchange for a commitment to invest in renovation projects.

Pendleton hired an architectural firm to draw up plans for upper stories, which property owners could use at no cost.

As part of the relationship building process, it may also be useful for local officials to talk with developers about their approach managing local needs and expectations. Development is often a source of conflict in communities, but maintaining a strong collaborative relationship with developers can help mitigate conflicts. Some communities have deployed community benefit agreements (CBAs) as part of development processes. CBAs are legally binding contracts between community groups and developers that require developers to provide specific amenities tailored to local needs. Community groups

will typically specify their needs in the agreements, such as affordable housing, local hiring, living wages, types of retail, and prioritizing and preserving neighborhood-serving businesses. The purpose of a CBA is to ensure that the community impacted by development will benefit directly from the project's development.[44]

Whether through an official mechanism like a CBA or solely through less formal relationship-building activities, local officials can ensure that property owners can connect with relevant experts and that projects align with community values.



Independence, OR

[44] "Community Benefits Agreement." *Small Business Anti-Displacement Network (SBAN)*, https://antidisplacement.org/tool/community-benefits-agreement/. Accessed 5 July 2022.

Coordination & Collaboration: Ensure a coordinated and collaborative approach to supporting upper story redevelopment

Collaboration is a critical element in upper story development projects. At a local level, communication between stakeholders to develop a downtown vision and coordinate an upper story planning effort aligns disparate interests. A united effort between the downtown association, city departments, and property owners will create clarity in the development process, as well as highlight opportunities to increase efficiency for all parties. Coordination between agencies at different levels of government reduces bottlenecking. Public-private partnerships allow greater access to financial resources and increase knowledge-sharing.

Encourage local-level collaboration

Cities & downtown associations: **Build a collaborative relationship between local-level resource and oversight providers**



While many communities already have good working relationships between the local government and nonprofits like downtown associations, the importance of working closely together towards downtown development goals cannot be understated. The more aligned local government and nonprofits can be in their vision and support for upper story redevelopment, the smoother the process will be for property owners. To cultivate stronger connections between local government and nonprofits, the city's downtown development liaison and the downtown association might consider collaborating on the following activities:

- **Vision process –** Bring together building and planning officials, property owners, business owners, tenants, and other downtown stakeholders to identify needs, priorities, and opportunities. Articulating a cohesive vision not only brings the community together around a common goal, but also helps unlock access to funding.
- **Awareness campaign –** Engage in multi-channel communication with the property owners, residents, and other members of the community to articulate downtown development goals and publicize funding and technical assistance opportunities.
- **Community building –** Host gatherings with property owners and local developers. Mixers can be a fun, low-stakes way to engage stakeholders in a common goal around upper story renovation and allow partnerships to develop organically.
- **Training –** Organize targeted workshops or trainings for property owners and developers.

Downtown associations & property owners: **Develop a peer support network for property owners**



Downtown Association



Property Owners

For property owners with no experience in building renovation, upper story redevelopment projects can feel overwhelming. Where do you even start? For these overwhelmed property owners, other property owners who have gone through the upper story redevelopment process themselves can serve as an invaluable resource.

Peer networks bring property owners together to share resources, advice, and support. Establishing a peer network captures the local knowledge and proficiency of experienced property owner-developers who can help demystify the process for those considering upper story development projects. It enables members of the network to share experiences navigating such projects, trade information about contractors, services, and materials, and it provides fertile ground for collaborative efforts.

While some property owners might take the initiative on their own to connect, the downtown association can serve as an important connector and convenor. A peer network may look different in different communities, but some services for a downtown association to consider providing include:

Neighbors Helping Neighbors in Downtown Albany

Peer connections matter!

The research team saw this in action during visit to Albany, when a new downtown property owner joined us for a tour of upper story spaces. She had purchased a historic building with rental units above and a shop below. The entire building needed a massive renovation, and the cost-benefit analysis for the upper stories looked grim. As we toured, she met the owner of a successful, completed upper story apartment development just down the street. They immediately fell into conversation about financial resources and regulatory barriers, sharing experiences and advice. Before we left, they had made plans to meet up again.

- Connect two property owners engaged in similar projects
- Bring together a group of property owners for regular meetings or networking events
- Create a contact database
- Publish a newsletter or administer a social media group

Encourage collaboration between local actors and regional/statewide actors

State, cities, and downtown associations: **Build collaborative relationships between local and state coordinators**



Local to state connections represent another vital link in the collaborative ecosystem to support downtown and upper story redevelopment. State agencies and departments can work with downtown associations and city officials to offer support at a city scale, answer questions, and connect resources. Maintaining open communication between the city and state can expedite certain processes and reduce bottlenecking, while encouraging compliance with state programs, goals, and regulations.

We have heard from both state and local actors that they want to collaborate more, but in the reality of everyone's busy day-to-day activities, meaningful collaboration is actually quite difficult. It can be challenging for local level coordinators to know who to talk to at the state, and it can be difficult for state officials who cover broad geographies to build relationships with those at the local level. To overcome the logistical barriers to actual collaboration, we recommend State agencies and departments more clearly define and publicize entry points. Similar to offering a local navigator for property owners, local officials could use a State-based navigator to help direct them quickly to the most relevant and useful connections for their downtown projects.

State Main Street Coordinator

Oregon's Main Street's statewide coordinator is a familiar face for all local downtown associations and Main Street Programs. The statewide coordinator travels around to build relationships with local coordinators and organizes networking and training events to support the work of local programs. When local program coordinators have a question or need a resource, they know who to contact.

The statewide Main Street coordinator position, as well as the other positions in Oregon Heritage that support the coordinator, are an invaluable resource for local communities and more positions like this, or more FTE dedicated to relationship building and navigation assistance, would greatly aid in streamlining connections between local and state supporters of downtown development.

***State:* Share cases studies of successful projects**



State

State-level agencies such as Oregon Housing and Community Services and Oregon Heritage can develop, compile, and share examples of successful upper story projects. Case studies can highlight different types of projects, challenges, and funding structures to demonstrate possibilities and inspire further projects.

***Cities and downtown associations:* Build collaborative connections with regional and statewide nonprofits that promote affordable housing and opportunities for marginalized communities**



City Downtown Association

Partnering with local or statewide nonprofit developers, culturally specific community-based organizations (CBOs), direct service providers, and other mission-driven organizations can can expand access to technical expertise, funding, and implementation support. Many affordable housing funding programs are complex and may require nonprofit sponsorship or experienced development partners, making these relationships particularly valuable for upper-story redevelopment projects.

Cities and downtown associations should engage these organizations early in downtown planning efforts and maintain relationships before specific projects arise. These partners can help communities better understand local housing needs, identify opportunities to serve specific populations, and connect upper-story redevelopment with broader goals related to housing affordability, accessibility, economic opportunity, and downtown revitalization. Collaborative partnerships can also help communities leverage additional funding opportunities and support implementation of locally adopted Housing Production Strategies by advancing actions that increase housing choice, affordability, and equitable access to housing.

Conclusion

Underused and vacant upper stories are not problems, but rather opportunities for Oregon communities to leverage as part of a holistic solution to needs for housing, work, and social spaces. To activate the potential of upper stories, the state government, city governments, community-based organizations, and property owners need to work together to understand the property conditions, identify barriers to development, and dismantle roadblocks.

Through activation of unused or underused spaces, Oregon communities can increase vibrancy, inclusivity, and build a resilient economic future. Housing, lodging, office space, event venues,

and many other uses can find a home in upper stories. Based on the results of our survey, we estimate that about half of upper story spaces in Oregon downtowns are currently not utilized for human activities: this is a great opportunity and an untapped benefit to communities.

Although cash, codes, and capacity remain major roadblocks to development, many "challenges are overstated and resources not well-marketed."[45] In fact, state and city governments, community-based organizations, businesses, and property owners all have resources and tools on hand that, when combined through robust collaboration, have tremendous potential to bring upper stories back to life.

Now is the time to start. Initiatives may spark from the ideas of individuals, but they only flourish when taken seriously and supported proactively by the whole community, including the government. We hope the resources we have provided in this report and beyond will support action. We encourage Oregon communities to start with an inventory of spaces gain a better understanding of the conditions and barriers to development—review our ***How-To Guide for Inventorying Upper Stories and Supporting Redevelopment*** for ideas and resources. Next, communities can design solutions tailored to their specific circumstances—review the recommendations listed in this report for ideas about where to begin!



Lebanon, OR

[45] Timothy Bishop, Economic Development Director, City of La Grande

APPENDIX A – CASE STUDIES

In 2022, the research team spoke in depth with representatives from Albany, Astoria, Cottage Grove, Independence, Klamath Falls, Lebanon, Pendleton, and Woodburn. Here, we provide details from three communities that illustrate approaches to upper story redevelopment.

Cottage Grove[46]

- Population: 10,698
- Area: 3.9 sq. mi.
- Size of Downtown Area: 5 sq. blocks
- Median Household Income - Homeowners: $85,863
- Median Household Income - Renters: $55,064
- Traditional lands of the Kalapuya, Yoncalla, Umpqua, Siletz, and Grand Ronde peoples

Community's Upper-Story Practices

Upper-story development strategy

- **Building and Business Inventory –** The City of Cottage Grove maintains an inventory of historic buildings and businesses. Within this they document historic building name and construction date, current use, property owners, and market value of the building, among other details. The data they have collected allow them to see the distribution of business types throughout their downtown corridor as well as vacant spaces that can be occupied or rehabilitated.
- **Main Street Revitalization Project (via Main Street Refinement Plan) –** In 2016 the city completed a Main Street Refinement Plan, which assessed the current conditions and established a 5-year plan to improve downtown Main Street conditions. They are currently in the process of completing a Main Street Revitalization Project, which is tied to the plan and focuses on streetscape improvements, ADA compliance, and the creation of a more "dynamic" downtown Historic District. The catalyst for developing the Main Street Refinement Plan was the need to make downtown an accessible space for all people. While not specifically mentioned it is believed that if the plan is implemented and the street is re-built that downtown will be open for business and will attach new development of existing and new mixed-use developments.

Financial Support

- **Vertical Housing Tax Credit –** Cottage Grove passed a vertical housing tax credit, which provides tax exemptions to multi-use commercial/residential construction in the downtown area. The purpose of the program is to encourage mixed use development

[46] U.S. Census Bureau. *2024 American Community Survey (ACS) 5-Year Estimates*, data accessed through data.census.gov. Population and median household income estimates derived from the ACS 5-Year Estimates.

where residential development is included above commercial spaces by lowering property taxes for a ten year period. This abatement period can be very helpful in the first years of a project to off-set debt and get projects into a breakeven or profitable position.

- **Local Funding –** The City provides local funds to support Main Street Facade rehabilitation, which is financed through the General Fund and has an annual budget of $10,000. The decision on who receives the funds is determined by the Historic Preservation Commission.
- **Oregon Main Street Revitalization Grants –** The City has assisted property owners with Main Street Revitalization Grants in the past and offers to be the financial passthrough for successful projects. Potential projects are selected with the assistance of the Downtown Cottage Grove Association, an agency separate from the City that supports economic development activities downtown.

Klamath Falls[47]

- Population: 22,115
- Area: 20.89 sq. mi.
- Size of Downtown Area: 11 blocks along Main Street
- Median Household Income - Homeowners: $71,849
- Median Household Income - Renters: $33,125
- Historic milestones: In the early part of the 20th century, Klamath Falls experienced an economic boom thanks to thriving agriculture and timber industries. Many of downtown historic buildings were constructed during this time. Though an earthquake in 1993 struck many buildings, the rest that stand till today contribute to the city's portfolio of historic assets with unique architectural values. Klamath Falls' economy today has shifted to rely more on healthcare, education, and retail services.
- Traditional lands of the Klamath, Modoc, and Yahooskin peoples.

Community's Upper-Story Practices

In this section, we highlight some strategies the city of Klamath Falls has been using to facilitate upper-story development. **Some strategies have contributed to successful project implementations:**

Upper-story development strategy

- **Conducting market analyses –** Based on the suggestion of Sherri Stuart – Oregon Main Street Program Coordinator, the city of Klamath Falls conducted a downtown housing analysis in 2016.[48] This study helped set the vision for downtown housing, identified housing needs for a five-year period, and identified potential downtown residents.

[47] U.S. Census Bureau. *2024 American Community Survey (ACS) 5-Year Estimates*, data accessed through data.census.gov. Population and median household income estimates derived from the ACS 5-Year Estimates.

[48] Klamath Falls Downtown Plan

Some recent renovation projects have successfully targeted these groups, which include college students, medical professionals, and military staff. For example, a building owner recently renovated their building into a 22-room dormitory for medical students. The owner was successful in winning a 10-year contract with a local university.

- **Inventorying downtown building portfolio –** The Klamath Falls Downtown Association partners with a local realtor to inventory downtown buildings. This is a response to a requirement by the Oregon Main Street Revitalization Grant to report project impacts, ranging from impacts on properties such as building and block occupancies, number of housing and lodging units, rental rates and property values to impacts on the local communities such as number of jobs created and businesses retained, income levels and downtown activity levels. The inventory is focused on grant-receiving properties and not comprehensive of the whole downtown area. This inventory has helped to validate the positive impact of upper-story renovation and attract more funding from the city.

Development financing

- **Utilizing state grants –** The downtown association is active in responding to the Oregon Main Street Revitalization Grant's call for application.
- **Pursuing programs and designations that allow access to additional funding –** Klamath Falls is working to become a Certified Local Government[49]. If approved, the city will have access to annual grants for rehabilitation of any historic building within the jurisdiction, regardless of whether the building belongs to a Historic District Designation. According to Klamath Falls Downtown Association, being a Certified Local Government is an involved process on the city's part, and it took a lot of conversation and persuasion by the city council. The city also considered pursuing a Historic District Designation. This designation would entitle the community to more grant funding, but also introduce strict historic preservation standards, which could curtail property owner's interest in development. The community has now suspended the effort to pursue this special designation.
- **Allocating resources –** The city government set aside money from its economic development funding for the first time in 2019 to run a grant program that resembled the Oregon Main Street Revitalization Grant at a local scale, with a priority on façade improvement. The downtown association managed the grant application review and administered funding. The program took a pause in 2020 due to the COVID-19 pandemic and resumed in 2022 with the total grant funding of $165,000 including $150,000 from the city and $15,000 from the Downtown Association.

Technical support

- **Adapting current regulations to encourage redevelopment –** The city highlights in its downtown plan some potential considerations for current regulations related to zoning, mixed use standard, building code leniency, expedited permitting and transfer of development rights. Though regulatory changes are underway, the downtown

[49] Klamath Falls Downtown Plan

association cited the city's willingness to work on individual projects to find alternative ways to meet regulations that do not compromise safety.

Relationship building

- **Engaging the city government with upper-floor redevelopment** – A series of workshops about upper-story redevelopment in 2015 accelerated the city government's interest and cooperation with the downtown association. The workshops involved connecting local stakeholders with national experts to learn about the benefits of utilizing upper floor renovation. The city now has integrated upper-floor renovation into its downtown plan.
- **Engaging with property owners –** Most property owners in Klamath Falls downtown appear to be increasingly interested and engaged in renovating upper floors. The downtown association representatives attributed this success to early efforts in education and engagement. The association maintained regular communication with the public through a workshop series as well as various media outlets. The downtown association staff play a key role in connecting interested stakeholders with relevant resources, especially for funding. One-on-one owner support was considered a key factor in motivating and walking owners through the steps, as well as creating model cases.

Challenges

- **Delayed response to a major project –** A feasibility study conducted during the 2013-2018 period assessed the possibility of a public-private partnership to develop the Balsiger site – a massive historic building in downtown[50]. However, the building collapsed before stakeholders could come up with a development plan. Now a new property owner is considering a new construction project on that land site.
- **Lack of comprehensive inventory –** Though the downtown association is maintaining building records, it is not comprehensive of the downtown area. The current inventory is used more to validate efforts in upper-story redevelopment than to plan upcoming renovations. If the city had an extensive inventory that helped identify and prioritize at-risk assets, it might have been able to avoid significant deterioration or collapse of historic properties, such as the Balsiger site.
- **Under-utilizing financial resources –** The city has a Vertical Housing Development Zone. Residential projects that lie within this area could qualify for a 10-year tax exemption of up to 80% on the costs of new constructions or rehabilitation. The community has not been able to utilize this resource.
- **Lack of technical support** – Few contractors in town that are able or willing to work on upper floor redevelopment, especially for historic buildings and during COVID time. The lack of construction materials at affordable prices adds to the financial problem, though it does not appear to persist in the long term.

[50] Klamath Falls Downtown Plan

Spotlight Project

In this section, we provide examples of completed projects and describe how they were carried out through collaborations among the building owners, the downtown association, the city, and other local partners.

Project name	**Moore Apartments**
Project outcome	4 upper-story residential units
Pre-project conditions	• 100-year-old structurally sound building • Façade was in great shape and well maintained. • Ground floor: Active commercial • Upper floor: previously apartments, vacant for over 30 years and very dilapidated, but had most walls in place.
Types of works required and associated expenses	• HVAC, electrical, sprinklers, framing, plumbing, finish work • Total costs: approximately $490,000
Funding sources	• Oregon Main Street Revitalization Grant: $ 147,000 • Owner's fund: $ 343,000. Owner had been pre-approved for bank loans before construction began.
Regulatory considerations	• The building owner needed to comply with code with all of the new HVAC, sprinklers, electrical etc. • He did ask the city for dedicated parking in a nearby city parking lot. This required the city to develop a "residential parking permit" which was a new thing for the city. Dedicating these parking spaces for its residents required city council and parking district approval.
Project partners and relationship building	• The owner had architectural drawings, estimates and a builder chosen when he presented the project to the KFDA. • The owner heard about the Oregon Main Street Revitalization Grant through the Klamath Falls Downtown Association. He already had a renovation plan on hand, once he heard about the grant, he proceeded to move forward.

Pendleton[51]

- Population: 16,950
- Median Household Income, Homeowners: $93,979
- Median Household Income, Renters: $39,340
- Traditional lands of the Walla Walla, Cayuse, and Umatilla peoples.

Community Upper Story Practices

In this section, we highlight some strategies the city of Pendleton has been using to facilitate upper-story development. **Some strategies have contributed to successful project implementations:**

Upper-story development strategy

- **Inventorying downtown building portfolio –** The Pendleton Urban Renewal Agency, with staff help from Resource Assistance for Urban Renewal Association Environments conducted a thorough community inventory and interviewed each property owner. This led to a ranking system of which owners were more (or less) interested in proceeding with upper story development.

Financing

- **Urban Renewal Association funds upper story projects –** Pendleton Urban Renewal, an urban renewal agency established under Oregon law, works closely with the Pendleton Downtown Association and other local partners to promote economic development and historic preservation. Over time, its grant programs have evolved from supporting access improvements, such as elevators, to funding comprehensive rehabilitation of upper stories and other historic building improvements. Today, Pendleton Urban Renewal offers grants to property owners for upper-story restoration, façade improvements, and related rehabilitation projects. Depending on the grant program and project type, grants generally cover 10% to 25% of eligible construction costs, up to $250,000, helping property owners return underutilized upper-story spaces to productive use.
- **Construction loans** – For projects underway, Pendleton Urban Renewal makes low-interest, short-term bridge construction loans.
- **Utilizing state grants –** The Urban Renewal Association has taken the lead on responding to state grant request for proposals, including the Main Street Revitalization Grant which offers up to $400,000. They also apply for the $20,000 Preserving Oregon Grant. If they have multiple projects that are ready to move ahead, they will package them together in the application, giving the project a theme. In 2019 they had two buildings. In 2021 they had three packaged together.

[51] U.S. Census Bureau. *2024 American Community Survey (ACS) 5-Year Estimates*, data accessed through data.census.gov**.** Population and median household income estimates derived from the ACS 5-Year Estimates.

- **Utilizing tax credits –** Property owners in Pendleton have used Federal Historic Tax Credits for preservation projects, which can cover 20% of project rehabilitation costs. These tax credits are useful, but Pendleton warns that they do not bring down the cost of the construction, and that in order to be eligible, the project must adhere to strict preservation standards that have the potential to decrease marketability and profitability.

Technical Support

- **Supporting building owners throughout the life of the project** – The Pendleton Urban Renewal Association provides building owners with designs, assists them with budgets, pro-formas, and financial projections for costs/revenue, and provides lists of contractors. They review bids to ensure they properly cover the project needs at an appropriate cost. It also assists owners identifying and applying for state and federal funding. Property owners also get assistance with code from the City's community development department and the local building code official.
- **Design Assistance** – Pendleton Urban Renewal Association worked with a Portland firm to create designs for six of its historic downtown buildings to encourage the owners to develop their upper stories. So far only one of those designs has been used (and not for the building that the design was meant to cover.) They have two additional owners who received those designs who are now ready to proceed with projects in their buildings.
- **Local expertise, combined efforts** – An active volunteer sits on the Urban Renewal Association Advisory Committee and Historic Preservation Committee. She spends significant volunteer time looking over projects and following up on the work that is completed to ensure that it's done according to the Scope of Work approved for the project. Urban Renewal Association staff team with the Downtown Association to complete grant applications.

Relationship Building

- **Engaging Developers –** So far, the city has partnered with one developer. He plans to begin work on the upper story of his building this spring. The building is a former fraternal lodge. When it closed as a lodge, the city connected the developer with the building. The developer's plans are complete and the Urban Renewal Association has approved his application for an upper story grant.

- **Engaging Property Owners** - Each building owner has unique reasons for sitting on a building rather than renovating it for maximum use. The Urban Renewal Association works with building owners to determine barriers to developing upper stories and tries to match them with solutions. They approach property owners who they believe are truly ready to proceed with their projects. They also recommend continuing to contact property owners- even those who don't seem interested – because some have had a sudden change of heart or a change of circumstance.

In 2026, the research team spoke in depth with representatives of four recent upper story redevelopment projects. The following sections highlight findings from each example project.



Bodenkamp Building 2nd floor apartment interior
Photo Courtesy of Mavis Hartz

Bohnenkamp Building
La Grande, Oregon

Key Project Information

Project Detail	Information
Community	La Grande, Oregon
Project	Bohnenkamp Building (1301 Adams Ave)
Property Owner	Mavis Hartz
Building constructed	1900; Rebuilt after fire in 1913, adding a fourth story
Original use	Hardware Store
Current upper story use	3 upper stories: 2nd floor apartments, 3rd and 4th not yet renovated (empty)
Primary redevelopment uses	Bicycle shop and upstairs apartments
Approximate project cost	$1.2 million
Major grant funding	$200,000 Oregon Main Street Revitalization Grant Approx. $75,000 grant from City of La Grande
Other financing	Bank loan from Old West Federal Credit Union
Key partners	City of La Grande; Main Street/Oregon Main Street
Major challenges	Extended timeline, up-front costs, building condition, fire safety and utility upgrades, accessibility, setting project priorities
Key outcomes	Preserved building and historical features, activated second story space, created downtown housing, fire and safety upgrades

A Long Time Family Business, Rebuilt



Bodenkamp Building exterior
Photo courtesy of Mavis Hartz

The Bohnenkamp Building, in La Grande, Oregon, was first built in 1900 to house the family hardware business of William H. Boehnenkamp. The original brick building was three stories tall and built on the site of the former hardware store, which maintained business through construction by moving operations into the street.

In 1913, the building caught fire and the upper two stories were badly damaged. When the building was rebuilt, a fourth story was added. The first floor remained the Boehnenkamp family's hardware store through the late 1970s. It then housed a series of other businesses, before the current owner, Mavis Hartz, moved her Mountain Works Bicycle Shop into the space around 2015.

Throughout the building's history, the upper stories were primarily used as professional office space. Previous uses also included a photographic dark room located on the second story. The top two floors have been vacant since the 1990s.

Renovation Realities – Securing Funding and Setting Priorities

In 2022, Hartz was awarded an Oregon Main Street Revitalization Grant of $200,000, to put toward building repairs and renovation. Additional grants from the City, as well as financing by local Old West Credit Union, helped to fund restoration. This work included building exterior upgrades, repairs and upgrades for safety and stability, and conversion of the second story into apartments.



Bodenkamp Building window view
Photo courtesy of Mavis Hartz

Deferred maintenance since the 1980s meant that the building was in poor repair, with outdated wiring, and needed seismic and fire safety upgrades. The bulk of the renovation focused on bringing the building up to code, including replacing and upgrading wiring and plumbing, and adding a fire suppression system.

The sewer exit was also redesigned, and an alternate entrance and stairwell were opened that had been blocked since the building's early days. To complete all the upgrades, it was necessary to tear up the alley behind the building so workers could access the space from underneath.

Unfortunately, the project budget was not large enough to finance elevators repairs. The main elevator was gutted and used to run wiring through the building. The building also has a freight elevator shaft, and Hartz said that adding a working elevator would be on the wish list for a future project if funding could be found, as well as replacing broken windows in the top two stories.

As the project's timeline lengthened during the work, Hartz stressed how important it became to set priorities. She and her husband fought for the chance to preserve one of the building's unique features: a tin ceiling on the ground floor. By painting the ceiling

with intumescent paint, it was possible to meet requirements for burn time without covering the ceiling with gypsum board. Other elements they were able to preserve included uncovering the exterior of the building's transom windows, as well as uncovering and restoring molding.

Lessons for Upper Story Redevelopment



Bodenkamp Building preserved brick interior
Photo courtesy of Mavis Hartz

Renovating a historical building, and activating the upper floor by creating new housing was rewarding, according to Hartz. She also appreciates how downtown housing can support a thriving neighborhood. The project, however, came with several challenges. One of these was the structure of the project's grant funding, which was not receivable until after completion. This meant that initiating work required borrowed funds with interest paid during the project's implementation. Further complications included a project timeline that extended nearly a year beyond projections.

Hartz also described feeling pressure, both personally and due to receiving targeted grant funding, to preserve as much as possible. She identified the challenge of focusing on what could realistically be done and has a personal wish list of renovations that she might like to complete in the future, including potentially adding more apartments on the third and fourth floors.

The new second-floor apartments brought a few challenges of their own. Hartz described trade-offs to balance creating beautiful, appealing spaces for renters, while also maximizing the building's ability to "pay for itself" in the future. She said that if she had to do it over, she might have opted for building more, smaller apartments. She also estimated that the lack of an elevator and off-street parking have impacted the units' value to a greater extent than expected.



Bodenkamp Building 2nd floor apartment kitchen
Photo courtesy of Mavis Hartz

Hartz also pointed out the challenge of balancing family, running a business, and the stresses of a major renovation project. She suggests looking at the long-term plan and considering a project's break-even timeline. "I want my building to be producing revenue before I'm 90," she laughed.

In terms of advice for communities considering upper-story redevelopment, Hartz suggests they be prepared to support owners through funding. "Nobody can afford to do it," said Hartz, "It's not going to happen with just the owners of the businesses and the buildings. They need assistance to upgrade."



Google Streetview of Crooked Creek Brewery and upstairs apartment. May 2026

Crooked Creek Brewery
St. Helens, Oregon

Key Project Information

Project Detail	Information
Community	St. Helens, Oregon
Project	Crooked Creek Brewery
Property owners	Dave and Christine Lauridsen
Building constructed	1947
Original use	Neighborhood bar/tavern; upper story apartment added in 1950's
Current upper story use	One apartment, now operated as a short-term rental
Primary redevelopment uses	Brewery/restaurant and upper-story lodging
Approximate project cost	Approximately $300,000 in renovations to date
Major grant funding	$200,000 Oregon Main Street Revitalization Grant
Other financing	Owner savings and a home equity line of credit (HELOC)
Key partners	Local architect, general contractor and subcontractors; City of St. Helens; Main Street/Oregon Main Street
Major challenges	Financing, permitting timeline, conflicting regulatory direction, building condition, accessibility, and parking
Key outcomes	Rehabilitated existing building, activated upper-story space, created downtown lodging, and established a community gathering place

Bringing an Upper Story Back Into Use

The building now occupied by Crooked Creek Brewery was built in 1947 as a small neighborhood bar. An apartment was added above a portion of the building in the mid-1950s, followed by an expansion of the ground-floor dining room in the 1980s. Although the building had not been vacant for an extended period before the current owners acquired it, years of deferred maintenance had left it in poor condition. Water damage, deteriorated structural elements, and outdated building systems created significant rehabilitation needs throughout the property.

The upper-story apartment presented its own challenges. Before redevelopment, access required climbing the hillside behind the building and crossing a makeshift walkway after an earlier deck and stairway had deteriorated. The apartment had also been used intermittently, with uncertainty surrounding its previous occupancy.

Reactivating the apartment became an important part of the larger redevelopment. Because the upper story contains only one unit and covers only part of the building footprint, the project demonstrates that upper story activation does not necessarily require a large, multi-story building. Even a relatively small space can be returned to productive use as part of a broader downtown rehabilitation project.

Rehabilitating the Upper-Story Apartment

The apartment was essentially gutted and rebuilt. The owners had not initially planned such an extensive renovation, but unexpected conditions expanded the project's scope. During drywall repairs, for example, the old plaster ceiling came down, requiring more extensive work than originally anticipated. The broader building project also involved substantial upgrades to deteriorated electrical, plumbing, HVAC, and structural systems.



Crooked Creek Brewing 2nd floor short term rental interior
Photo Courtesy of Oregon Heritage

The project significantly changed access to the upper story. Rather than approaching the apartment from the hillside and crossing the previous makeshift walkway, the entrance was moved to the opposite side of the building. A new opening, deck, and exterior staircase were constructed to provide direct access to the apartment.

As of 2026, the rehabilitated apartment operates as a short-term rental, with rates varying by date and what's going on in St. Helens. This has returned an underused upper story space to productive use while providing an additional lodging option in downtown St. Helens. Its location near the waterfront, brewery, and other downtown destinations helps connect the upper story use with activity in the surrounding downtown.

Working Within the Constraints of an Existing Building

The project illustrates some of the physical and regulatory challenges that can accompany upper story adaptive reuse. Limited space made improving accessibility particularly difficult. The owners initially hoped to construct a simpler, switchback-style staircase to bring access closer to ADA compliance. However, the building's configuration and regulatory requirements ultimately resulted in a straight-run exterior staircase, and the apartment is not ADA accessible.

Designing the new entrance also revealed challenges in coordinating with local regulatory departments. The project initially received guidance that the proposed stairway could terminate at the sidewalk. After the design was prepared and engineered, the subsequent building review identified a different setback requirement. The stairway therefore had to be redesigned and re-engineered.

The permitting process took about five months. Based on the anticipated review timeline, the previous restaurant tenant planned to vacate before construction began. The building then sat vacant for about four months while the owners waited for permits, even though the intent had been to begin construction almost immediately. The owners noted that a more predictable timeline could have allowed the previous tenant to remain longer and continue generating rental income.

The experience demonstrates that coordination and predictable timelines among local planning and building departments can be especially important for redevelopment projects. Existing buildings often leave little room for alternative designs, so regulatory changes or conflicting directions can lead to additional design costs, delays, and lost income.

Financing the Redevelopment

Financing was another significant challenge. Approximately $300,000 has been invested in building renovations, including $200,000 from an Oregon Main Street Revitalization Grant. Additional costs were covered by the owner's savings and a home equity line of credit secured against the owner's residential property.

Conventional commercial financing proved difficult to secure, so the owners had to piece together available funding sources to move the project forward. The project was also relatively small in scale, with the owners working directly with a local architect, contractor, and subcontractors, and taking on portions of the project themselves where possible.

Although the approximately $300,000 investment applies to the entire building rather than exclusively to the upper-story apartment, the project shows how upper story rehabilitation can be integrated with improvements elsewhere in the building. Structural repairs, building systems, access improvements, and other investments can all affect whether an upper floor can successfully return to use.

Creating a Downtown Destination

The redevelopment has produced benefits beyond the rehabilitation of the building itself. Crooked Creek has developed into a community gathering place, with the brewery and

restaurant providing a space for people to meet and spend time downtown. The owners described becoming a “community hub” as one of the project's major successes.

The apartment complements the ground floor business by adding lodging to the property. Its short-term rental use brings overnight visitors directly into the downtown and extends the activity generated by the building beyond the brewery and restaurant. Together, the uses demonstrate how ground floor commercial activity and upper story activation can complement one another within a single property.



Crooked Creek Brewing interior (ground floor)
Photo Courtesy of Crooked Creek Brewing

Lessons for Upper Story Redevelopment

Crooked Creek demonstrates the potential of small-scale upper story activation. The project did not involve converting an entire multi-story building or creating numerous housing units. Instead, one existing apartment was substantially rehabilitated as part of a broader investment in an aging downtown property.

The project also highlights several lessons for other communities and property owners. Existing buildings may require creative solutions to address access, building systems, and code requirements, while unexpected physical conditions can significantly alter the scope of a renovation once construction begins. Consistent communication among local permitting departments can help reduce costly redesigns, and realistic permitting timelines can help property owners better plan construction and minimize lost income.

Access to flexible financing is equally important. The combination of grant funding, personal resources, and available equity enabled this project to move forward when conventional commercial financing was difficult to obtain. For smaller property owners, having multiple funding options may be essential to making redevelopment feasible.

The owners also emphasized the importance of investing in quality improvements rather than cutting corners during rehabilitation: “I would say don’t skimp on the details.” Their experience demonstrates that upper story redevelopment may require patience, flexibility, and a willingness to respond to unexpected conditions as they arise.



Jones-Knudson Building exterior
Photo Courtesy of Oregon Heritage

Jones-Knudson Apartments
Tillamook, Oregon

Key Project Information

Project Detail	Information
Community	Tillamook, Oregon
Project	Jones-Knudson Apartments (312 Main Avenue)
Building constructed	1909
Original use	Ground floor and upper story retail; upper story eventually separated from ground floor and used as storage
Current upper story use	Three 2-bedroom apartments and one 1-bedroom apartment
Primary redevelopment uses	Ground-floor commercial/dance studio and upper story housing
Approximate project cost	Approximately $1.2 million
Major funding sources	Oregon Main Street Revitalization Grant, Tillamook Urban Renewal Agency, Tillamook County Housing Commission, Business Oregon Strategic Reserve Fund
Other financing	Property-owner capital and conventional financing; Oregon Coast Bank provided final lending needed to complete the project
Key partners	Tillamook Area Chamber of Commerce, Oregon Main Street Program, Business Oregon, Tillamook Urban Renewal Agency, Tillamook County Housing Commission, Oregon Coast Bank
Major challenges	Financing, building code requirements, seismic upgrades, fire and life-safety improvements, permitting, unexpected costs
Key outcomes	Four new downtown housing units, additional income supporting the ground-floor business, more downtown residents and activity, and momentum for additional upper-story redevelopment

Reactivating Underused Upper Story Space

The Jones-Knudson building is located in downtown Tillamook. Historically, both floors were used for retail space until the 1980's when the ground and upper stories were separated. By the time redevelopment began, the second floor had been vacant or used for storage for more than 40 years.

While the ground floor was occupied by a dance studio, the upstairs was essentially a blank canvas when the project began. The challenge was not simply remodeling an existing apartment. The building first had to be brought to a condition capable of safely supporting residential use on the second floor. The project ultimately transformed the vacant upper story into four apartments in 2024, returning long-unused downtown space to productive use.

Rebuilding the Building Before Building the Apartments

One of the most important lessons from the project is that upper story redevelopment can require substantial investment before work on the apartments even begins.

The building was nowhere close to current structural and building code standards for supporting upper story residential development. The project required structural reinforcement, seismic engineering, fire suppression, and other fire and life-safety improvements. Approximately $300,000 to $400,000 went into these types of improvements before the team could even begin constructing the apartments themselves.

This illustrates a major challenge for older downtown buildings: much of the cost of redevelopment is tied to infrastructure that is not visible in the finished project. Seismic improvements, fire barriers, fire detection, structural reinforcement, and similar work may be necessary before the space can generate any new revenue.

Navigating Building Codes and Permitting

Meeting modern building code requirements was one of the most difficult parts of the project. The cost and time associated with engineering and code compliance were particularly challenging. Older downtown buildings may lack the structural capacity, fire protection, and other systems required for new residential uses. Requirements to bring the building up to standard can include seismic upgrades, fire suppression systems, and fire barriers.



Jones-Knudson Building interior upper story – under construction
Photo Courtesy of Oregon Heritage

The project also experienced unexpected costs as different stages of review identified additional requirements. There were approximately $250,000 in additional improvements that had not been anticipated even though parts of the plans had already been

approved. Fire and life-safety review ultimately led to additional seismic and fire-protection work.

The project team came away with a clear lesson for future redevelopment: hold a pre-application meeting with the local planning department before beginning design or construction that includes a full report by the permitting agency. Interpretations of codes can change as personnel change, so having a written report that includes planning, building, and fire and life-safety can help property owners have a reliable path forward for development.

Financing the Redevelopment

Financing was a major obstacle. The owner of the Jones-Knutsen property is a small business owner, not a developer. Access to resources can be a challenge for a lay-person trying to make a positive difference. The challenge was partly circular: the new apartments could eventually produce rental income that would help pay for the project, but lenders could not necessarily rely on that income before the apartments existed, and the income of a small business owner of the property did not service the debt. The team found only one bank open to a financing conversation.

Grant funding therefore played a critical role. Major funding partners included the Oregon Main Street Program, Business Oregon, Tillamook Urban Renewal Agency, and Tillamook County Housing Commission. The Tillamook Area Chamber of Commerce worked with the property owner as a coordinator, helping navigate grants like the Oregon Heritage Main Street Revitalization Grant and other project needs. Oregon Coast Bank later became an important financial partner by providing the final lending needed to complete the apartments – the only bank who understood the local need for housing and was willing to see the project in its entirety.

The project likely would not have happened without grant support. The grants helped cover some of the extraordinary costs associated with adapting an older downtown building for upper story residential use.

Creating Housing and Supporting Downtown Business

The project created four apartments. It provides housing for four households in a community where workforce housing is limited. All four apartments were occupied within weeks of opening. Having people live downtown also increases opportunities for residents to patronize nearby restaurants, stores, and other businesses.

The redevelopment also benefits the building owner. Previously unused square footage now generates rental income: while the dance studio still supports its share of costs, the apartments play a part in offsetting the costs of owning and operating the mixed-use property.

Creating Momentum for Additional Redevelopment

An important outcome extended beyond the building itself. Completing the Jones-Knudson project demonstrated to other property owners that upper story redevelopment in Tillamook was possible when communities and funding partners are willing to support it.



Jones-Knudson Building interior upper story – almost completed apartment
Photo Courtesy of Oregon Heritage

After seeing the first project succeed, another property owner pursued redevelopment of the nearby National Bank Building/Plaza View Apartments. “The first project is like the first domino: once one successful redevelopment demonstrated what could be accomplished, additional investment became easier to imagine.”

Lessons for Upper Story Redevelopment

The Jones-Knudson project demonstrates that the greatest challenge in upper story redevelopment may occur before anything new is built. Structural upgrades, fire and life-safety systems, permitting requirements, and other infrastructure improvements can create substantial costs that are difficult to recover through rents alone.

The project team highly recommends that property owners begin with a pre-application meeting to understand the building's regulatory requirements. This ensures full documentation of infrastructure needs which helps a project team prepare a financial plan that accounts for these needs. It may also be useful to assume that project costs could exceed the initial budget by approximately 20-30%. This emphasizes the importance of maintaining sufficient cash flow throughout construction.

A realistic pro forma is also important. Rather than assuming financing will become available later, property owners should understand how the finished building will perform financially and identify sources of capital needed to reach completion before construction begins.

For communities, the advice is equally important: supporting upper story redevelopment requires more than stating that it is a priority. Cities, chambers of commerce, Main Street organizations, and other partners need to provide tangible assistance, including helping property owners identify grants, navigate regulatory processes, and work through unexpected challenges. “Support should be demonstrated through actions, not just words.”



Merwyn building exterior
Photo Courtesy of Oregon Heritage

Merwyn Apartments
Astoria, Oregon

Key Project Information

Project Detail	Information
Community	Astoria, Oregon
Project	Merwyn Apartments / former Waldorf Hotel (1067 Duane Street)
Building constructed	1922
Original use	Waldorf Hotel
Current upper story use	4 stories total: all used for housing
Primary redevelopment uses	Affordable and workforce housing (40 studio and one-bedroom apartments)
Approximate project cost	Approximately $6 million in construction costs and $2 million in soft costs
Major funding sources	Oregon Main Street Revitalization Grant, LIFT, Low-Income Housing Tax Credits, Historic Tax Credits, and other project financing
Other financing	Oregon Community Foundation, Business Oregon Brownfields funding
Key partners	Innovative Housing, Astoria Downtown Historic District Association, Oregon Community Foundation, and Business Oregon
Major challenges	Building condition, building code requirements, infrastructure and utilities, parking, and financing
Key outcomes	Returned long-vacant upper stories to use, created 40 housing units, preserved historic building features, and revitalized a prominent downtown property

Bringing Long-Vacant Upper Stories Back into Use

The Merwyn Apartments project transformed the former Waldorf Hotel, a four-story historic building in downtown Astoria, into affordable and workforce housing by January 2021. Dating to 1922, the building had experienced decades of deterioration and underuse. Its upper stories had been largely vacant for approximately 30 years, and the building had at one point come close to demolition.

The building's condition made redevelopment particularly challenging. While portions of the concrete structure remained intact, the wood components had deteriorated significantly, and hidden dry rot was discovered during the project. The building also featured different construction types, including post-and-beam on the first floor and wood-frame on the upper floors. Returning the upper stories to use therefore required addressing substantial existing-building conditions rather than simply remodeling vacant rooms.

Despite these challenges, the Merwyn remained a recognizable downtown building that community members wanted to preserve. Its rehabilitation created an opportunity to save an existing historic resource while returning long-unused downtown space to productive use.

Transforming the Upper Stories into Housing

The redevelopment created 40 studio and one-bedroom apartments for affordable and workforce housing. The project required improvements throughout the building to enable residential reuse of the upper stories, including seismic upgrades, fire sprinklers, a new elevator, and rehabilitation of the main floor and basement.

The project also extended existing light wells to activate the lower portions of the building. Accessibility improvements included installing ADA-compliant doors and a new elevator. The elevator does not extend to the basement, a decision the project team would reconsider if undertaking the project again.

In addition to adding new features, rehabilitation sought to preserve features that reflected the building's historic character. Original hardwood floors, vertical-grain fir windows, historic corridors, and the historic lobby were retained during the redevelopment.

The project illustrates how upper story reuse in a historic building can require coordinated improvements of the entire property. Housing could not be created upstairs without simultaneously addressing access, seismic safety, fire protection, building systems, and deteriorated conditions elsewhere in the building.

Combining Multiple Funding Sources

Financing the Merwyn required several funding sources. Construction costs totaled approximately $6 million, with an additional $2 million in soft costs. Construction began in 2019, and the project was completed in early 2021.

The financing package included an Oregon Main Street Revitalization Grant, along with resources for affordable housing and historic preservation. Additional sources included Local Innovation and Fast Track (LIFT) funding, Low-Income Housing Tax Credits (LIHTC), and Historic Tax Credits.

The project team noted that Astoria had few local financial incentives available to support the redevelopment. In that context, relationships with the downtown association and other partners became especially valuable for connecting the project with resources that could help make rehabilitation feasible. For example, the Oregon Community Foundation helped raise funds and supported the building's common room, while Business Oregon assisted with brownfield funding for environmental conditions in the basement.

The project demonstrates the importance of layering funding sources for large upper story rehabilitation projects. Rather than relying on a single grant or financing program, multiple resources helped address needs in affordable housing, historic preservation, and redevelopment.



Merwyn Lobby
Photo Courtesy of Oregon Heritage

Partnerships Helped Move the Project Forward

Partnerships were a significant part of the Merwyn redevelopment. The project brought together affordable housing expertise, downtown revitalization organizations, philanthropy, historic preservation resources, and state funding programs.

The relationship with the Astoria Downtown Historic District Association was particularly important. The downtown association partnered with the redevelopment project to apply for the Oregon Main Street Revitalization Grant, linking the rehabilitation of an individual historic property to broader downtown revitalization efforts.

The support of local organizations like the downtown association and statewide resources like Oregon Community Foundation and state agencies connected the project with the broad range of resources required for financial viability.

Addressing Building and Infrastructure Challenges

The age and condition of the Merwyn created significant challenges during redevelopment. Hidden deterioration became apparent as work progressed, adding complexity and cost to an already substantial rehabilitation project.

Infrastructure outside the building also became a major obstacle. Astoria's aging infrastructure affected the project, and utility improvements added to redevelopment costs. The sewer system was a particularly significant challenge, ultimately requiring replacement of a sewer main.

Parking posed another constraint. Like many historic downtown properties, the Merwyn was not designed to meet contemporary parking needs and had limited capacity to accommodate additional on-site parking. The project ultimately obtained a parking variance, allowing redevelopment to proceed.

These challenges demonstrate that the feasibility of upper story redevelopment can depend on far more than the condition of the upper floors. Sewer capacity, utilities, parking requirements, accessibility, and other building- and site-level conditions can significantly affect the cost and complexity of returning vacant space to use.

Lessons for Upper Story Redevelopment

The Merwyn demonstrates both the opportunity and complexity associated with rehabilitating long-vacant upper stories in historic downtown buildings. Returning the building to productive use required much more than renovating individual apartments. The project had to address deterioration, accessibility, fire and life-safety requirements, seismic improvements, environmental conditions, utilities, parking, and financing.

The experience also underscores the importance of persistence. The building had been largely underused for decades and had come close to demolition, while the redevelopment itself encountered numerous financial, physical, and regulatory obstacles. The advice from the project team to other property owners and communities considering similar projects was to continue looking for alternatives when obstacles arise: “Persevere. Don’t take no for an answer. Always look for a way.”

The project also demonstrates the importance of partnerships. Downtown organizations, affordable housing developers, state agencies, philanthropic organizations, and other partners can bring diverse resources and expertise to a project that may be difficult for a single property owner or organization to navigate on their own.

APPENDIX B – SURVEY SUMMARY & RESULTS

The Institute of Policy Research and Engagement (IPRE) conducted a survey to identify the current conditions of downtown upper stories in Oregon's smaller communities and to determine what barriers exist to increasing upper story use. Specifically, the survey intended to determine:

- What is the extent of underuse of upper-story spaces in specific communities and statewide?
- Why are upper-story spaces being underused?
- What would most incentivize or encourage upper-story use?
- Which communities and organizations are most ready to take next steps to increase upper-story use?

IPRE distributed the 33-question survey via email to 133 individuals in 66 communities in Oregon between January 6-26, 2022. The list included city staff and representatives from downtown associations who are members of the Main Street Network at the Exploring, Transforming, and Performing tiers. IPRE received 48 total mostly complete responses, a roughly 36% response rate. We received one partially complete response and seven mostly incomplete responses as well.

The complete responses came from representatives in 33 communities, with an additional five communities represented by partial responses.

Table 6. Responding Communities

Complete or Mostly Complete Responses

Albany (MS response)
Amity (City & MS responses)
Astoria (MS response)
Baker City (2 City responses)
Bandon (City & MS responses)
Beaverton (MS response)
Burns (MS response)
Coburg (City & MS responses)
Coos Bay (MS response)
Cottage Grove (City & MS responses)
Dallas (City & MS responses)
Dayton (MS response)
Estacada (City response)
Florence (City & MS response)
Gold Beach (MS response)
Hermiston (City response)
Klamath Falls (1 City & 2 MS responses)
La Grande (City & MS responses)
Lakeview (MS response)
Lebanon (City & MS responses)
Maupin (City response)
McMinnville (MS response)
Medford (City response)
Oregon City (2 City & 1 MS responses)
Pendleton (City response)
Reedsport (Both response)
St. Helens (City response)
Stayton (City & MS responses)
Tigard (City response)
Tillamook (City response)
Toledo (City response)
West Linn (City & MS response)

Partial Responses (Q1 – Q22 only)

Oak Grove (MS response)

Partial Responses (Q1 – Q7 only)

Baker City (2 MS responses)
Corvallis (City response)
John Day (City response)
Monmouth (City response)
Tigard (MS response)
Wallowa (MS response)

We elected to allow multiple responses per community because we believe that those representing different types of agencies (local government or nonprofits) might have different but equally valuable awareness of conditions in their community. Of our respondents, roughly one half (49%) represented a city government, while 47% represented the Main Street organization. Four percent noted that they represented a different agency or organization ("other"), including Chamber of Commerce, State Government, and both Main Street and the City.

This sampling method was purposive, meaning that we specifically chose to target communities that are part of Oregon's Main Street network. This sample had two main advantages: (1) we could easily reach respondents because Oregon Main Street maintains an up-to-date contact list and (2) these individuals likely have deep knowledge of their community's downtown conditions given the nature of their work.

Since the sample was not random, the responses should not be considered statistically representative of all Oregon communities with smaller downtowns (the focus of our study[52]). However, we believe that survey responses still provide valuable insights that are generalizable to many of Oregon's communities with smaller, historic or partially historic downtowns. Staff from Oregon Heritage and the Oregon Main Street Program who interact regularly and frequently with communities like this throughout the state know that conditions are similar across communities. We are therefore confident that the responses we received help us understand common circumstances in Oregon communities related to the condition of upper story spaces, barriers that communities face in developing those spaces, and useful strategies to encourage greater utilization.

Several Main Street and City partners agreed to distribute a second survey to property owners in their communities. This survey was much shorter (only eight questions) but included some identical questions about barriers to upper story development. This allowed us to compare property owner perspectives with City and Main Street perspectives. IPRE received 28 responses from owners with property in 11 different communities.

This appendix summarizes the key themes evident in the survey responses, followed by a full report of the distribution of responses for each survey question for both the City/Main Street and Property Owners surveys.

Key Findings

We identified several key takeaways about responding communities, organized into five categories:

- **Community Conditions**
    - Most downtowns are historic, and most have special designations and/or tax districts.

[52] This study focuses on communities in Oregon with smaller, likely historic or at least partially historic downtowns. We use a population cutoff of 100,000 because the vast majority of Oregon's communities under this population threshold have these downtown characteristics. Of Oregon's 241 incorporated cities, this only excludes six: Portland, Salem, Eugene, Gresham, Hillsboro, and Bend.

- **Downtown Uses**
    - Most communities wish to increase downtown spaces for commercial and residential purposes by utilizing vacant upper stories.
- **Property Owner Contact**
    - Relationships between the respondents and property owners in their communities are generally positive. The frequency and proactiveness of communication vary greatly across communities.
    - Most respondents indicated that they would like to improve the level of interaction with property owners.
- **Common Barriers**
    - *Economic feasibility* – the highest percentage of respondents (three-quarters) pointed to concerns over economic feasibility as a moderate or significant barrier to upper story redevelopment.
    - *Code compliance, property owner interest, and funding* – high percentages of respondents (half or more) also noted building code compliance, lack of property owner interest, and lack of financial assistance as moderate or significant barriers, although in these cases, higher proportions rated these as moderate, rather than significant, barriers.
- **Promoting Upper Story Redevelopment**
    - Communities are largely supportive of upper story development and are continuing their efforts to connect building owners with funding to support future projects. Of potential uses for upper stories, residential and lodging are among the most desirable.
    - Strategies to reach upper story development goals are wide-ranging and creative, many having to do with helping property owners navigate building code.

The following sections describe more detailed findings for each for the five categories.

Current Conditions

Most downtowns are historic, and most have special designations and/or tax districts.

- More than three-quarters of respondents report that they have downtowns where at least half of the buildings are historic (defined as 50 years old of more). *(Question 5)*

- When asked, 74% respondents were aware of at least one downtown building being listed on the Historic Registry. More than half of the respondents confirmed their city has a preservation program that requires design review. *(Questions 6 & 7)*

- Nearly half of the respondents confirmed that all or part of their downtown belongs to an urban renewal district, which allows those jurisdictions to access tax increment financing. *(Question 4)*

- Many confirmed their downtown is either in a National Register Historic District (31%) and/or in a Local Historic Landmark District (17%). *(Question 4)*

- Less common special designations included enterprise zones (23%), economic improvement districts (19%), and business improvement districts (8%). *(Question 4)*

Downtown Uses

According to City and Main Street respondent estimates, close to half of upper-story spaces are unused.

- While the majority of respondents (53%) reported that at least 75% of their downtown buildings were fully occupied, respondents reported that on average, 47% of upper story spaces were unoccupied. *(Question 10 & 12)*

- Of the unoccupied spaces, respondents on average reported that about 40% were unoccupied but still useable while the other 60% were unusable (in need of repairs/renovations to be usable). *(Question 12)*

Most communities wish to increase downtown spaces for commercial and residential purposes by utilizing the vacant upper story spaces.

- When asked about the current mix of uses in downtown, respondents on average identified retail and restaurants as the most frequent downtown uses. When asked about their *ideal* mix of uses in downtown, respondents on average still identified retail and restaurants as top uses, but they also wanted to see an increase in residential and lodging. Residential and lodging are the most likely upper floor uses. *(Question 8 and 9)*

Property Owner Relationships

Communications with property owners are mostly positive, though much is dependent on individual relationships. The frequency and proactiveness of communication varies significantly across communities. Most respondents reported that they would like to improve their level of interaction with property owners.

- Main Street organizations and city governments report roughly equal levels of communication with property owners. Sixty-four percent of respondents said they only communicate with property owners occasionally (a few to several times per year). Only 21% said they communicate regularly (monthly or more). *(Question 21)*

- In open-ended responses, respondents generally indicated that their interactions with property owners are more responsive than proactive and mostly evolve depending on what initiatives are available at the time. For example, some respondents indicated they would only communicate with property owner if they were in violation of code, required attention for an active application, or needed to be informed of an upcoming event. *(Question 22)*
    - Many respondents reported a desire to improve their level of interaction with property owners. As one respondent shared, their relationship with owners is "improving but less than optimal." We need to do a better job of outreach to

better understand their investment plans and how we can help. We have available resources but need to do more outreach and education about available tools to help property owners plan and not just respond."
    - Another respondent highlighted that out-of-town owners are less connected that local owners: "Owners from the local level and those that visit regularly, contact to catch up on downtown activity, family life with a smearing of talking shop. Whereas, others reach out when a need arises. Some out of the area owners that are uninvolved in the property and area I have no contact with."

- The majority of respondents (81%) said they communicate with property owners through individual in-person conversation and via email. *(Question 20)*

- Only 13% of respondents reported some form of property owner information tracking. Twenty-eight percent of respondents said they either plan to start tracking information or plan to track additional information. Those who already track or who are planning to start tracking are primarily interested in gathering contact information and location of residence. A few also track demographic information, but not the majority. *(Question 16, 17, 18, & 19)*

Common Barriers

Respondents reported economic feasibility as the most significant barrier to upper story development. Other common barriers included code compliance, property owner interest, and funding.

- Barriers with the highest percentage of respondents indicating it as a "Moderate" or "Significant": *(Question 23)*
    - Economic feasibility concerns or uncertainty (market demand, cost-benefit analysis, etc.) (74%)
    - Lack of financial assistance, incentives, or awareness of financial resources (58%)
    - Lack of property owner interest (56%)
    - Building code compliance (safety, accessibility, design/aesthetics, etc.) (53%)

- Barriers with the highest percentage of respondents indicating it as "No barrier" or "Small": *(Question 23)*
    - Other policies disincentivizing downtown use/reuse and/or incentivizing development elsewhere in your community (91%)
    - Historic standards compliance (74%)
    - Zoning (land use, density, parking rules and requirements) (74%)
    - Lack of local or state relationships, partnerships, or support (73%)

- The 16 respondents who offered additional commentary about barriers identified code and regulation barriers, including seismic and ADA upgrades, most frequently. Many called out seismic upgrades particularly. "The largest barrier to upper story residential," one wrote, "is the cost involved with seismic upgrade requirements. Potential upgrades to existing office spaces vary - barriers will be on a case-by-case basis." Another found

that contradictory codes present a stark barrier. “The state codes seem to come into most catastrophic/preventative manners when ‘mixed’ use is at play,” they wrote. *(Question 24)*

Of the small sample of property owners who filled out a parallel question about barriers to upper story development, a higher proportion perceived economic feasibility, funding, and building code compliance as barriers compared to City and Main Street respondents.

- Higher percentages of property owners thought economic feasibility concerns or uncertainty and lack of financial assistance were a moderate or significant barrier (90% and 80% respectively) compared to City and Main Street respondents (74% and 58% respectively).

- A higher percentage of property owners thought building code compliance was a moderate or significant barrier (70%) compared to City and Main Street respondents (53%)

- In an optional, open-ended question, property owners also frequently identified the requirement to install an elevator and parking concerns as barriers.

Promoting Upper Story Redevelopment

Communities are largely supportive of upper story development and are continuing their efforts to connect building owners with funding to support future projects.

- Nearly two-thirds of respondents reported that there have been efforts to increase upper story usage in their community. *(Question 27)*

- Most respondents (78%) reported that key stakeholders in their community are supportive of increasing downtown upper story usage. *(Question 26)*

- The highest percentage of respondents (65% or more) indicated that they are aware of the Oregon Main Street Revitalization Grant (OMSRG), the Diamonds in the Rough Grant, and Business Oregon Grants as resources to support downtown redevelopment. Fewer respondents were aware of their communities having access to assistance from other state and federal agencies. *(Question 25)*

- In open-ended responses, respondents particularly highlighted the usefulness of the Oregon Main Street Revitalization Grant (OMSRG). According to survey responses, the projects this grant has funded are also the largest developments by unit. “Klamath Falls has received 2 OMSRGs leading to the addition of nearly 30 new residential units downtown,” one respondent wrote. “This has helped to provide local market comps and increase developer confidence in additional residential development.” *(Question 28)*

Goals

Many communities have plans to increase use of upper story spaces. Their ideas are wide-ranging and creative.

- Sixty-two percent of respondents said that their city or Main Street organization has goals or ideas for increasing or better using upper-story spaces in your downtown. *(Question 29)*

In an optional open-ended question, respondents to the Main Street and city were asked to briefly share their goals and/or ideas for supporting and increasing upper story use. We received 19 responses.

- The highest percentage of responses (58%) indicated by activating upper story spaces they hope to increase their housing inventory. *(Question 30)*
- Other frequently identified goals were to connect funding to projects (47%) and to offer resources and support (37%). *(Question 30)*

Strategies to reach those goals are wide-ranging and creative, many having to do with helping property owners navigate building code. Other respondents reflected on efforts to remove off-street parking requirements and update the building code. One respondent wrote, "[o]ur idea is just to make it easier when it comes to codes and regulations." Responses indicate that leveraging financial resources will be important in most communities. A less tangible goal is identifying ways to engage property owners. One respondent wrote that they would like to "[i]ncentivize some method of motivating building owners (local and absentee) to repair and renovate their buildings." Another respondent is distributing a questionnaire to property owners in order to understand the barriers they face to developing upper stories.

Full Survey Results – City & Main Street Representatives

Q1 - What is your community's (city's) name? (n=55)

Complete or Mostly Complete Responses

Albany (MS response)
Amity (City & MS responses)
Astoria (MS response)
Baker City (2 City responses)
Bandon (City & MS responses)
Beaverton (MS response)
Burns (MS response)
Coburg (City & MS responses)
Coos Bay (MS response)
Cottage Grove (City & MS responses)
Dallas (City & MS responses)
Dayton (MS response)
Estacada (City response)
Florence (City & MS response)
Gold Beach (MS response)
Hermiston (City response)
Klamath Falls (1 City & 2 MS responses)
La Grande (City & MS responses)
Lakeview (MS response)
Lebanon (City & MS responses)
Maupin (City response)
McMinnville (MS response)
Medford (City response)
Oregon City (2 City & 1 MS responses)
Pendleton (City response)
Reedsport (Both response)
St. Helens (City response)
Stayton (City & MS responses)
Tigard (City response)
Tillamook (City response)
Toledo (City response)
West Linn (City & MS response)

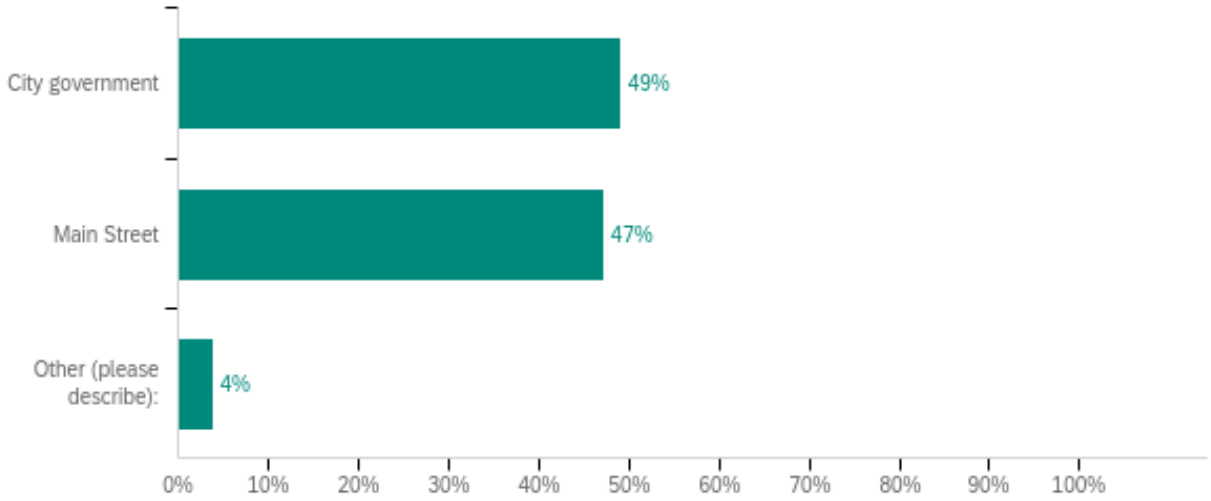
Partial Responses (Q1 – Q22 only)

Oak Grove (MS response)

Partial Responses (Q1 – Q7 only)

Baker City (2 MS responses)
Corvallis (City response)
John Day (City response)
Monmouth (City response)
Tigard (MS response)
Wallowa (MS response)

Q2 - Which best describes the type of organization you represent: (n=53)

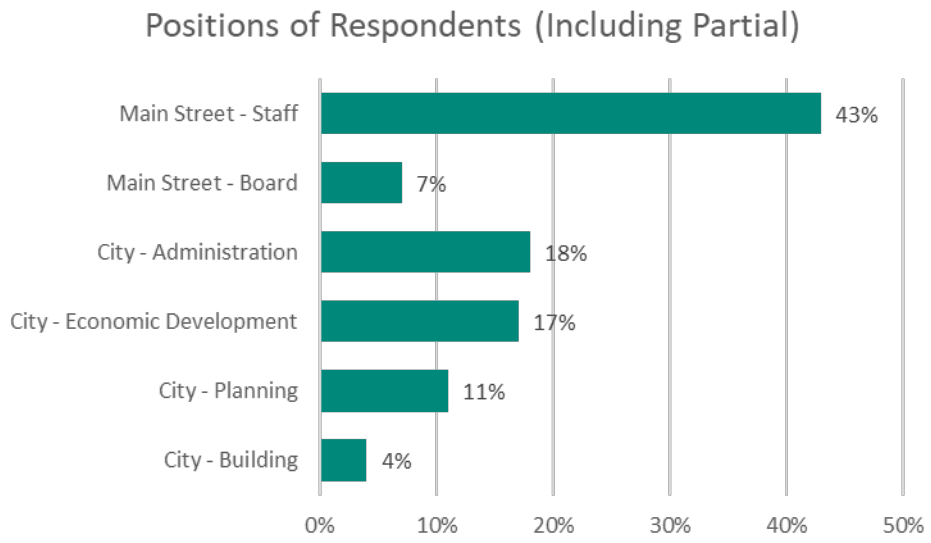


#	Answer	%	Count
2	City government	49%	26
1	Main Street	47%	25
3	Other (please describe):	4%	2
	Total	100%	53

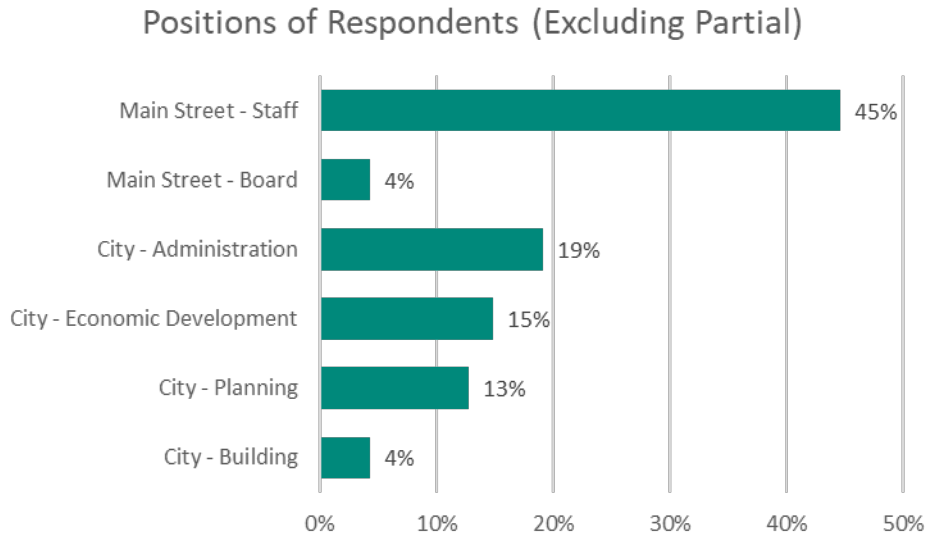
Other (please describe): - Text
Chamber of Commerce
Both

Q3 - What is your role or position title? (n=54)

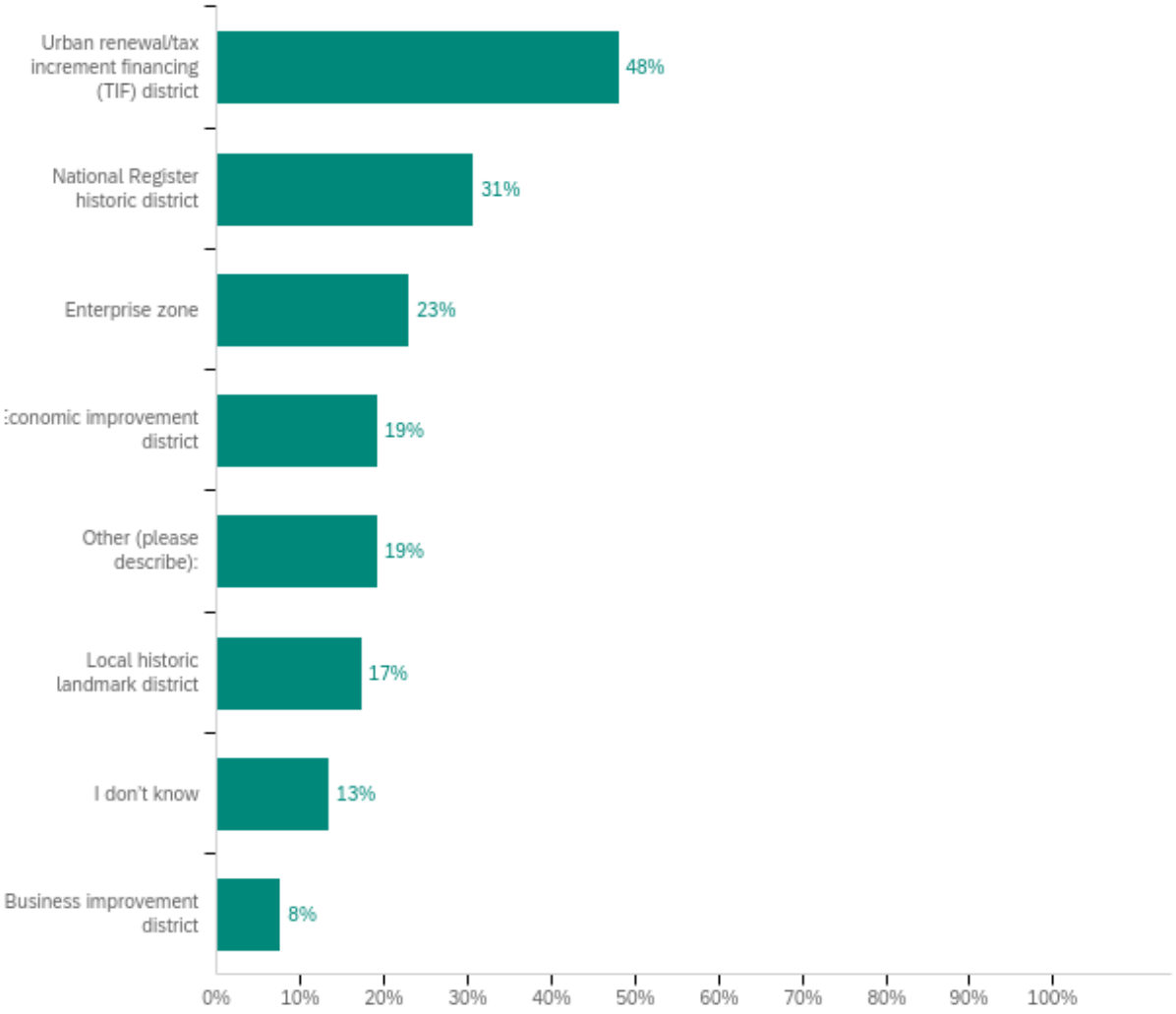
(n=54)



(n=47)



Q4 - All or part of your downtown is in a _____ (check all that apply): (n=53)

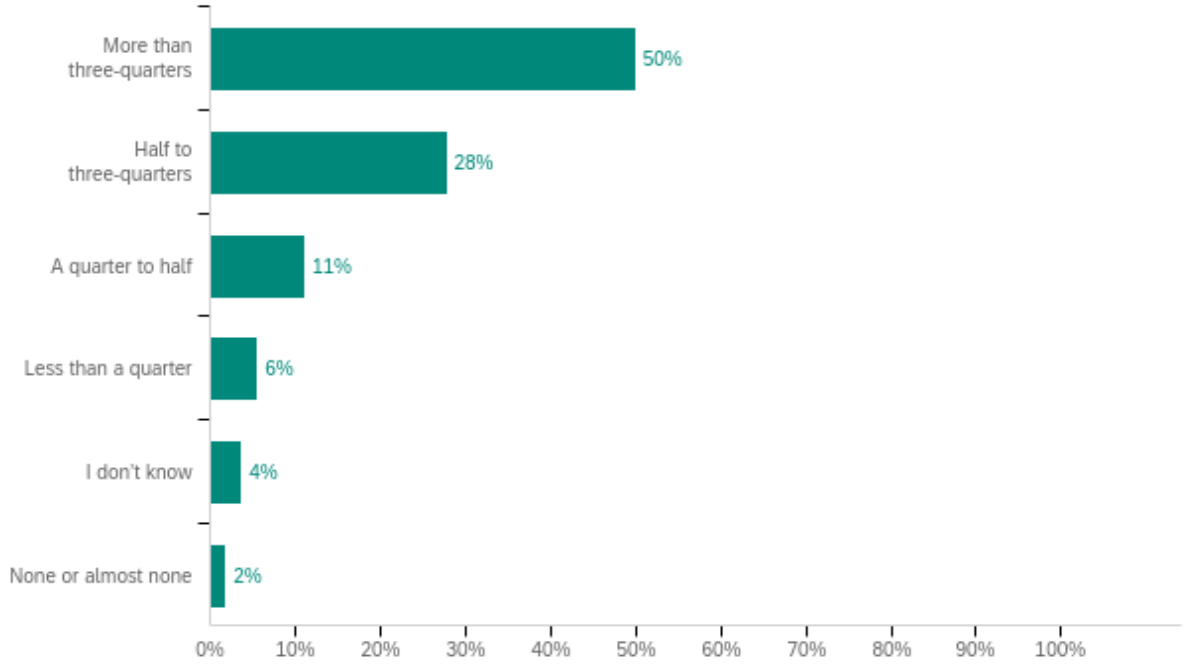


#	Answer	%	Count
5	Urban renewal/tax increment financing (TIF) district	27%	25
7	Other (please describe):	11%	10
2	National Register historic district	17%	16
1	Local historic landmark district	10%	9
8	I don't know	8%	7
6	Enterprise zone	13%	12
3	Economic improvement district	11%	10
4	Business improvement district	4%	4
	Total	100%	93

Q4_7_TEXT - Other (please describe):

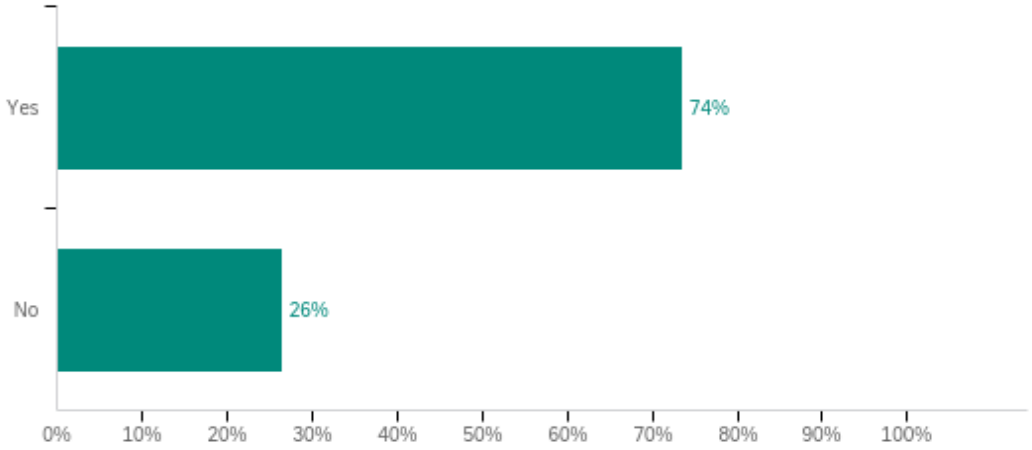
Other (please describe): - Text
Part of the downtown is in an enterprise zone
n/a
Oregon Historic District
Historic Resource Area (not quite an historic district)
Urban Renewal District
Historic Cultural Overlay in an area where properties are listed on the historic register
Opportunity Zone
Opportunity Zone
Vertical Housing Tax District
I don't think we've any of those in place here in Amity.

Q5 - To the best of your knowledge, about how many of your downtown's buildings are 50 years old or more? (n=54)



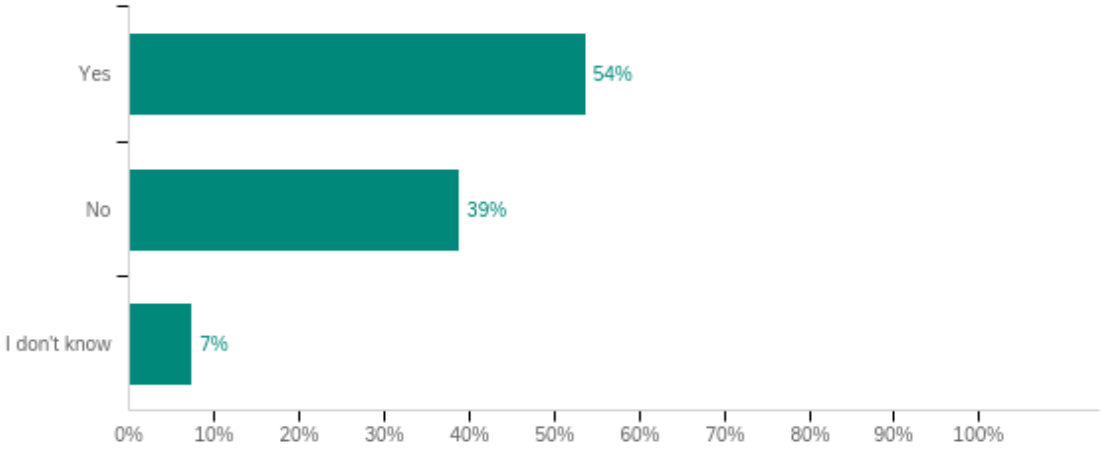
#	Answer	%	Count
1	None or almost none	2%	1
2	Less than a quarter	6%	3
3	A quarter to half	11%	6
4	Half to three-quarters	28%	15
5	More than three-quarters	50%	27
6	I don't know	4%	2
	Total	100%	54

Q6 - Are you aware of buildings in your downtown listed on the historic registry? (n=53)



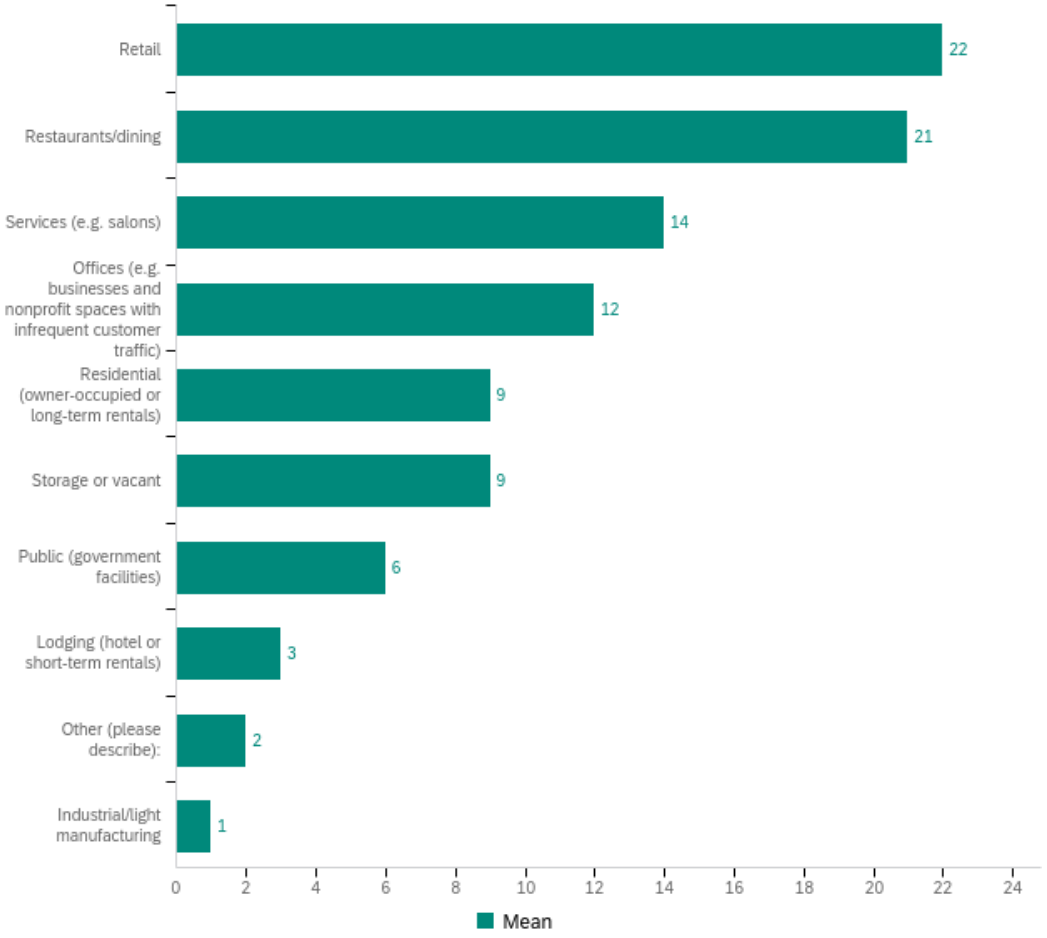
#	Answer	%	Count
1	Yes	74%	39
2	No	26%	14
	Total	100%	53

Q7 - Does your community have a preservation program that requires design review? (n=54)



#	Answer	%	Count
1	Yes	54%	29
2	No	39%	21
3	I don't know	7%	4
	Total	100%	54

Q8 - Please estimate what percentage of all the interior building space in your downtown (including ground floors and upper floors) is used for the following purposes. Just give your best guess – a rough estimate is great, but please make sure everything sums to 100%. (n=47)

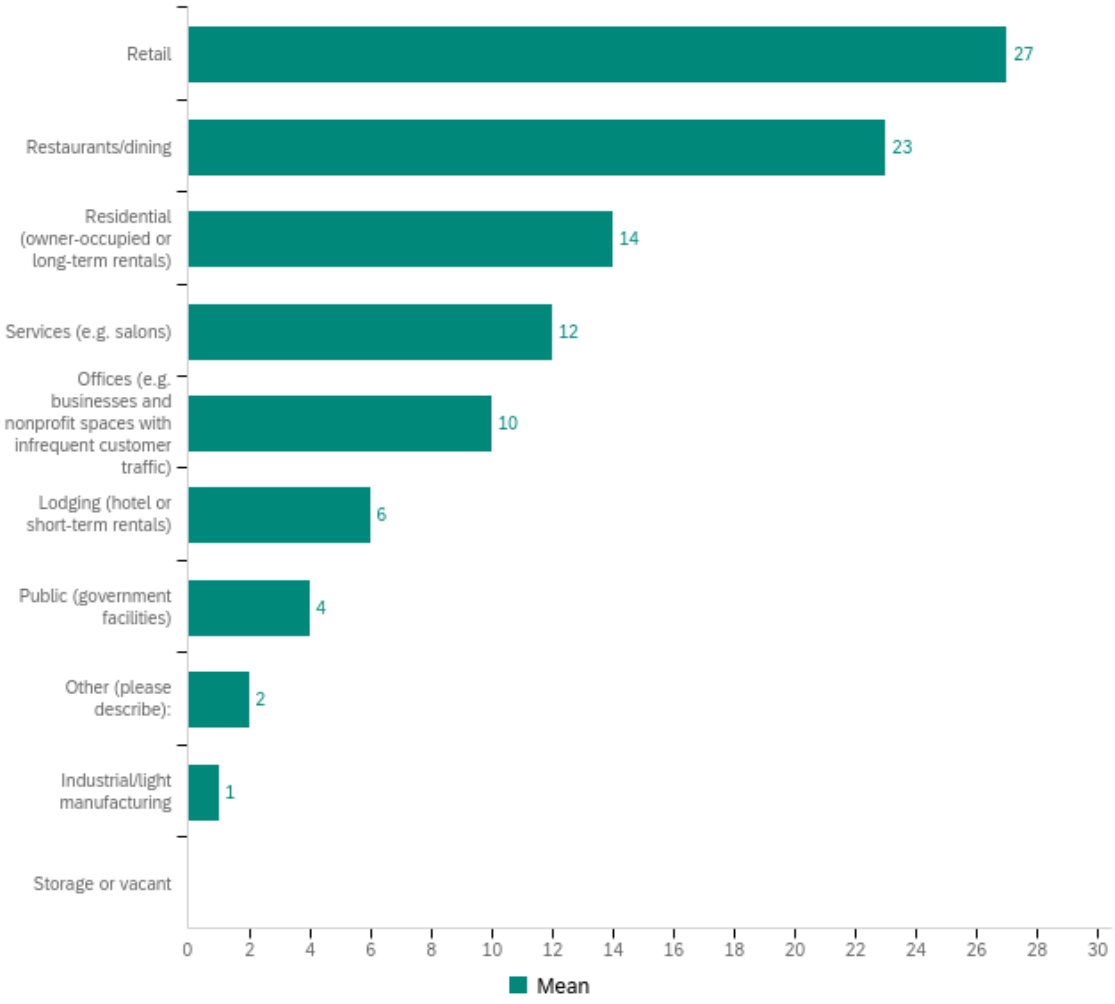


#	Field	Minimum	Maximum	Mean
1	Retail	2	70	22
2	Restaurants/dining	5	45	21
3	Services (e.g. salons)	0	50	14
4	Offices (e.g. businesses and nonprofit spaces with infrequent customer traffic)	0	40	12
9	Storage or vacant	0	45	9
5	Residential (owner-occupied or long-term rentals)	0	30	9
7	Public (government facilities)	0	20	6
6	Lodging (hotel or short-term rentals)	0	15	3
10	Other (please describe):	0	20	2
8	Industrial/light manufacturing	0	8	1

Q8_10_TEXT - Other (please describe):

Other (please describe): - Text
entertainment
Arts, Culture, Galleries
banks/title companies
Churches
Entertainment (e.g movie theater)
ballet studio
Medical, Dental
theatre, religious,
gym, fitness
Park / Open Space
shuttered venues

Q9 - In an ideal scenario, how would you like uses to be distributed in your downtown interior building spaces? Please make sure everything sums to 100%. (n=47)

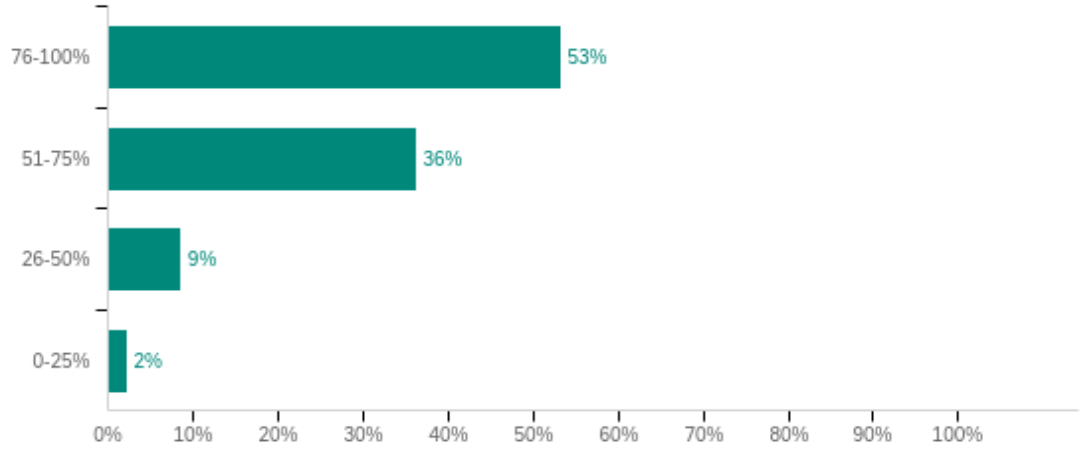


#	Field	Minimum	Maximum	Mean
1	Retail	10	50	27
2	Restaurants/dining	7	35	23
3	Services (e.g. salons)	0	27	12
4	Offices (e.g. businesses and nonprofit spaces with infrequent customer traffic)	0	30	10
5	Residential (owner-occupied or long-term rentals)	0	60	14
6	Lodging (hotel or short-term rentals)	0	20	6
7	Public (government facilities)	0	10	4
8	Industrial/light manufacturing	0	10	1
9	Storage or vacant	0	5	0
10	Other (please describe):	0	20	2

Q9_10_TEXT - Other (please describe):

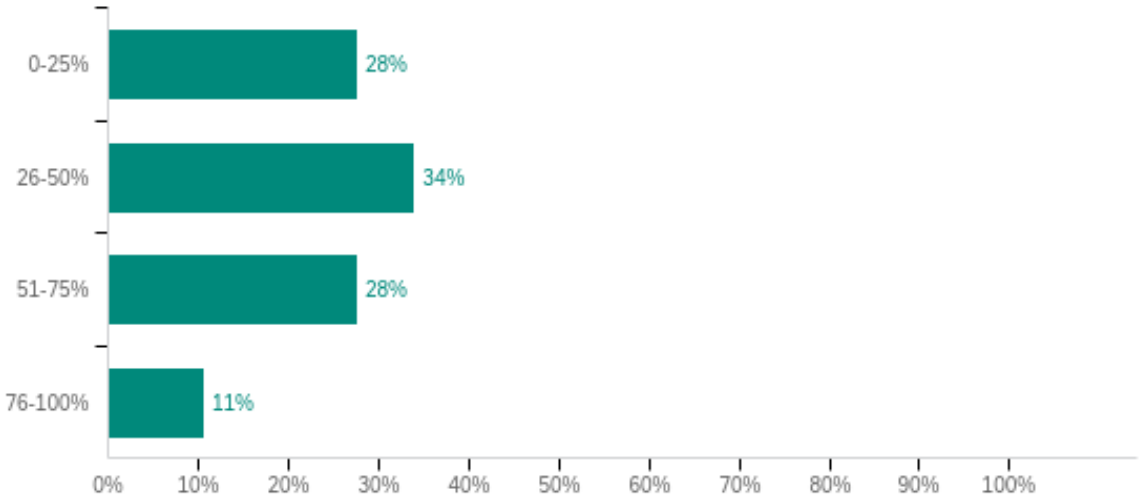
Other (please describe): - Text
entertainment
Arts, Culture, Galleries
Entertainment (e.g. concert halls, arcades)
Medical, Dental
theatre, religious
galleries
Arts, Entertainment, Culture

Q10 - To the best of your knowledge, what percentage of downtown buildings are fully occupied and frequently/regularly used? (n=47)



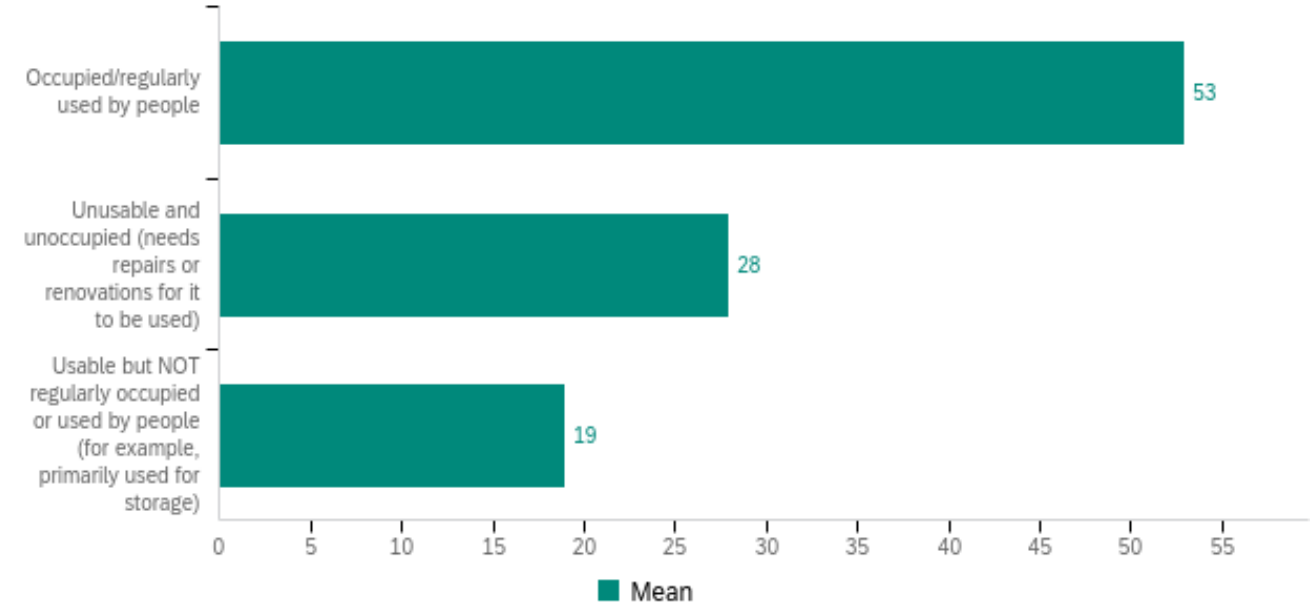
#	Answer	%	Count
4	76-100%	53%	25
3	51-75%	36%	17
2	26-50%	9%	4
1	0-25%	2%	1
	Total	100%	47

Q11 - To the best of your knowledge, what percent of downtown buildings have upper stories (a second floor or more floors above ground level)? (n=47)



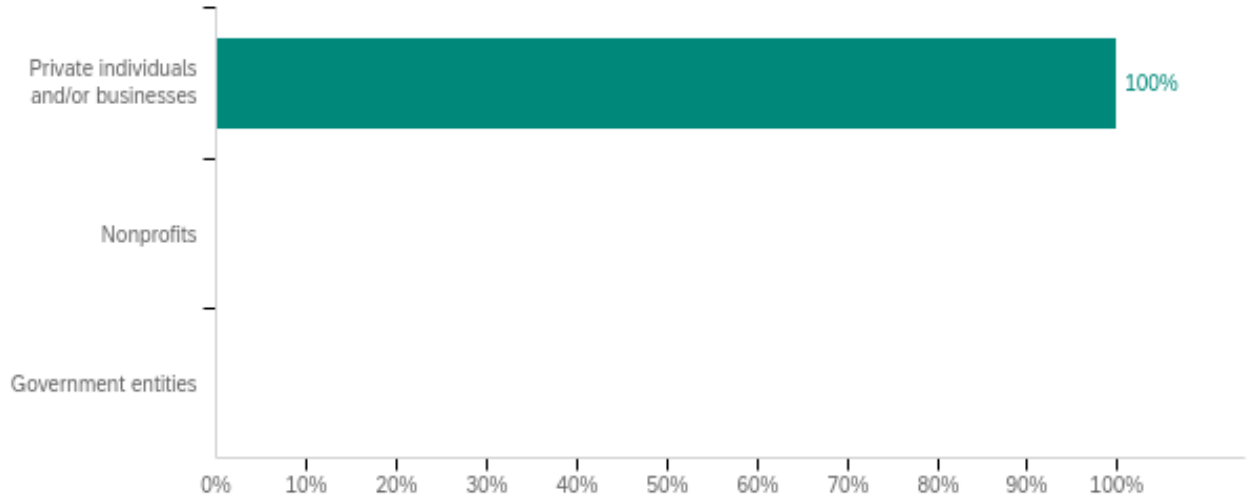
#	Answer	%	Count
4	76-100%	11%	5
3	51-75%	28%	13
2	26-50%	34%	16
1	0-25%	28%	13
	Total	100%	47

Q12 - To the best of your knowledge, please estimate the percentage of your downtown's upper-story spaces that fall into the following categories. Please make sure everything sums to 100%. (n=47)



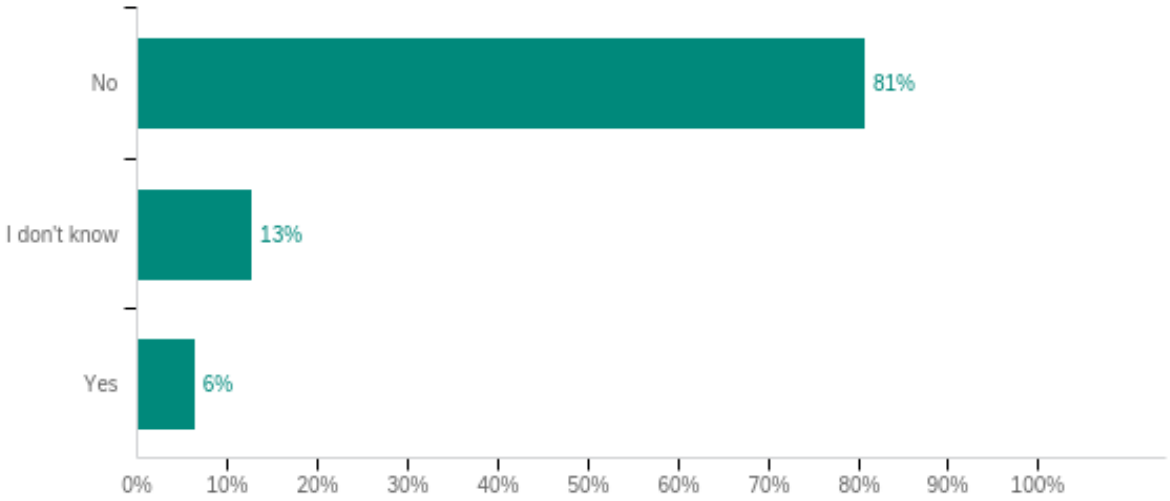
#	Field	Minimum	Maximum	Mean	Count
1	Occupied/regularly used by people	0	95	53	47
2	Usable but NOT regularly occupied or used by people (for example, primarily used for storage)	0	50	19	47
3	Unusable and unoccupied (needs repairs or renovations for it to be used)	0	100	28	47

Q13 - To the best of your knowledge, the majority of your downtown's buildings are owned by _____: (n=47)



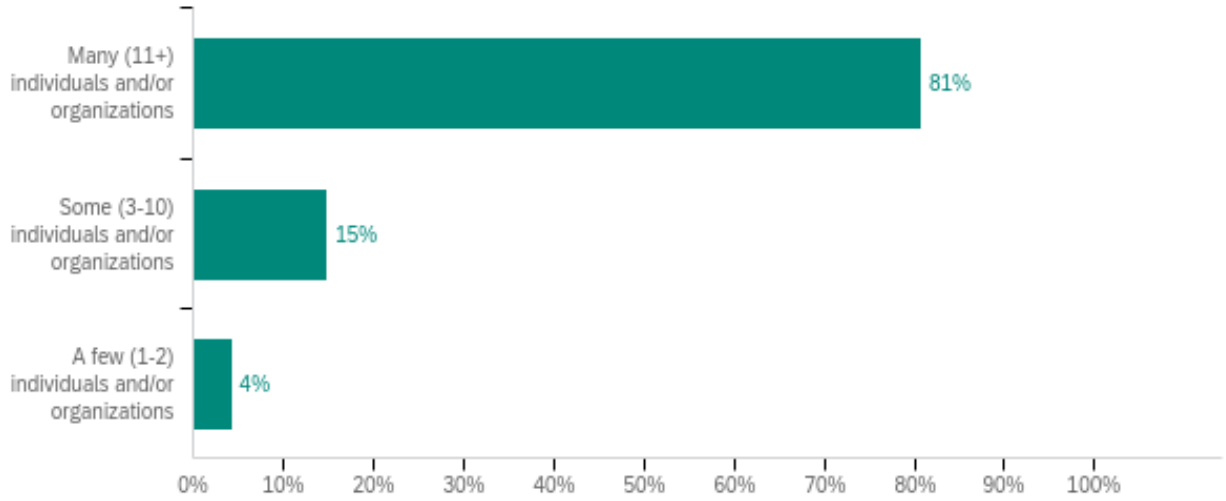
#	Answer	%	Count
1	Private individuals and/or businesses	100%	47
2	Nonprofits	0%	0
3	Government entities	0%	0
	Total	100%	47

Q14 - Does an urban renewal agency own any downtown buildings? (n=47)



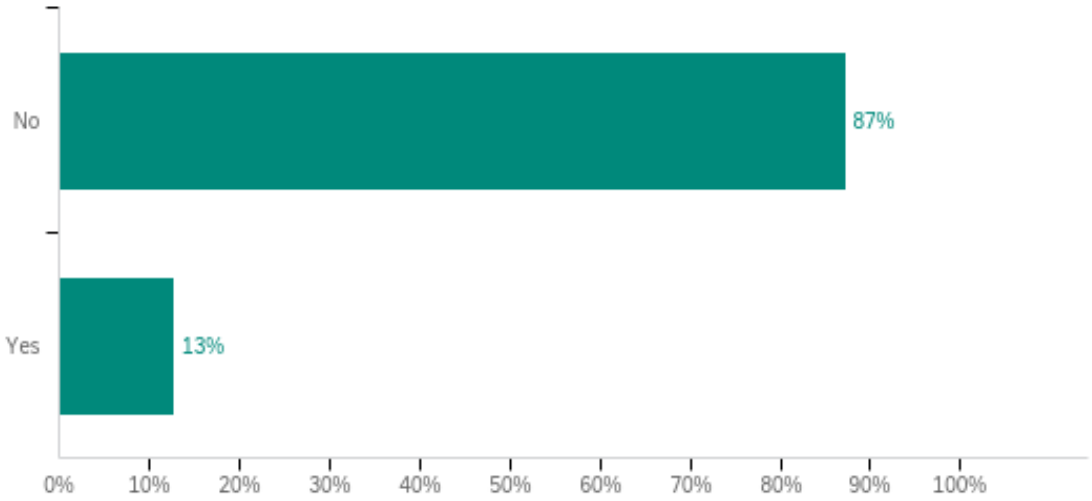
#	Answer	%	Count
1	Yes	6%	3
2	No	81%	38
3	I don't know	13%	6
	Total	100%	47

Q15 - To the best of your knowledge, your downtown buildings are owned by _____: (n=47)



#	Answer	%	Count
1	A few (1-2) individuals and/or organizations	4%	2
2	Some (3-10) individuals and/or organizations	15%	7
3	Many (11+) individuals and/or organizations	81%	38
	Total	100%	47

Q16 - Do you track any information about downtown property owners? (e.g. gender, race/ethnicity, local/absentee/city of residence) (n=47)

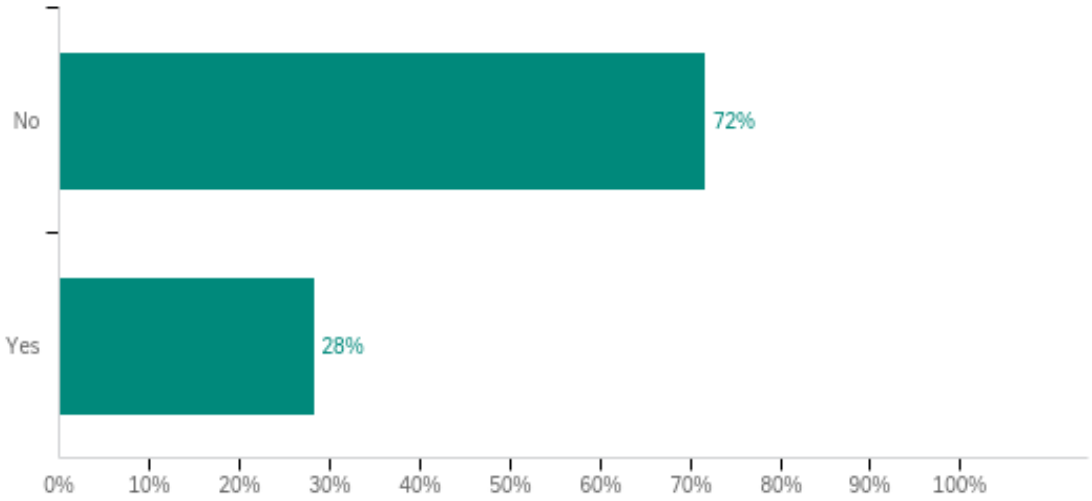


#	Answer	%	Count
1	Yes	13%	6
2	No	87%	41
	Total	100%	47

Q17 - Please describe what information you track about downtown property owners: (n=6)

Please describe what information you track about downtown property owners:
Owners' names & Addresses
Loosely tracking local/absentee/city of residence
Just happen to know who they are. It's a small community. Not written down.
Name, address
White: 100% Male (either single or in coupleship): 95% Local to County: 70%
Generally track ownership with addresses. This information is easily accessible through County GIS, so we don't have any tracking system of our own.

Q18 - Are you planning to start tracking information or start tracking additional information about downtown property owners? (e.g. gender, race/ethnicity, local/absentee/city of residence) (n=46)

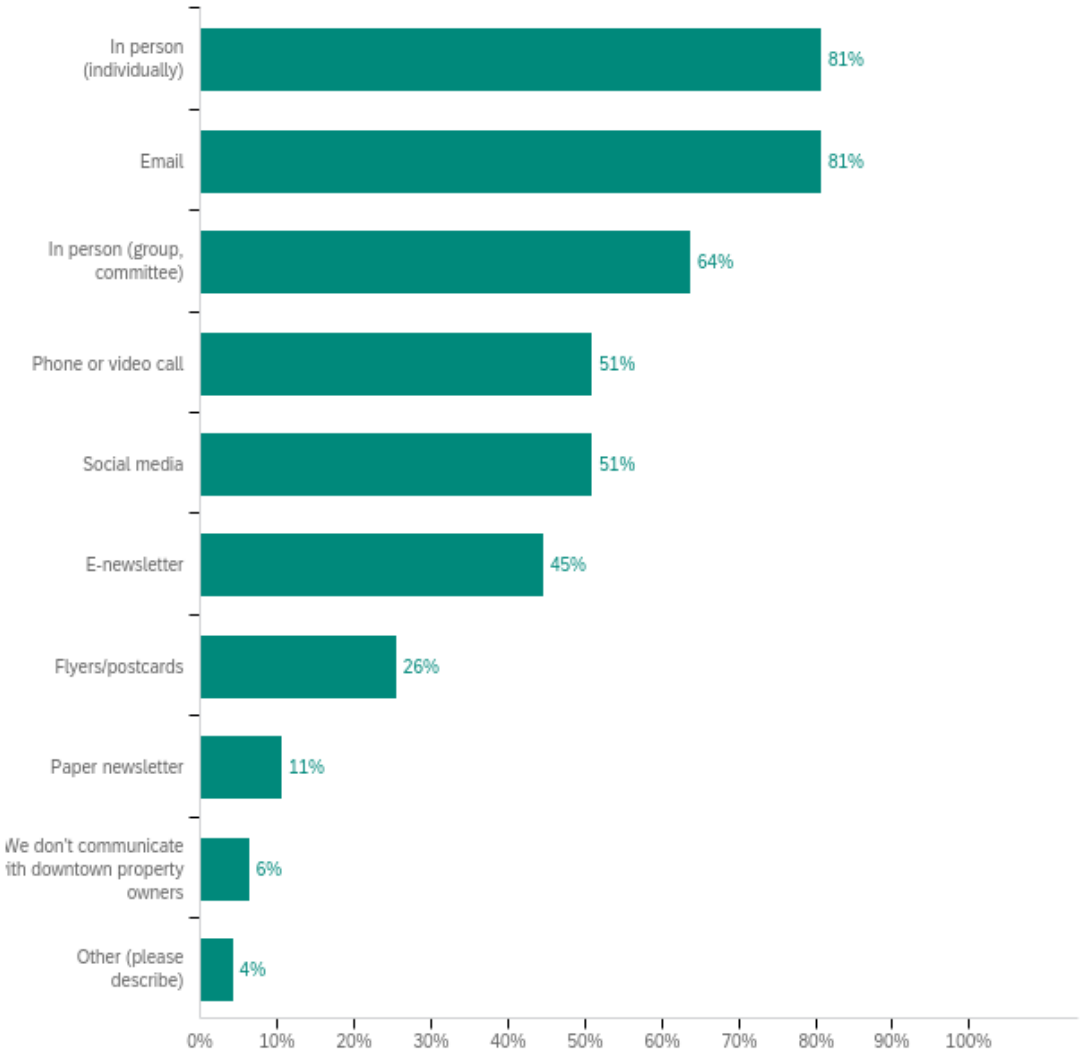


#	Answer	%	Count
1	Yes	28%	13
2	No	72%	33
	Total	100%	46

Q19 - Please describe what information you are planning to start tracking: (n=13)

Please describe what information you are planning to start tracking:
phone and emails
gender, race, if business owner/occupied, ownership of properties outside our area
We currently track it, we will continue to do so.
Owners contact information to start with.
Name, Contact Info, Locality
Making sure we are capturing all of the grants and funding offered based on race or gender for example
Gender, absentee, local resident, own both building and business.
Contact info, location of residence, personal or corporate ownership,
Contact info, emergency info, involvement in the community, committees, boards serve on, number of employees
City of residence demographics - of both owner and user use of space years vacant (or occupied) spaces for lease, length of time on the market barriers
City of residence
Beginning by tracking local/absentee/city of residence would probably be helpful for us.
Absentee/city of residence

Q20 - How do you communicate with downtown property owners? (Select all that apply) (n=47)

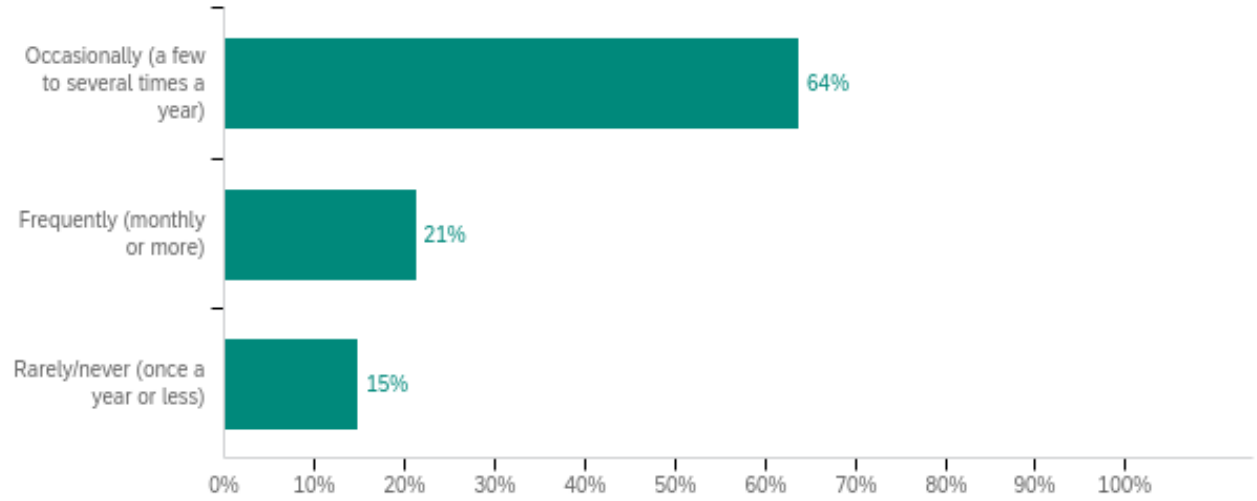


#	Answer	%	Count
1	In person (individually)	19%	38
2	In person (group, committee)	15%	30
3	Phone or video call	12%	24
4	Email	19%	38
5	E-newsletter	11%	21
6	Paper newsletter	3%	5
7	Flyers/postcards	6%	12
8	Social media	12%	24
9	Other (please describe)	1%	2
10	We don't communicate with downtown property owners	2%	3
	Total	100%	197

Q20_9_TEXT - Other (please describe)

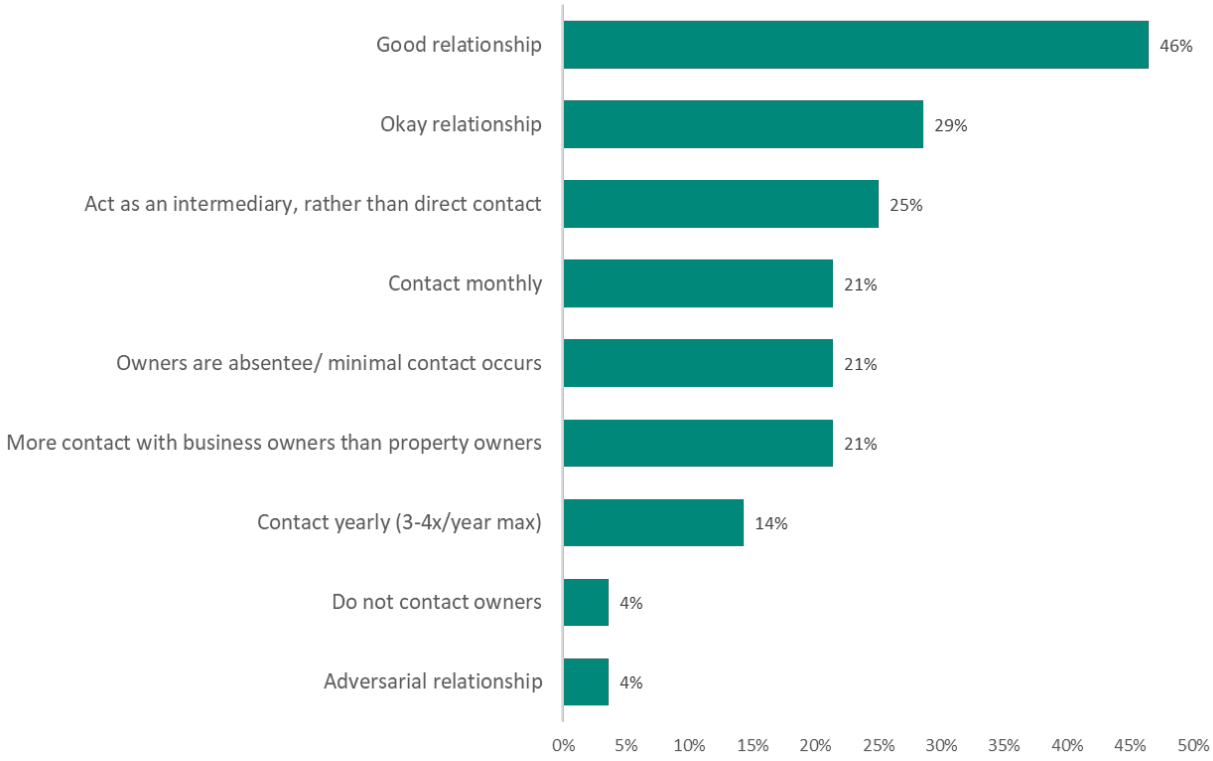
Other (please describe) - Text
Unless there is a code compliance violation, active application that requires noticing, or upcoming event, we do not regularly communicate with property owners. If communication is necessary, mail (or email if available) is our primary method.
Mailed letters.

Q21 - How often do you communicate with most downtown property owners? (n=47)



#	Answer	%	Count
1	Frequently (monthly or more)	21%	10
2	Occasionally (a few to several times a year)	64%	30
3	Rarely/never (once a year or less)	15%	7
	Total	100%	47

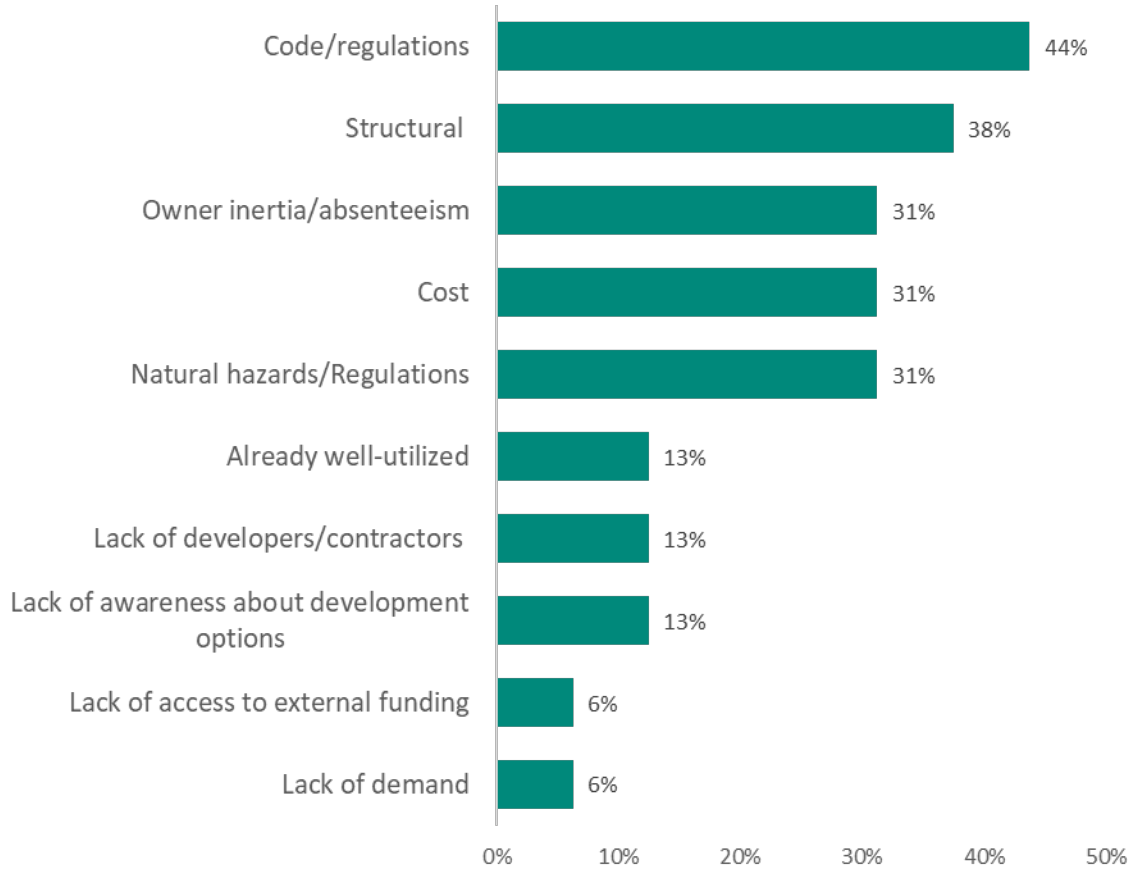
Q22 - Optional: How would you describe your relationship with downtown property owners, particularly in terms of how frequently they communicate with you? (n=28)



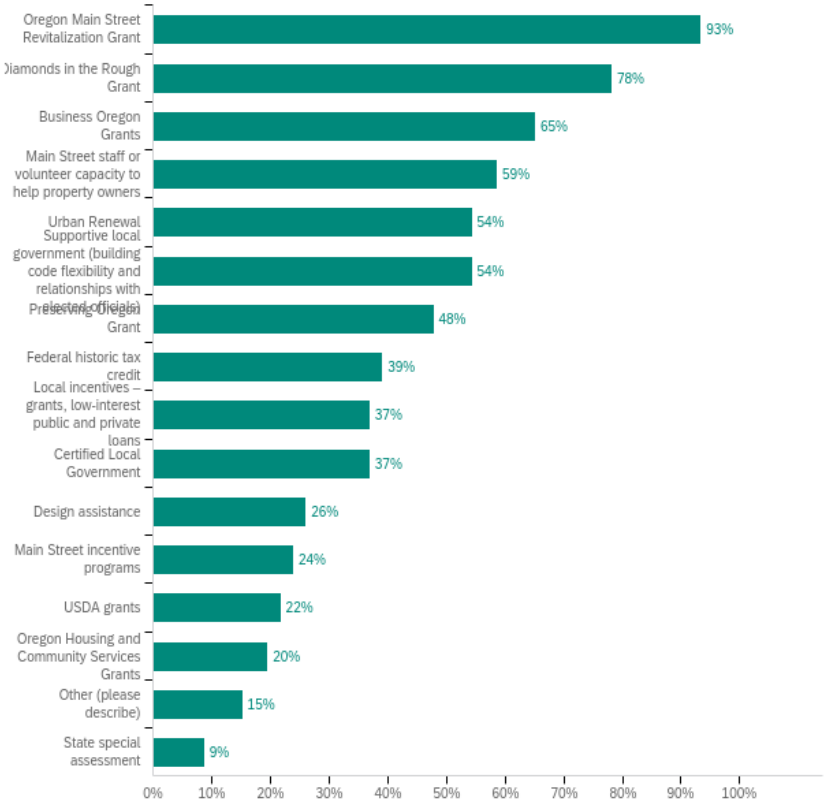
Q23 - Please indicate the extent to which the following factors are a barrier to increasing use of upper-story spaces in your downtown: (n=46)

#	Question	Not a barrier		Small barrier		Moderate barrier		Significant barrier		Total
6	Other policies disincentivizing downtown use/reuse and/or incentivizing development elsewhere in your community	61%	28	30%	14	4%	2	4%	2	46
5	Historic standards compliance	46%	21	28%	13	20%	9	7%	3	46
11	Lack of local or state relationships, partnerships, or support	43%	20	30%	14	20%	9	7%	3	46
10	Lack of models or case studies of projects with similar goals and challenges	37%	17	26%	12	26%	12	11%	5	46
3	Zoning (land use, density, parking rules and requirements)	33%	15	41%	19	20%	9	7%	3	46
7	Lack of labor for renovations or repairs	28%	13	39%	18	30%	14	2%	1	46
9	Lack of technical assistance, incentives, or awareness of technical resources	22%	10	35%	16	35%	16	9%	4	46
1	Lack of property owner interest	17%	8	26%	12	41%	19	15%	7	46
2	Economic feasibility concerns or uncertainty (market demand, cost-benefit analysis, etc.)	13%	6	13%	6	36%	16	38%	17	45
4	Building code compliance (safety, accessibility, design/aesthetics, etc.)	11%	5	37%	17	33%	15	20%	9	46
8	Lack of financial assistance, incentives, or awareness of financial resources	9%	4	33%	15	43%	20	15%	7	46

Q24 - Optional: Please describe any other barriers to increased use of upper-story spaces in your downtown and/or provide more detail about any of the above factors: (n=16)



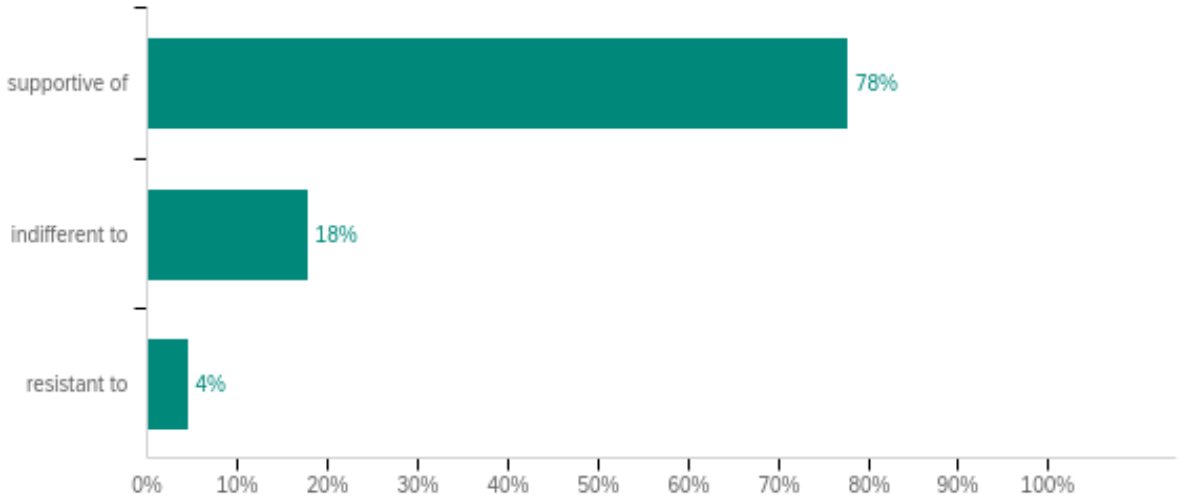
Q25 - To the best of your knowledge, what tools are available in your downtown to help with redevelopment? (Select all that apply) (n=46)



#	Answer	%	Count
4	Oregon Main Street Revitalization Grant	14%	43
6	Diamonds in the Rough Grant	12%	36
8	Business Oregon Grants	10%	30
13	Main Street staff or volunteer capacity to help property owners	9%	27
11	Supportive local government (building code flexibility and relationships with elected officials)	8%	25
10	Urban Renewal	8%	25
5	Preserving Oregon Grant	7%	22
1	Federal historic tax credit	6%	18
15	Certified Local Government	5%	17
9	Local incentives – grants, low-interest public and private loans	5%	17
14	Design assistance	4%	12
12	Main Street incentive programs	4%	11
2	USDA grants	3%	10
7	Oregon Housing and Community Services Grants	3%	9
16	Other (please describe)	2%	7
3	State special assessment	1%	4
	Total	100%	313

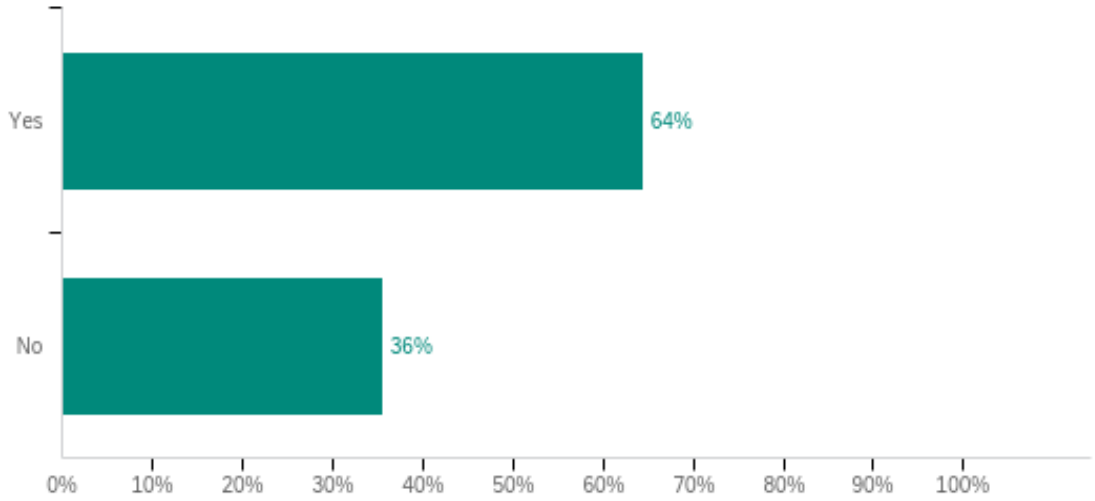
Other (please describe) - Text
While there, many of the above are not used.
Oregon Cultural Trust Grants, Linn County Cultural Coalition grants, building materials and design advice from the Landmarks Commission
I may not be aware of all options
You aren't asking, but this is critical in rural Oregon. Many local citizens which make up local government do not want to cooperate with Oregon State and Federal government (this does not include this survey responder), and it is a HUGE barrier when attempting to apply for grants, designate historic status, or apply for assistance in any way. The general sentiment out here is antagonistic toward government and its programs and any level of cooperation that would be required to participate in various incentive/renewal programs.
City recently received a HOPE VI Main Street grant from HUD
Many of our local business owners and operators sought Covid related funding opportunities in the last 2 years.
Opportunity Zone

Q26 - Key stakeholders in your community are generally _____ increasing downtown upper-story use. (n=45)



#	Answer	%	Count
1	supportive of	78%	35
3	resistant to	4%	2
2	indifferent to	18%	8
	Total	100%	45

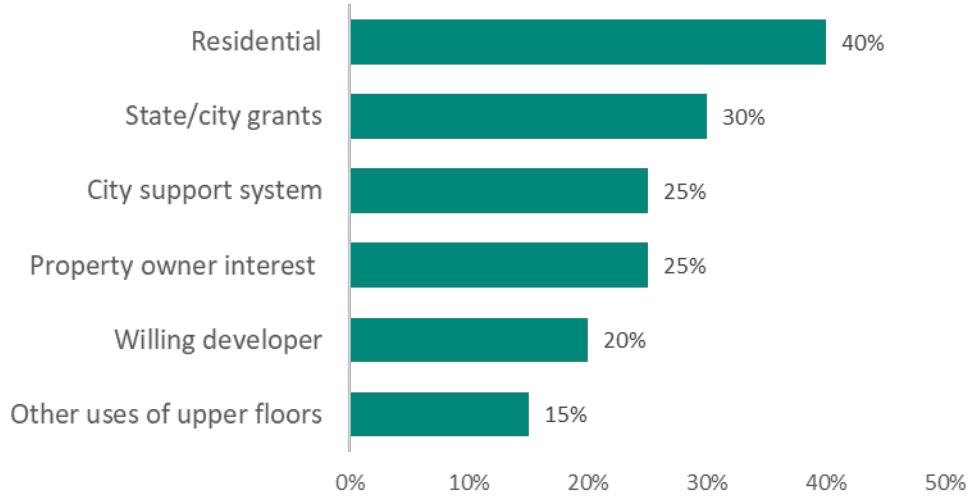
Q27 - Have there been any efforts to increase use of upper-story spaces in your community? (n=45)



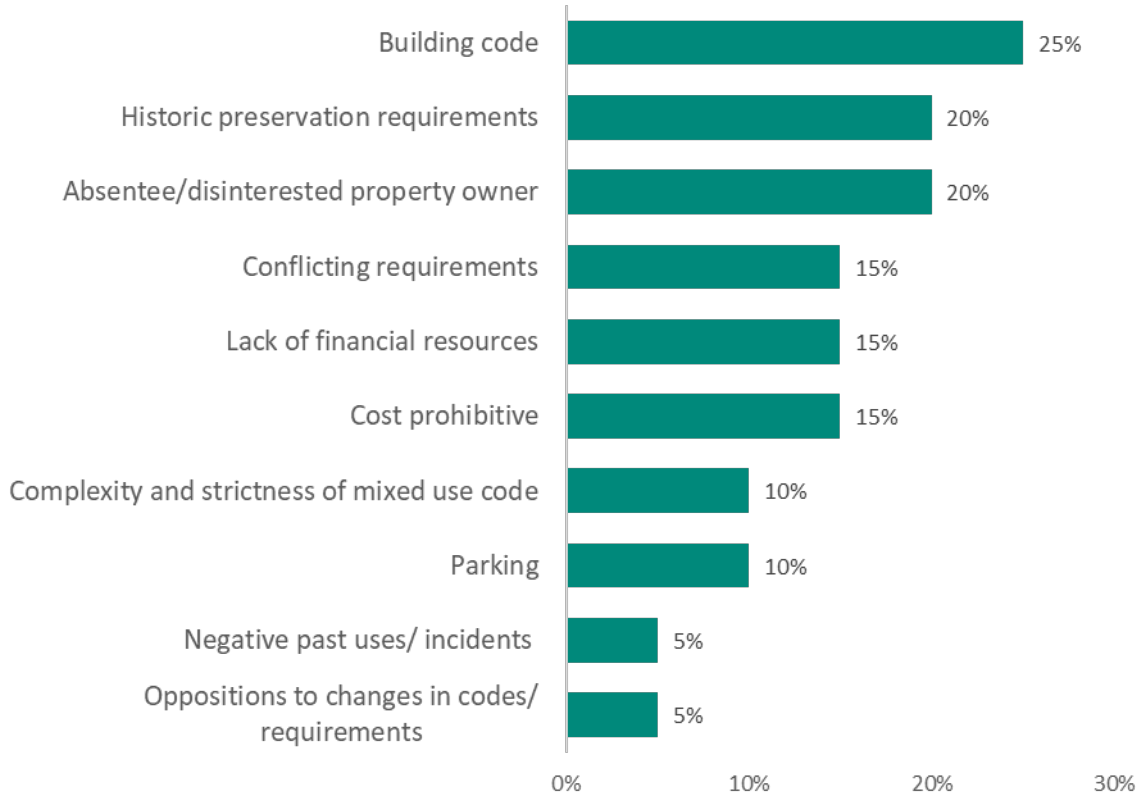
#	Answer	%	Count
1	Yes	64%	29
2	No	36%	16
	Total	100%	45

Q28 - Optional: Please share any notable successes or challenges you have encountered when working on upper-story revitalization. (n=20)

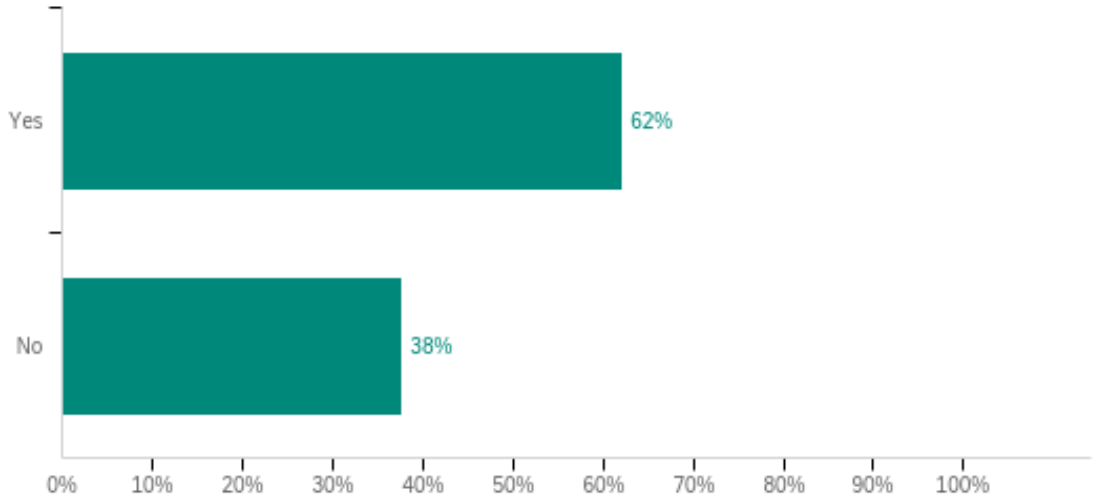
Successes



Challenges

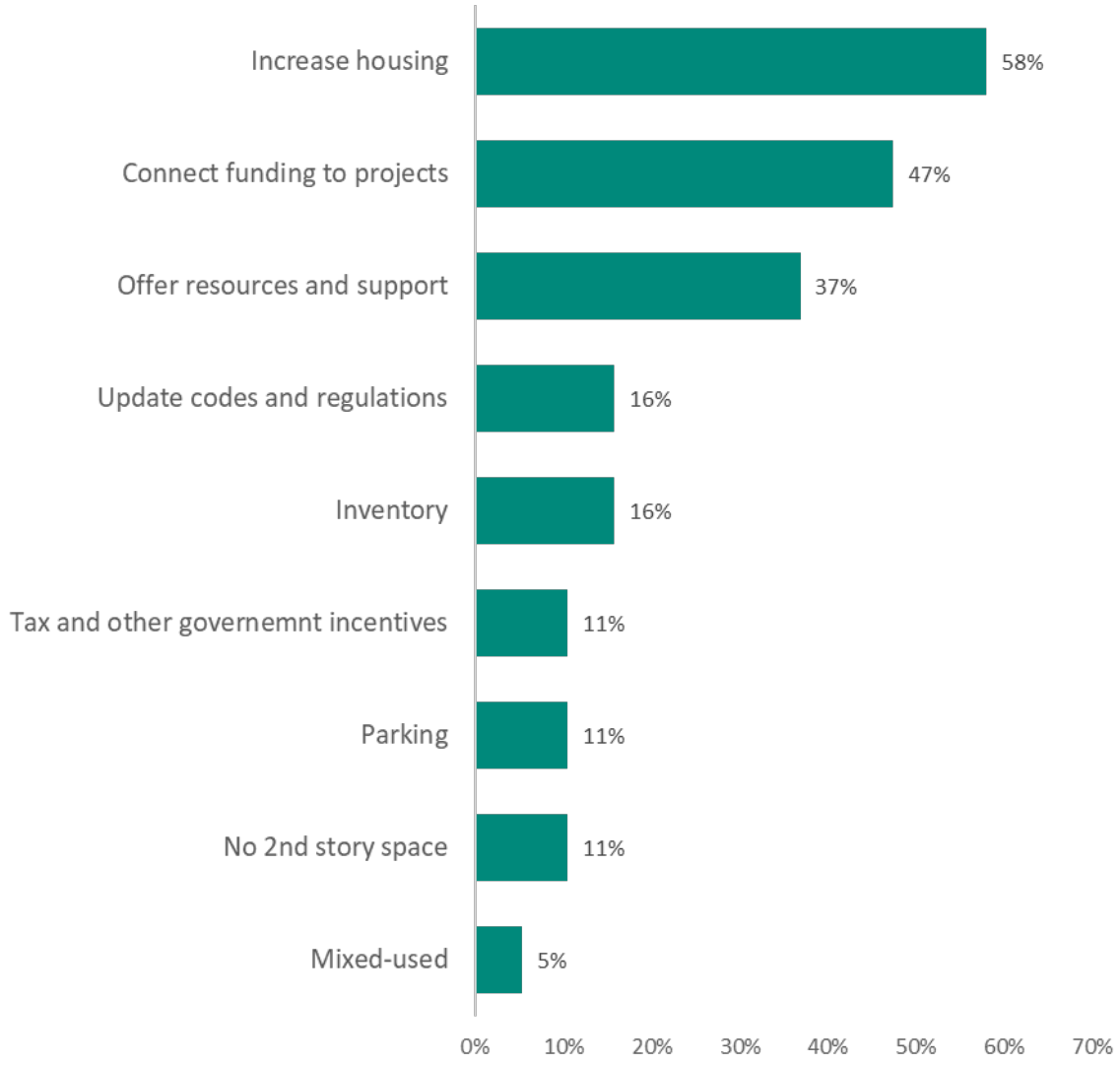


Q29 - Does your City or Main Street organization have any goals or ideas for increasing or better using upper-story spaces in your downtown? (n=45)



#	Answer	%	Count
1	Yes	62.22%	28
2	No	37.78%	17
	Total	100%	45

Q30 - Optional: Please briefly share your goals/ideas. (n=19)



Q32 - Optional: Any final comments? (n=14)

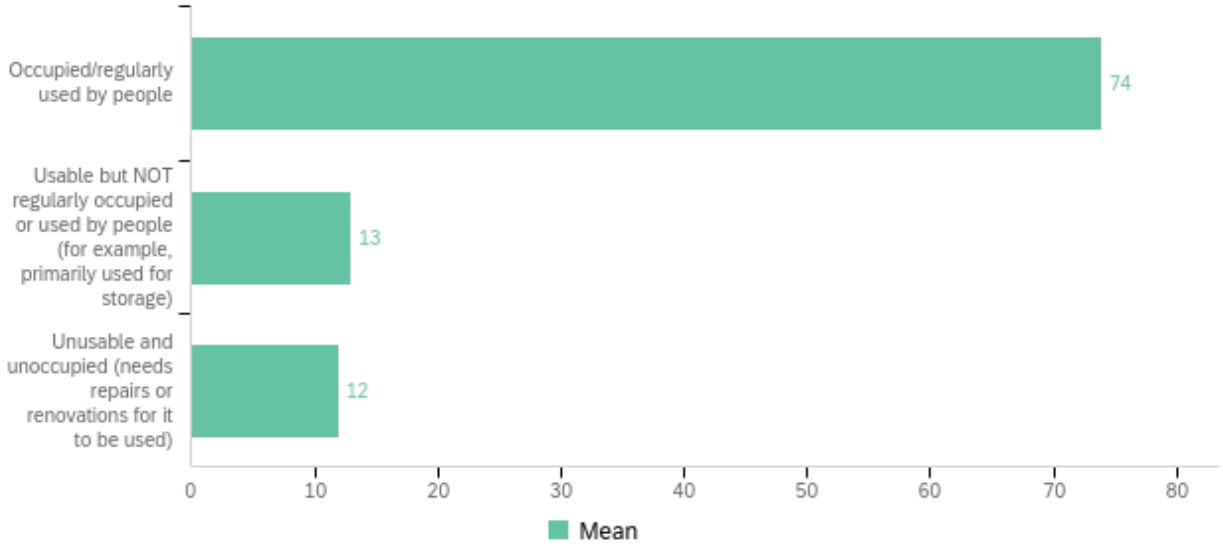


Full Survey Results – Property Owners

Q1 - In which Oregon city or cities do you own downtown property with one or more stories or floors above ground level? (n=28)

coburg
Coburg
KLAMATH FALLS
COBURG
Albany
Albany
Albany
coburg
Albany
Albany
Lebanon
Klamath Falls
Klamath Falls
Stayton oregon
Klamath Falls
Klamath fslls
Klamath Falls
Lakeview
Lebanon
Lebanon
Amity
West Linn, Troutdale, Oregon City
Lakeview
Stayton
Stayton
Estacada
Klamath Falls
Klamath Falls

Q2 - Please estimate the percentage of the upper-story spaces in the downtown building(s) you own that fall into each category. Please make sure everything sums to 100%. (n=28)

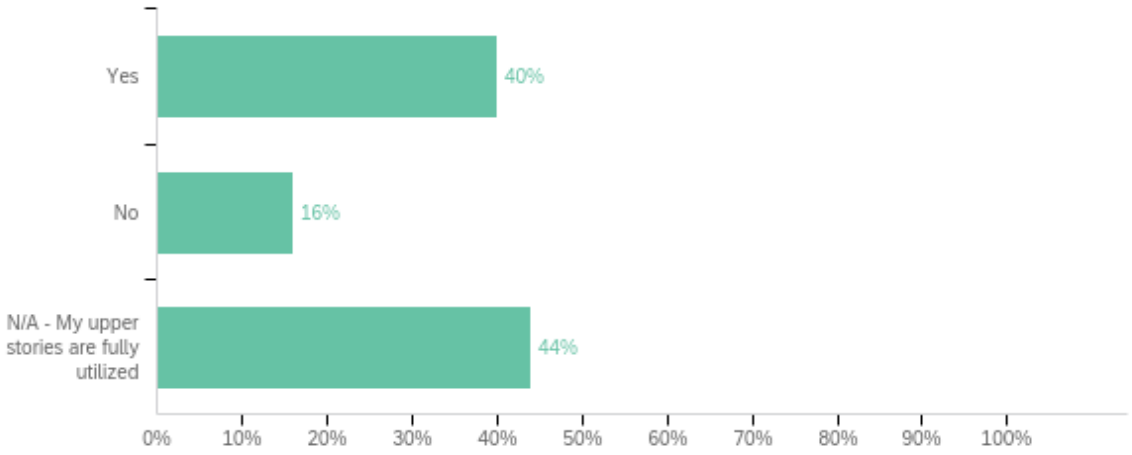


#	Field	Minimum	Maximum	Mean	Count
1	Occupied/regularly used by people	0	100	74	28
2	Usable but NOT regularly occupied or used by people (for example, primarily used for storage)	0	100	13	28
3	Unusable and unoccupied (needs repairs or renovations for it to be used)	0	100	12	28

Q3 - Optional: What goals, dreams, or plans do you have for any of your unoccupied upper-story space? (n=12)

either additional office space or apartments for rent
more storage space
To remove the stucco from the exterior upper floor and bring back to its historic look
We are looking at using the top floor as either an event space, or apartments
Long term apartment rentals.
Working to back fill vacant offices. Would like to open up spaces or add doors between offices to make them bigger and a little bit more desirable.
We would like to turn the uppermost floor into an apartment.
Get it rented or sold
To utilize our upper story, we would need a large grant to be able to afford the renovations, and at this time, things do not even come close to penciling out.
To keep it rented at market rates.
For now it is being saved for future growth with our company that uses the main floor and most of the second floor.
To have ground floor tenants that provide enough cash flow to develop the upper floors with residential space.

Q4 - Are you interested in increasing use of upper story spaces in your building(s)? (n=25)



#	Answer	%	Count
1	Yes	40%	10
2	No	16%	4
3	N/A - My upper stories are fully utilized	44%	11
	Total	100%	25

Q5 – *(For those interested in increasing upper story use)* Please indicate the extent to which you think the following factors are a barrier to increasing use of upper-story spaces in your building(s): (n=10)

#	Question	Not a barrier		Small barrier		Moderate barrier		Significant barrier		Total
7	Lack of financial assistance, incentives, or awareness of financial resources	10%	1	0%	0	30%	3	60%	6	10
1	Economic feasibility concerns or uncertainty (market demand, cost-benefit analysis, etc.)	0%	0	20%	2	30%	3	50%	5	10
8	Lack of technical assistance, incentives, or awareness of technical resources	50%	5	10%	1	0%	0	40%	4	10
3	Building code compliance (safety, accessibility, design/aesthetics, etc.)	0%	0	30%	3	40%	4	30%	3	10
6	Lack of labor for renovations or repairs	22%	2	44%	4	11%	1	22%	2	9
9	Lack of models or case studies of projects with similar goals and challenges	44%	4	22%	2	11%	1	22%	2	9
10	Lack of local or state relationships, partnerships, or support	20%	2	40%	4	20%	2	20%	2	10
2	Zoning (land use, density, parking rules and requirements)	22%	2	44%	4	33%	3	0%	0	9
4	Historic standards compliance	44%	4	56%	5	0%	0	0%	0	9
5	Other policies disincentivizing downtown use/reuse and/or incentivizing development elsewhere in your community	56%	5	33%	3	11%	1	0%	0	9

Q6 – *(For those not interested in increasing upper story use or those with fully utilized upper stories)* Optional: Please indicate the extent to which you think the following factors are a barrier to increasing use of upper-story spaces in the downtown(s) where you own property: (n=9)

#	Question	Not a barrier		Small barrier		Moderate barrier		Significant barrier		Total
1	Economic feasibility concerns or uncertainty (market demand, cost-benefit analysis, etc.)	33%	3	11%	1	11%	1	44%	4	9
3	Building code compliance (safety, accessibility, design/aesthetics, etc.)	22%	2	22%	2	33%	3	22%	2	9
7	Lack of financial assistance, incentives, or awareness of financial resources	13%	1	13%	1	63%	5	13%	1	8
10	Lack of local or state relationships, partnerships, or support	50%	4	25%	2	13%	1	13%	1	8
2	Zoning (land use, density, parking rules and requirements)	22%	2	22%	2	56%	5	0%	0	9
4	Historic standards compliance	33%	3	33%	3	33%	3	0%	0	9
5	Other policies disincentivizing downtown use/reuse and/or incentivizing development elsewhere in your community	33%	3	44%	4	22%	2	0%	0	9
6	Lack of labor for renovations or repairs	22%	2	56%	5	22%	2	0%	0	9
8	Lack of technical assistance, incentives, or awareness of technical resources	22%	2	44%	4	33%	3	0%	0	9
9	Lack of models or case studies of projects with similar goals and challenges	56%	5	22%	2	22%	2	0%	0	9

Q7 – Optional: Please provide any additional detail about factors that you see as a barrier to increased use of downtown upper stories. (n=8)

Private access, parking, security, ADA
Limited parking
In many cases (like ours) the upper floor has been vacant for decades. Ours has been vacant since 1970. Lack of an elevator was the big hurdle.
Accessibility is a major concern for most of the potential tenants that are looking at office space. Not having an elevator has become a major detriment for anyone that interacts with the public. The cost of installing an elevator and operating it aren't justifiable with rents we can collect or hear about at neighboring properties.
If you need elevator
We DO use 100% of our upper story as a boutique inn for wine country visitors. However, it was MUCH MUCH more expensive to set it up than we anticipated because of the myriad regulations we had to comply with (such as installing an electric lift to get people to the 3rd floor and regulations that would have required a 2nd egress if we had created apartments rather than hotel-style rentals). In retrospect I understand the rationale, but the cost and headaches of going through the process (it took 3 years) would make me disinclined to recommend to anyone else.
Our rent rates are very low in Klamath Falls right now. That along with high construction costs prevent a project from penciling out. Building owners need Return on Investment in order to make these projects feasible.
The condition of my properties would probably require extensive renovation - including seismic retrofits - that put the project outside of feasible ROI targets.



Q8 – Optional: Please provide any additional detail about factors that you see as helpful for increasing use of downtown upper stories. (n=3)

Our urban renewal district has been working well, but is about to sunset.
Access to ADA parking
If there were a program to help people through the myriad rules and regulations it would help a lot. In our 3 years of development I don't think we EVER encountered anyone from the city, county or state who was actually helpful. They all were in more adversarial positions (like, OK we'll let you do this but in order to be approved you have to do this and that and pay these outrageous fees)

APPENDIX C – KEY ORGANIZATION INTERVIEWS SUMMARY

The Institute for Policy Research and Engagement (IPRE) Upper Story team members conducted various interviews over the course of several months in the winter of 2022. Interviewees came from two types of organizations: advocacy groups (Micro Enterprise Services of Oregon [MESO], Cornerstone Community Housing) and state departments (Department of Land Conservation and Development [DLCD], Building Codes Division [BCD], and Oregon Heritage). The purpose of these interviews was to understand how the needs and motivations of these varying organizations relate to upper story redevelopment. In particular, the IPRE team had the following goals for each type of organization:

Advocacy Organizations:

1. Understand the needs and difficulties of marginalized communities related to housing and how this connects to the context of upper story redevelopment
2. Understand the organization's vision of downtown based on the interests of the communities they serve
3. Gather ideas about how to promote equity for marginalized communities through policies related to upper story redevelopment

State Departments:

1. Understand the department's motivations/goals in supporting upper story redevelopment in their area of influence, particularly related to regulations impacting upper story redevelopment that the department might oversee
2. Assess resources available in the department for supporting upper floor redevelopment
3. Gather ideas about how supporting upper story redevelopment might relate to and promote State Diversity, Equity, and Inclusion priorities

IPRE team members drafted a specific set of questions for each organization/department according to these goals and background research on the organization/department. This appendix provides a summary of each organization/department and some key insights from our interviews.

Micro Enterprise Services of Oregon (MESO)

Interviewee: Cobi Lewis, Executive Director Micro Enterprise Services of Oregon (MESO).
Interviewer: Thea Chroman, Student Consultant, IPRE
Thursday, 2/10/22 • Zoom meeting

About MESO

MESO connects small businesses with a range of services and programs, including access to capital, classes, mentoring, market research, and technical assistance.

Key Takeaways

- She has seen upper floor development be successful in urban areas, but it usually does not remain affordable.
- Cities must be very clear about what they hope to accomplish. There are different models they can apply, but they need to know where they are trying to go. In order to maintain affordability, it must remain a central focus of the project.
- People hoping to develop affordable housing or other resources for marginalized communities in small towns or rural place must be strategic about how they present their goals, using terms like "workforce housing," for example, rather than affordable or low-income housing.
- The approach cannot be one-size-fits-all. Each town will need a different approach and a different model.
- Tax credits can be helpful, but they "open up a whole can of worms," and don't necessarily result in much affordable housing.
- A holistic approach to the neighborhood may be the best way to bring property-owners along. A full main street project, where the entire district receives funding or incentives for an upper floor project, may be effective.
- A non-profit that partners with property owners to develop uppers stories is a model that might work. But it would have to be one that is local or primarily works in rural areas, not be Portland-based.
- There is also the potential to develop upper stories for businesses. There is a need for smaller spaces that aren't necessarily storefronts. And there are models for community wealth building that could potentially be applied to historic buildings.
- It is more difficult to put those kinds of models (REITS and CITS) into place for housing due to condo rules, but there may be possibilities there as well.
- There is more funding available for innovative models.

Cornerstone Community Housing (CCH)

Interviewee: Matt Salazar, Asset and Project Manager, Cornerstone Community Housing (CCH).
Interviewer: Jordan Totty, Student Consultant, IPRE
Monday, 2/7/22 • Zoom meeting

About CCH

Cornerstone Community Housing is a non-profit organization dedicated to building quality affordable housing. Their approach integrates services and common spaces to promote opportunity, personal growth, economic independence and community building thorough vibrant communities.

Key Takeaways

- Funding that Cornerstone uses is more suitable for larger scale projects – CDBG or HOME funds would be more appropriate for smaller scales like upper story redevelopment

    - HOME funds might be the better option as it has a bit more flexibility and is tied to local jurisdictions
- There is overall demand for housing that is close to service and transit, so downtowns are ideal because there is usually a concentration of services within an accessible area
- The best way to ensure quality housing is through funding requirements: when using government funding sources there are usually standards and requirements that owners must follow to keep their eligibility
- Since funding is essential to ensuring high-quality affordable housing, this project should review the terms and condition of any funding sources that might be used for upper story development
- Focus on ways to include those who might be feeling excluded in downtowns and thinking of ways to make them feel included and engaged
- Explore opportunities for more than just rental housing – identifying a path to homeownership that is affordable is critical to building generational wealth

Oregon Heritage

Interviewee: Joy Sears, Restoration Specialist, Oregon Heritage (OH).
Interviewer: Tram Anh Hoang, Student Consultant, IPRE
Wednesday, 2/16/22 • Zoom meeting

About OH

Joy Sears' work focuses on providing technical advice and support to building owners and managers who participate in federal and state grants and tax incentives programs administered by Oregon Heritage.

Key Takeaways

- Upper story utilization helps support historic preservation.
- Downtown housing was the norm until code regulations changed in the 1950s. There is now a desire to bring people back to live downtown. For downtown to be inclusive, it needs to provide a wide variety of housing options, from affordable workforce housing to luxury apartments.
- Catalyst projects that are highly visible and bring significant benefit to the whole community can accelerate interests in downtown renovation.
- Grants can make projects happen, though a project rarely succeeds with just one source of funding. Communities need to target a combination of grants for different parts of their projects.
- Tax incentive programs, especially the Federal Historic Tax Credit, are more beneficial for long-term owners.
- The state should put more emphasis on technical support in terms of human resources to provide financial advising and facilitate conversations between city governments and property owners.

Oregon Department of Land Conservation and Development (DLCD)

Interviewee: Evan Manvel, Land Use and Transportation Planner, Department of Land Conservation and Development (DLCD).
Interviewer: Ashley Balsom, Student Consultant, IPRE
Monday, 2/14/22 • Zoom meeting

About DLCD

The Department of Land Conservation and Development is a state agency that works to address the land use needs of the public, communities, regions, and the state. Evan Manvel, the Land Use and Transportation Planner, works with the Transportation Growth Management Program (a partnership between DLCD and Oregon Department of Transportation) to do educational outreach with communities around Oregon.

Key Takeaways

- When designating climate-friendly areas within communities, DLCD has the goal of making development easier in key areas (like downtowns)
- DLCD provides some standalone resources and some community/project-specific resources, including:
    - Publications on parking reform, small cities model code
        - Kept in a database on the Transportation & Growth Management: Education & Outreach webpage
    - Bring in speakers, sponsor conferences (e.g. Upstairs Downtown)
    - Planning grants
    - Hiring consultants
- DLCD has focused on anti-gentrification work, which includes the development of a toolkit that helps communities identify areas at risk and offers a menu of policy responses depending on where communities fall on the risk spectrum

Building Codes Division (BCD) within Oregon Department of Consumer & Business Services

Interviewee: Richard Rogers, Chief Building Official, Building Codes Division (BCD).
Interviewer: Ashley Balsom, Student Consultant, IPRE
Wednesday, 2/16/22 • Zoom meeting

About BCD

The mission of the Building Codes Division, housed within the Oregon Department of Consumer and Business Services, is “to work with Oregonians to ensure safe building construction while

promoting a positive business climate within the state"[53]. Richard Rogers, the Chief Building Official with the policy technical services division, works on both the technical and legal sides of building code enforcement and interpretation.

Key Takeaways

- Oregon is unique in that they have a statewide building code and building codes division that oversees all local programs
- There is opportunity for code interpretation, but there should not be conflicts between code requirements
    - ADA allowances in historic buildings
        - I.e., if sprinklers are not feasible, there are workarounds (more fire exits, non-combustible materials, etc.)
- Code requirements do not go backwards (if a residence was within code when constructed, it remains in compliance as long as use remains the same)
    - S447.241: Developers are required to commit 25% of project costs to remove architectural barriers.
- BCD encourages developers to work with local jurisdictions to interpret codes; the state does not usually step into local issues
    - BCD does conflict mediation when needed
- Codes are consistent across the state (Portland has some extra seismic rehab requirements)
    - BCD goal is to find a path to approve developments

[53] Building Codes Division, https://www.oregon.gov/bcd/Pages/about-us.aspx. Accessed 18 May 2022.

APPENDIX D – PRO FORMA & CAPITALIZATION RATE

The IPRE team developed a simple pro forma template as a resource for property owners and City or Main Street representatives who would like to assist property owners. This is accessible as a spreadsheet via Oregon Heritage and the Oregon Main Street Program.

Figure 6. Pro Forma Contents

COSTS		
Purchase price	$	400,000
Construction costs		
Elevator	$	150,000
Elevator installation fee	$	15,000
Electrical updates		
Utilities	$	5,000
Engineering		
Framing	$	80,000
Finish work	$	40,000
Seismic upgrade		
Fire Suppression		
Insurance during construction		
etc.		
Total construction costs	$	290,000
Permitting costs	$	25,000
Consulting/ Architectural fees	$	100,000
Total rehab costs	$	415,000

INVESTMENTS		
Amount needed to finance property purchase	$	400,000
Grants acquired	$	300,000
Loans acquired	$	100,000
Owner's upfront cash		
Total acquired	$	400,000
Total still needed:	$	-
Amount needed to finance rehab	$	415,000
Grants acquired	$	50,000
Loans acquired	$	100,000
Owner's upfront cash	$	250,000
Total acquired	$	400,000
Total still needed:	$	15,000

Pro Forma Calculations

	Notes	Pre-Project	Year 1	Year 2	Year 3
INCOME					
Initial Investments		$ 800,000			
Rental income	First year (Year 1) maybe lower; $20/SF/year, starting Year 2		$ 100,000	$ 200,000	$ 200,000
Minus: loss rents due to vacancy	10% vacancy rate first year of service, full after		$ (10,000)	$ (20,000)	$ -
Total income			**$ 90,000**	**$ 180,000**	**$ 200,000**
EXPENSES					
Initial Costs		$ 815,000			
Yearly operational expenses					
Maintenance costs			$ 15,000	$ 15,000	$ 15,000
Operational expenses			$ 15,000	$ 15,000	$ 15,000
Insurance			$ 10,000	$ 10,000	$ 10,000
Principal and interest payment if financed by loans			$ 20,000	$ 20,000	$ 20,000
Utilities			$ 20,000	$ 20,000	$ 20,000
Taxes			$ 18,000	$ 18,000	$ 18,000
Minus: tax incentives			$ 5,000	$ 5,000	$ 5,000
Total costs			**$ 93,000**	**$ 93,000**	**$ 93,000**
NET INCOME					
		$ (15,000)	$ (3,000)	$ 87,000	$ 107,000

During our conversations with property owners, one property owner also shared her Capitalization Rate worksheet. We provide this for other property owners and City of Main Street representatives who would like to assist property owners.

Example of Cap Rate Calculation

(These numbers are realistic, but fictitious).

Let's pretend you have purchased a historic building and are looking at renovating and repairing it. How do you know how much you can spend and still retain that value in the building? At what point are you spending more than the building is worth? One way to determine this is to do a Capitalization Rate (cap rate) calculation.

Cap rate is the percentage of the dollars you put in that you receive back in profit each year. Usually you would like to receive an 8% return on the money you put into the project, otherwise you are probably better off doing something else with your money. In real estate, you may even consider a cap rate as low as 6%.

So how do we calculate this?

Step One: Find the building's future yearly profit

First, what profit could your building generate? Let's imagine your building is all fixed up with a nice retail space downstairs and 2 apartments upstairs. What revenue would your building generate in a year?

> 2 Nice 1-bed Apartments: about $1250/month each Nice Retail space: about $2500/month
> Total revenue for the year would equal: $60,000.

Now we need to subtract your expenses to find how much profit your renovated building could make. What expenses would you have?

> Taxes: $4000/year
> Property Management (10% of revenue): $6,000/year
>
> Routine Maintenance/Repairs: $4000/year Insurance: $1600/year
>
> Revenue minus Expenses equals Profit:
> $60,000 (revenue for the year) – $4000 - $6,000 - $4000 - $1600 (expenses) = $44,400 (this is what your building, after you fix it up, could generate each year).

Step Two: Use capitalization rate to find the building's worth

So, if this building could generate $44,400 each year, how much would the building be worth?

> Let's say you want a capitalization rate of 8%.
> Then, 8% of the value of the building needs to equal $44,400 (your profit). 0.08 x Building Value = $44,400
> So Building Value = $44,400 ÷ 0.08 = $555,000 (building value).

What if a cap rate of only 6% were enough for you? (probably the lowest number you'd want to use)

0.06 x Building Value = $44,400
Building Value = $44,400 ÷ 0.06 = $740,000 (max building value).

Step Three: Calculate how much money you can spend on renovating your building

When planning your renovations, you want to make sure you are not just spending money you will never see again (unless you are in the financial position that you just want a very expensive hobby).

Using an 8% return, after renovations, your building is worth $555,000. Let's say you paid $350,000 for your building.
$555,000 - $350,000 = $205,000 you could spend on renovations.

But let's say you don't care about making much money and are ok with only a 6% cap rate:
That means, the total you could spend on your building would be up to: $740,000 (it's max value). $740,000 - $350,000 (that you already paid) = $390,000 for renovations and any loan interest.

Step Four: Using these numbers to make decisions

Next you hire architects and have plans made that will be in accordance with the city's requirements, the requirements of the historic landmarks commission, and your own needs. Then you gather cost estimates for the work. Lastly, you need to decide if you should move forward with the project.

-If your proposed renovation (plus any loan interest) will cost you under $205,000 (from 8% cap rate), go ahead with the project.

-If your proposed renovation (plus any loan interest) will cost you between $205,000 and $390,000 (giving you between a 6% and 8% cap rate), you may want to re-evaluate the renovation plan to see if there is a way to cut costs.

-If your proposed renovation (plus any loan interest) will cost you more than $390,000 (less than 6% cap rate), it would not be worth it to do the renovations. Renovating is cost prohibitive.

APPENDIX E – POTENTIAL FUNDING SOURCES (AS OF JULY 2026)

The IPRE team assembled a list of funding resources that can potentially be used to support upper story redevelopment. Many of these funding sources also support housing or downtown development more generally. Oregon Heritage and Oregon Main Street will maintain a more comprehensive spreadsheet, available at request.

Note: Funding programs, award amounts, eligibility requirements, and application cycles are subject to change. Readers should consult the administering agency for the most current program information before applying.

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Oregon Main Street Revitalization Grant	https://www.oregon.gov/oprd/oh/pages/grants.aspx	Oregon Heritage	State	Support downtown revitalization	Historic preservation	Grant	Y	Organizations in the Oregon Main Street network	- Communities participating in the Oregon Main Street Network - All project work consistent with the Secretary of the Interior's Standards for Rehabilitation of Historic Properties. If the building is not historic, the Standards for compatible additions within a historic district.	Rehabilitation/Restoration of properties, including but not limited to: - Façade improvements (front, rear, side) - Upper floor interior rehab - Structural repairs/improvements - Code compliance - First floor interior rehab - Energy efficiency (window repair, insulation, awnings, etc.) - Single specific phase of a large rehab.	Biennial; If funded, next cycle, would open January 2029	Up to $400,000	30%
Oregon Heritage Grant	Oregon Parks and Recreation : Grants : Oregon Heritage : State of Oregon	Oregon Heritage	State	Preserve, develop, or interpret Oregon's cultural heritage	Historic preservation	Grant	Y	Non-profits, tribal government, university/college, local government		*Example: - Facade improvement - Residential unit - Sprinkler	Biennial	$3,000-$20,000	50%
Diamonds in the Rough	Oregon Parks and Recreation : Grants : Oregon Heritage : State of Oregon	Oregon Heritage, funded in part by Oregon Cultural Trust	State	Restore the facades of buildings that have been heavily altered to return them to their historic appearance and potentially qualify them for historic register designation	Historic preservation	Grant	Y	Nonprofits, local governments, private property owners	- Project follows the Secretary of the Interior's Standards for Rehabilitation of Historic Properties	Façade restoration only		up to $20,000	50%

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Preserving Oregon	Oregon Parks and Recreation : Grants : Oregon Heritage : State of Oregon	Oregon Heritage	State	Preserve historic resourses listed in the National Register of Historic Places	Historic preservation	Grant	Y	N/A	- Property is listed in the National Register of Historic Places - Project follows the Secretary of the Interior's Standards for Rehabilitation of Historic Properties	Rehabilitation work on properties listed in the National Register of Historic Places	Annual	up to $20,000	50%
Urban Renewal program	https://www.orcities.org/application/files/6416/8721/7421/FAQ-UrbanRenewal-updated5-23.pdf		Local	create a tax structure to fund improvements of a specific area			Y	City		Cities may use urban renewal funds to support rehabilitation effort, either on project-by-project basis or by creating specific programs such as an elevator grant			
Certified Local Government Program	https://www.oregon.gov/oprd/OH/Pages/CLG.aspx	Oregon Heritage	Federal	Promote historic preservation at the local level	Historic preservation	Grant	Y	Certified Local Governments	- City is "Certified Local Government" - Project follows the Secretary of the Interior's Standards for Rehabilitation of Historic Properties	"Brick-and-mortar" rehabilitation work on National Register buildings	Annual	up to $5,000-$20,000	50% No match required for cities with population <5,000 and counties <10,000
504 loans	https://www.sba.gov/funding-programs/loans/504-loans	US Small Business Administration	Federal	provides long-term, fixed rate financing for major fixed assets that promote business growth and job creation	Business	Loan	Y	for-profit company in the United States or its possessions	- Have a tangible net worth of less than $15 million - Have an average net income of less than $5 million after federal income taxes for the two years preceding your application	purchase or construction of: Existing buildings or land New facilities Long-term machinery and equipment Or the improvement or modernization of: Land, streets, utilities, parking lots and landscaping Existing facilities		up to $5 million	

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
USDA Community Facilities Direct Loan & Grant Program	https://www.rd.usda.gov/programs-services/community-facilities/community-facilities-direct-loan-grant-program	USDA	Federal	develop essential community facilities in rural areas	Community space	Grant, Loans	Y	- Public bodies - Community-based non-profit corporations - Federally-recognized Tribes	- Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest U.S. Census Data	- Purchase, construct, and/or improve essential community facilities, purchase equipment and pay related project expenses of essential community facilities. - Examples: Health care facilities Public facilities (town halls, courthouses, airport hangars or street improvements) Community support services (child care centers, community centers, fairgrounds or transitional housing) Public safety services (fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment) Educational services (museums, libraries or private schools) Utility services (telemedicine or distance learning equipment) Local food systems (community gardens, food pantries, community kitchens, food banks, food hubs or greenhouses)			
USDA Community Facilities Loan Guarantee	https://www.rd.usda.gov/programs-services/community-facilities/community-facilities-guaranteed-loan-program	USDA	Federal	develop essential community facilities in rural areas	Community space	Loan guarantee	Y	- Public bodies - Community-based non-profit corporations - Federally-recognized Tribes	- Rural areas including cities, villages, townships and towns including Federally Recognized Tribal Lands with no more than 20,000 residents according to the latest U.S. Census Data	guarantee for commercial loans			

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Community Facilities Relending Program	https://www.rd.usda.gov/programs-services/community-facilities/community-facilities-relending-program	USDA	Federal	provide loans for essential community infrastructure in rural areas	Community space	Loan	Y	- Institutional lenders (as re-lender) - public bodies, non-profits, federally recognized Tribes as borrowers	- Relenders may be located anywhere in the United States. - The applicant's facility must be located in rural areas such as cities, villages, townships, and towns, including those on Federally recognized Tribal Lands, with no more than 20,000 residents.	purchase, construct, and/or improve essential community facilities, purchase equipment, and pay related project expenses. Examples: - Health care facilities - Public facilities - Street improvements - Community support services such as childcare centers, community centers, fairgrounds, or transitional housing - Public safety services			
Economic Impact Initiative Grants	https://www.rd.usda.gov/programs-services/community-facilities/economic-impact-initiative-grants	USDA	Federal	assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression	Community space	Grant	Y	Public bodies Non-profits Federally recognized Tribes	- Rural areas including; cities, villages, townships, towns and federally recognized Tribal Lands, with no more than 20,000 residents that have a "Not Employed Rate" greater than 19.5% - The median household income of a community being served must be below 90% of the state non-metropolitan median household income	construct, enlarge or improve essential community facilities, purchase equipment, and pay related project expenses. Examples: - Health care facilities - Public facilities - Street improvements - Community support services such as child care centers, community centers, fairgrounds, or transitional housing - Public safety services		up to 75% project cost	25%
Community Development Block Grant	https://www.oregon.gov/biz/programs/CDBG/Pages/default.aspx	Business Oregon	State	develop livable urban communities for persons of low and moderate incomes	Community space, Housing	Grant	Y	Non-metropolitan cities and counties in rural Oregon	- Public facilities that benefit communities and low to moderate income individuals and families OR - Manage a housing rehabilitation Grant fund/ Revolving Loan fund subgrant program	**Public facilities:** - Property acquisition - Construction, rehabilitation, reconstruction, or installation of improvements. - Purchase and installation of equipment that is a fixed and integral structure to the building. - Architectural and Engineering services. **Housing rehabilitation grant fund/ revolving loan fund:** to rehab low- and moderate-income owner-occupied, single-family housing	Semi-annual	**Public facilities:** up to $1,500,000 **Housing rehabilitation grant fund/ revolving loan fund:** up to $500,000	none

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Community Facilities Technical Assistance and Training Grant	https://www.rd.usda.gov/programs-services/community-facilities/rural-community-development-initiative-grants	USDA	Federal	provide associations Technical Assistance and/or training with respect to essential community facilities programs.	Community space	Grant	N	Public bodies non-profit organizations Qualified Private (for-profit) Organizations	Rural and rural area--Any area other than (i) a city or town that has a population of greater than 50,000 inhabitants; and (ii) the urbanized area contiguous and adjacent to such city or town.	- Assist communities in identifying and planning for community facility needs; - Identify resources to finance community facility needs from public and private sources; - Prepare reports and surveys necessary to request financial assistance to develop community facilities; - Prepare applications for Agency financial assistance;		up to $150,000	none
HOME Investment Partnership Program (HOME) - Oregon	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	Create affordable housing for low-income households	Housing	Grant	Y	Communities whose populations do not meet population requirements to have their own direct allocation of HOME funding from HUD.	- Provide housing for low-income households	Acquisition, new construction and rehabilitation of affordable rental housing, and tenant-based rental assistance		Awards vary by funding and project type/number of bedrooms in home	none
General Housing Account Program (GHAP)	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	Supply housing for low and very low-income families and individuals, Veterans, and applicable to Tribal lands	Housing	Grant, Loan, Contract	Y	for-profit businesses, local government entities, housing authorities, nonprofit agencies, nonprofit corporations, and private individuals or corporations	- Provide housing for low-income households - The percentage of GHAP funds over total project cost cannot exceed the percentage of low and very low-income units over the total number of units.	- Construct new housing, to acquire and/or rehabilitate existing structures of low and very low-income housing units. - Engineering or feasibility studies, appraisals, architectural plans, site acquisition, or other necessary professional services. - Operate housing for low and very low income households.			

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
The Housing Development Grant Program ("Trust Fund")	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	Supply housing for low and very low-income families and individuals	Housing	Grant, Loan, Contract	Y	for-profit businesses, local government entities, housing authorities, nonprofit agencies, nonprofit corporations, and private individuals or corporations	- Provide housing for low-income households - The percentage of GHAP funds over total project cost cannot exceed the percentage of low and very low-income units over the total number of units.	- Construct new housing, to acquire and/or rehabilitate existing structures of low and very low-income housing units. - Engineering or feasibility studies, appraisals, architectural plans, site acquisition, or other necessary professional services.		up to $500,000	
Multifamily Energy Program (OR-MEP)	https://oregonmultifamilyenergy.com/	Oregon Housing and Community Services	State	increase the efficiency of heating and other uses of energy in multifamily housing	Energy efficiency, Housing	cash incentive	Y	nonprofit organizations, for-profit businesses, and local government entities, private individuals	- At least 5 residential units per building - Residents in at least 50% of units are at or below 80% area median income (AMI) and units must remain affordable for at least 10 years - Only residential areas of a mixed-use projects may qualify - Receive electricity from Pacific Power or Portland General Electric - Be heated by a hard-wired electrical heating system	- Insulation - Windows - Appliances - Light fixtures - Other energy-reducing activities		pre-determined cash incentive, amount varying based on types of energy reduction activities and scale of project Up to $200,000 per project	none
Paul Bruhn Historic Revitalization Grant	Paul Bruhn Historic Revitalization Grants Program - Historic Preservation Fund (U.S. National Park Service) (nps.gov)	National Park Service	federal	Provide funding for state and local subgrant programs to support rehabilitation of rural historic properties and foster economic development of rural communities	Historic preservation	Grant	Y	- Only State Historic Preservation Office, Tribal Historic Preservation Office, Certified Local Governments, and nonprofits may apply	- Must develop a subgrant program and administer it - Properties listed in or determined eligible for listing in the National Register of Historic Places, AND properties located in areas defined as "rural" by the US Bureau of the Census (less than 50,000), and properties within the grantee's jurisdiction	- Architectural/engineering services (not to exceed 20% of the subgrant) - Physical preservation projects	Annual	$200,000 to $750,000 awarded as a lump sum to a subgrant program (amount of subgrants determined by grantees)	NI

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Agriculture Workforce Housing Tax Credit	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	supply housing for agricultural workforce	Housing	tax credit	Y	anyone	- maintain the housing as exclusively for agricultural workers for ten (10) years - Not all units have to be agricultural workforce housing	- Eligible: acquisition costs, finance costs, construction costs, excavation costs, installation costs and permit costs - Not eligible: purchasing land, routine maintenance, reserves		$16.75M per biennium, with an on-farm set-aside of $1.675M per year.	
Low Income Housing Tax Credit (LIHTC)	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	supply low-income housing	Housing	tax credit	Y	for-profit and nonprofit sponsors	- Project must set-aside a minimum of 20 percent of the units as rent restricted and available to tenants whose incomes do not exceed 50 percent of the area median income, or - a minimum of 40 percent of the units as rent restricted and available to tenants whose incomes do not exceed 60 percent of the area gross median income	construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing.		30-70% of the low-income units' qualified costs (equivalent to 4% - 9% tax credit over the 10 year credit period)	
Save America's Treasures Grants	Save America's Treasures Grants - Historic Preservation Fund (U.S. National Park Service) (nps.gov)	National Park Service	federal	Preserve nationally significant historic properties	Historic preservation	Grant	Y	Nonprofits, state government, local governments, tribal governments, educational institutions	- Properties listed (individually or contributing to a district) in the National register of Historic Places for national significance OR designated a National Historic Landmark.	preservation projects	Annual	Award amounts vary by funding cycle (historically approximately $125,000 - $500,000	NI

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Local Innovation and Fast Track (LIFT) Rental Housing Program	https://www.oregon.gov/ohcs/development/Pages/bond-financing-loans.aspx	Oregon Housing and Community Services	State	expand the state's supply of affordable housing	Housing	zero-interest loan, subsidy	Y	housing developers	- Housing created must serve families earning at or below 60% County Area Median Income (AMI) for rental housing, or families earning at or below 80% County AMI for homeownership - Minimum 20-year affordability period, 30 year if used with 4% LIHTC - 30-year building standards - Units must be ready for initial lease-up or sale within 36 months	new construction or conversion of existing non-residential structures to affordable housing		0% interest for the affordability period, repay in full after the loan term OR extend affordability period by 20 or 30 years	
Affordable Housing Land Acquisition Revolving Loan Program (LAP)	https://www.oregon.gov/ohcs/development/Pages/bond-financing-loans.aspx	Oregon Housing and Community Services	State	assist eligible organizations in Oregon to purchase land suited for affordable housing development	Housing	Loan	N	organizations	- Remain affordable for a minimum of 30 years	purchase land or sites to use towards affordable housing			
Loan Guarantee Program	https://www.oregon.gov/ohcs/development/Pages/bond-financing-loans.aspx	Oregon Housing and Community Services	State	provide guarantees to lenders to assist in the financing of affordable housing projects	Housing	Loan guarantee	Y	Institutional lenders	- Application fee $500, annual charge is 1% of the guaranteed amount	new housing construction or for the acquisition and/or rehabilitation of existing housing for low- and very low-income families.		up to 25% the principal amount of a loan	
Oregon Rural Rehabilitation Loan Program	https://www.oregon.gov/ohcs/development/Pages/bond-financing-loans.aspx	Oregon Housing and Community Services	State	defray costs associated with developing farmworker housing	Housing	Low-interest loan	Y	organizational developers	- Application fee $250	building, maintenance and rehabilitation of farmworker housing		maximum loan request may not exceed $100,000 or 35% of the total project costs for the maximum of 10 years, fixed interest rate <=3%	

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Pass-through Revenue Bond Financing (Conduit) Program	https://www.oregon.gov/ohcs/development/Pages/bond-financing-loans.aspx	Oregon Housing and Community Services	State	finance multi-unit affordable housing for lower-income Oregonians	Housing	Loan	Y			construct, rehabilitate and acquire housing developments			
African American Civil Rights	https://www.nps.gov/subjects/historicpreservationfund/african-american-civil-rights.htm	National Park Service	federal	Preserves sites and stories related to the African American struggle to gain equal rights as citizens	Historic preservation	Grant	Y	state government, local governments, tribal governments, non-profits	Property must be: - Listed in the NRHP or designated a NHL, and listed for its association with civil rights, OR - Unlisted but determined eligible by the cognizant state/tribal historic preservation office for listing in the NRHP or designation as a NHL for its association with civil rights	- architectural services - historic structure reports - preservation plans - physical building repair (Architectural/engineering services not to exceed 20%)		$75,000 - $750,000 $15,000 - $75,000 for architectural or engineering service only projects	none
History of Equal Rights	https://www.nps.gov/subjects/historicpreservationfund/history-of-equal-rights-application-information.htm	National Park Service	federal	Preserves sites related to the struggle for any or all people to achieve equal rights	Historic preservation	Grant	Y	state government, local governments, tribal governments, non-profits	Property must be: - Listed in the NRHP or designated a NHL, and listed for its association with equal rights, OR - Unlisted but determined eligible by the cognizant state/tribal historic preservation office for listing in the NRHP or designation as a NHL for its association with equal rights	- architectural services - historic structure reports - preservation plans - physical building repair (Architectural/engineering services not to exceed 20%)		$75,000 - $750,000 $15,000 - $50,000 for architectural or engineering service only projects	none
Underrepresented Community Grants	https://www.nps.gov/subjects/historicpreservationfund/urc-grant-info.htm	National Park Service	federal	diversify the nominations to the National Register of Historic Places	Historic preservation	Grant	N	- Only State/Tribal Historic Preservation Offices, Federally Recognized Indian Tribes, Alaska Native/Native Hawaiian Corp/Orgs, and Certified Local Governments may apply	- All funded projects must result in: the submission of a new nomination to the National Register of Historic Places or National Historic Landmark program, OR an amendment to an existing National Register or National Historic Landmark nomination to include underrepresented communities	Survey, inventory, and designation of historic properties associated with underrepresented communities			none

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
HOME Investment Partnership Program (HOME)	HOME Overview - HUD Exchange		federal	Create affordable housing for low-income households	Housing	Grant	Y	State and local jurisdictions receive funds automatically based on formula	- Provide housing for low-income households	building, buying, and/or rehabilitating affordable housing for rent or homeownership		at least $500,000 (at least $335,000 in years of limited budget)	none
National Housing Trust Fund	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	supply affordable housing, primarily rental housing, for extremely low-income and very low-income households	Housing	grant	Y	HTF assisted Projects may be privately or publicly owned and contain any number of units, and any combination of unit sizes and styles	- Must be permanent rental housing	- Real property acquisition - Site improvements and development hard costs - Related soft costs - Demolition			
Oregon Affordable Housing Tax Credit (OAHTC)	https://www.oregon.gov/ohcs/development/Pages/grants-tax-credit-programs.aspx	Oregon Housing and Community Services	State	supply low-income housing	Housing	tax credit, low-interest loan	Y	for-profit or nonprofit corporations, state, or local government entities	- Applications must show a 20-year term that they will pass on the tax credit benefit to reduce tenants rent, except for manufactured parks and preservation projects	existing and new construction		Income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent.	
Oregon Cultural Trust - Cultural Development Grant	https://culturaltrust.org/grants/what-we-fund/	Oregon Cultural Trust	Statewide Non-profit	advance, preserve or stabilize cultural resources	Community space	Grant	Y	Applicants must have current registration on the Cultural Trust's website as an eligible cultural non-profit		Funded Preservation projects can include historic restoration/ renovation,	Annual	$5,000 - $40,000	50%

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Cultural Resources Economic Fund	oregonculture.org	Cultural Advocacy Coalition of Oregon	Statewide non-profit	create vibrant public spaces that integrate arts and culture with natural amenities; sustain Oregon's rich arts and cultural experiences; and enhance a strong sense of place and community identity	Community space	Grant	Maybe	Preference given to Oregon-based 501(c)3 cultural nonprofits who are members with the Cultural Advocacy Coalition of Oregon	- Capital construction projects of $100,000 or more - Aim at increasing access to arts, heritage or humanities				50%
County Cultural Coalition grant	-	County Cultural Coalition	County non-profit	create vibrant public spaces that integrate arts and culture with natural amenities; sustain Oregon's rich arts and cultural experiences; and enhance a strong sense of place and community identity	Community space	Grant	Maybe	501(c)3, 501(c)4, 501(c)6 non-profits, a unit of local government, or an unincorporated group or individual whose application is sponsored by a tax-exempt organization or unit of local government	- Available in counties that have a cultural coalition being a member of the Cultural Advocacy Coalition of Oregon				
HOPE VI Main Street grant from HUD	https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy20_mainstreet#:~:text=The%20HOPE%20VI%20Main%20Street,buildings%20with%20affordable%20housing%20units.	HUD	Federal	replacing unused, obsolete, commercial space in buildings with affordable housing units	Housing	Grant	Y	Local government		replacing unused, obsolete, commercial space in buildings with affordable housing units		up to $500,000	

Source of financial support	Link to source	Administer	Level of Government	Purpose	Funds tied to	Type of support	Directly tied to building renovation (Y/N)	Who may apply	Eligibility/ Requirements	Possible uses	Frequency	Normal support amount	Matching requirement (% of total project cost)
Heat Pump Incentive Program (Heat Pump Purchase Program**,** Oregon Rental Home Heat Pump Program**, and** Community Heat Pump Deployment Program)	https://www.oregon.gov/energy/Incentives/Pages/heat-pumps.aspx	Oregon Department of Energy	State	support installation of heat pumps	Energy efficiency	Rebate	Y	heat pump contractor (passing full rebates to reduce costs to landlords)	- Rental housing with heat pumps	installation of heat pumps by landlords, could increase rental rates		up to 60% of heat pump installation cost	40%
Oregon Solar + Storage Rebate Program	https://www.oregon.gov/energy/Incentives/Pages/OSSRP-For-Homeowners.aspx	Oregon Department of Energy	State	support solar energy installation	Energy efficiency	Rebate	Y	solar energy contractor (passing full rebates to reduce costs to homeowners)	- Install solar panels, storage, or both	- Install solar panels, storage, or both (which help lower electricity bills long-term)		$0.20-$1.80 per watt, up to 40%-60% net cost and up to $5,000 (depending on income level)	40-60%
Category 2 Transportation & Growth Management Planning Grant	Department of Land Conservation and Development : TGM Planning Grants : Transportation and Growth Management Program : State of Oregon	Transportation and Growth Management grant program	State	help local jurisdictions plan for streets and land to lead to more livable, sustainable, and economically vital communities.	Planning	Grants	N	Local government		Develop downtown plan, economic development plan			

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Federal Historic Preservation Tax Incentives Program	Oregon Parks and Recreation : Tax Incentives : Oregon Heritage : State of Oregon	IRS	Federal	Property owners receive 20% Investment Tax Credit (ITC) on the cost of rehabilitating properties	Historic preservation	tax credit	Y	Tax-paying entity	- Property listed in the National Register of Historic Places - Available for income-producing properties only, remain this way for at least 5 years - Not available for the rehabilitation of a private, owner-occupied residence. - Rehabilitation expenditures must be “substantial" - All work must meet the Secretary of the Interior's Standards for Rehabilitation - Tax credit recaptured if owner sells the building within the first five years.	Any work on the interior or exterior of the building that are structurally attached to the building qualifies for the tax credit. - Examples: walls, partitions, floors, ceilings, permanent coverings such as paneling or tiling, windows and doors, components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures, chimneys, stairs, escalators, elevators, sprinkling systems, fire escapes, and other components related to the operation or maintenance of the building.		20% cost of rehabilitation cost -> tax credit, used within 5 years after property is placed in service	none
Special Assessment of Historic Properties program	Oregon Parks and Recreation : Tax Incentives : Oregon Heritage : State of Oregon	Oregon Heritage	State	provide a tax break to encourage rehabilitation of historic properties	Historic preservation	Tax exemption	Y	Tax-paying entity	- Property listed in the National Register of Historic Places before or within 2 years of enrollment - a preservation plan - Minimum spending: 10% property's real market value by the 5th year - Follow Secretary of Interior Standards for Rehabilitation	- Qualifying 1st Term (first 5 years) Projects: exterior projects, roof to foundation, especially those visible to the public or to correct any structural issues. Also, improvements to existing utilities such as electrical, plumbing and HVAC and any 2nd Term qualifying projects. - Qualifying 2nd Term Projects: seismic improvements, ADA accessibility as required by law, energy conservation/sustainability. - Non-Qualifying 1st or 2nd Term Projects Attic and basement finishing, kitchen and bathroom remodeling, refinishing floors or interior woodwork, plaster wall repair, new appliances and fireplace work	Annual, Nov 1st - Mar 31st	Property value assessed for tax purpose will not include the value added by rehabilitation for 10 years	none

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Vertical Housing Tax Credit	ORS 307.864 - Partial property tax exemption (public.law)		State	provide property tax exemption for vertical residential housing projects	Housing	Tax exemption	Y	- Local government (designate a vertical housing zone) - Tax-paying property owners	- realized from the year the property is occupied or ready to be occupied for the total of 10 years	- residential homes		20-80% value of property and land (depending on the number of floors designated to residential housing) shall be exempted for 10 years	
Opportunity Zone Fund	https://www.oregon.gov/biz/programs/Opportunity_Zones/Pages/default.aspx	N/A	Local	encourage long-term investments through a federal tax incentive		Tax defer	Y	- Property owners	- Property locates within one of 86 opportunity zones in Oregon	- Channel capital gains from the sale of assets to invest in other projects in an opportunity zone			
Multifamily Housing Direct Loans	https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-repair-loans-grants	USDA	Federal	support the development or preservation of affordable rural rental housing for low-income, elderly, or disabled people.	Housing	Loan	Y	Nonprofit and for-profits Individuals, partnerships, and trusts Consumer cooperatives and partnerships Federally recognized Tribes	- Tenant Requirements: Very-low to moderate-income families or individuals - multi-family projects in rural area	all construction hard costs and land-related costs, including land acquisition and development.			

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Multifamily Housing Loan Guarantee	https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-repair-loans-grants	USDA	Federal	support the development or preservation of affordable rural rental housing for low-income, elderly, or disabled people.	Housing	Loan	Y	Nonprofit and for-profits Individuals, partnerships, and trusts Consumer cooperatives and partnerships Federally-recognized Tribes	- multi-family projects in rural area - Tenant Requirements: • Tenant income cannot exceed 115 percent of the area median income adjusted for family size. • Rent for individual units is capped	all construction hard costs and land-related costs, including land acquisition and development.		up to 90% loan guarantee	3% equity (non-profit), 10% equity (for-profit)
Multifamily Housing Preservation & Revitalization Demonstration (MPR)	https://www.rd.usda.gov/programs-services/multifamily-housing-programs/multifamily-preservation-and-revitalization-mpr	USDA	Federal	preserves and revitalizes the physical and financial health of existing Multifamily Housing Direct and Farm Labor Housing properties	Housing	Grant, low and zero-interest loan, debt deferral	Y	existing Multifamily Housing Direct and Farm Labor Housing properties only	Borrowers must continue to provide affordable rental housing for 20 years, or the remaining term of any USDA loan, whichever is later	affordable rental housing			
Nonprofit Transfer Technical Assistance Grants	https://www.rd.usda.gov/programs-services/multifamily-housing-programs/multi-family-housing-non-profit-transfer-technical-assistance-grants	USDA	Federal	enable affordable housing preservation through the transfer of Multifamily Housing Direct Loan properties from current owners to nonprofits or PHAs.	Housing	Grant	N	Public and private nonprofit organizations Public Housing Authorities (PHAs) Tribal housing nonprofits Tribally-designated Housing Entities (TDHEs)	transfer of Multifamily Housing Direct Loan properties from current owners to nonprofits or PHAs.	- Eligible: technical assistance and other consultation, advisory and non-construction services required as part of the application process - Eligible: soft costs including financial analysis and transaction structuring analysis, and completion of other transaction details such as Capital Needs Assessments (CNAs), appraisals, and market surveys - Not Eligible: transaction costs in which an identity of interest – such as between buyer and seller, or owner and lender – exists between grantees and applicants			

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Off-Farm Labor Housing Direct Loans & Grants	https://www.rd.usda.gov/programs-services/multifamily-housing-programs/farm-labor-housing-direct-loans-grants	USDA	Federal	provides affordable financing to develop housing for year-round and migrant or seasonal domestic farm laborers	Housing	Grant, Low-interest loan	Y	- Farmers, associations of farmers and family farm corporations - Associations of farmworkers and nonprofit organizations* - Most State and local governmental entities* - Federally recognized Tribes*	- Housing may be constructed in urban or rural areas, as long as there is a demonstrated need	Construction, improvement, repair, and purchase of housing for domestic farm laborers		- Grant: up to 90% project cost - Loan: fixed 1% interest rate, 33 years payback period	10%
Off-Farm Labor Housing Technical Assistance Grants	https://www.rd.usda.gov/programs-services/multifamily-housing-programs/farm-labor-housing-technical-assistance-grants	USDA	Federal	provide technical assistance to applicants for Farm Labor Housing (FLH) loans and grants	Housing	Grant	N	Public and private nonprofit organizations	- provide technical assistance to applicants for Farm Labor Housing (FLH) loans and grants	- technical assistance provided during the application, underwriting, and closing processes - assistance with transaction costs associated with the application process, and for other agencyapproved consultation, advisory and non-construction services - Not Eligible: construction costs in any form, Transaction costs the FLH loan or grant will fund.			
Single family housing programs	https://www.rd.usda.gov/programs-services/single-family-housing-programs	USDA	Federal	support individuals and families to buy, build, or repair affordable homes located in rural areas	Housing	Grant, Loan, Loan guarantee	Y	Public bodies, non-profits, tribes, low-income homeowners	serve low-income homeowners	purchase or build a new single family home with no money down, to repair their existing home, or to refinance their current mortgage under certain qualifying circumstances			

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Title I Property Improvement Loan Program	https://www.hud.gov/program_offices/housing/sfh/title/sfixhs	HUD	Federal	support the financing of home improvement projects	Housing	Loan insurance	Y	Property owners, long-term lease residents with commercial loans		- appliances that are built into the house and not free-standing. - Not available for certain luxury-type items or to pay for work already done. - accessibility improvements such as remodeling kitchens and baths for wheelchair access, lowering kitchen cabinets, installing wider doors and exterior ramps, etc. - energy conserving improvements or solar energy systems. - architectural and engineering costs, building permit fees, title examination costs, appraisal fees, and inspection fees. - Improvements can be handled on a do-it-yourself basis or through a contractor or dealer.		Insurance for commercial loans (easier to borrow), no collaterals for loans up to $7,500	
Rural Community Development Initiative Grants	https://www.rd.usda.gov/programs-services/community-facilities/rural-community-development-initiative-grants	USDA	Federal	support housing, community facilities and community and economic development projects in rural areas	Housing, Community space	Grant	N	Public bodies Non-profit organizations Qualified Private (for-profit) Organizations	Rural and rural area--Any area other than (i) a city or town that has a population of greater than 50,000 inhabitants; and (ii) the urbanized area contiguous and adjacent to such city or town.	improve housing, community facilities, and community and economic development projects in rural areas. Examples: - Training sub-grantees to conduct: Home-ownership education - Providing technical assistance to sub-grantees on: Strategic plan development, Accessing alternative funding sources, Board training, Developing successful child care facilities, Creating training tools, such as videos, workbooks, and reference guides, Effective fundraising techniques		$50,000-$250,000	50%
7(a) loans	https://www.sba.gov/funding-programs/loans/7a-loans	US Small Business Administration	Federal	financial help for small businesses	Business	Loan	Y	small for-profit business		The purchase of real estate, including land and buildings The construction a new building or renovation an existing building			