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To: [Council Clerk – Testimony](#)
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May the homeless spur the homed to do what works to benefit everyone from a ripple effect.

People flee San Francisco and New York with loaded pockets and settle in Portland, outbidding people already there, driving up location value (not “real estate” value). Then Portlanders go to Boise and do the same thing. Then Boise folk go to Wyoming and do the same thing. Put a West Coast home in the heartland and you could have it for relative pennies.

In Portland, pricey housing in Nob Hill pulls up prices in St John, which then draws up prices in Kenton. Residents on the edge can no longer afford higher “rents” (for land actually, not housing). Some banks call in their loans. As prices for locations rise, tents of the homeless multiply.

This value of location arises not from homeowners but from context. People pay more for climate, views, nature, plus employment opportunities, investment opportunities, schools, cutting-edge technology and fashion. Hence legitimately, land rent belongs to community.

Addressing skyrocketing site value in the “best” neighborhoods halts the eviction of the new homeless from poor neighborhoods. When Pittsburgh shifted its property tax from heavy on buildings to heavy on land, the city had to close its homeless shelters. Not because the city ran out of money; they ran out of homeless people... until speculators persuaded city councilmen to shrink its tax rate on land value.

Places that recover ground rent have far healthier economies. Having to pay the rent rather than retain it, landowners put underused locations to better use. No more vacant lots. No more abandoned buildings. No more dogs-in-the-manger misusing prime locations. The new development needs money, attracting investors. Pittsburgh renewed its downtown without one penny of public money. New development also needs labor, which gives idle hands something constructive to do, and it raises wages.

When owners put central sites to best use, another ripple effect spreads, albeit in the opposite direction. New development goes downtown instead of becoming sprawl. That’s better for the environment, plus it saves vaults of public dollars.

To recover this social surplus, our steward—local government—need not tax. It could use a deed fee or some other fiscal tool. The revenue could go to the general fund to be spent by politicians and bureaucrats—which would gall most voters—or to residents as a dividend, as Singapore does. Aspen CO used a slice of its high site value to build homes for most of its residents; even doctors qualify!

Politically, a dividend is how British Columbia environmentalists got their carbon tax passed. The dividend is the only way to get a land tax or deed fee or land dues passed anywhere. While land dues keep land prices in check somewhat, rent dividends guarantee residents can continue to live where they love.

To solve homelessness at the root, neither taxing the homed nor building public housing that its occupants have no say in its design will work. Like so much in life, the solution is not obvious nor knee-jerk. As in chess, the winner considers the bigger picture and wins by a roundabout way. In society, to solve homelessness in particular and poverty in general, that requires the recovery and sharing of socially-generated land rent with everyone.

At least one million Americans, who can no longer afford their homeland, have moved to Mexico. Sailing under the radar, there they live without deprivation. For this author to move back full-time and live at a middle class level, probably I'd have to double my current income—or benefit from a share of my hometown's natural commonwealth.

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