

# 1054 Establish a tax on the demolition of certain residential structures in the City of Portland

OCTOBER 14, 2015

---

# Presentation Overview

---

Information about demolitions in Portland

Review of the proposed demolition tax structure

- Exemptions
- Rebates

Application of definitions

- Demolition
- Residential structures ordered vacated or demolished







R5

3922 SE 66th

Permit #13-200009-000-00-RS

Parcel Size: 4,000 s.f.





R5

7320 SE 48<sup>th</sup> Ave

Permit # 13-161660-000-00-RS

Parcel Size: 2,498 s.f.



R7

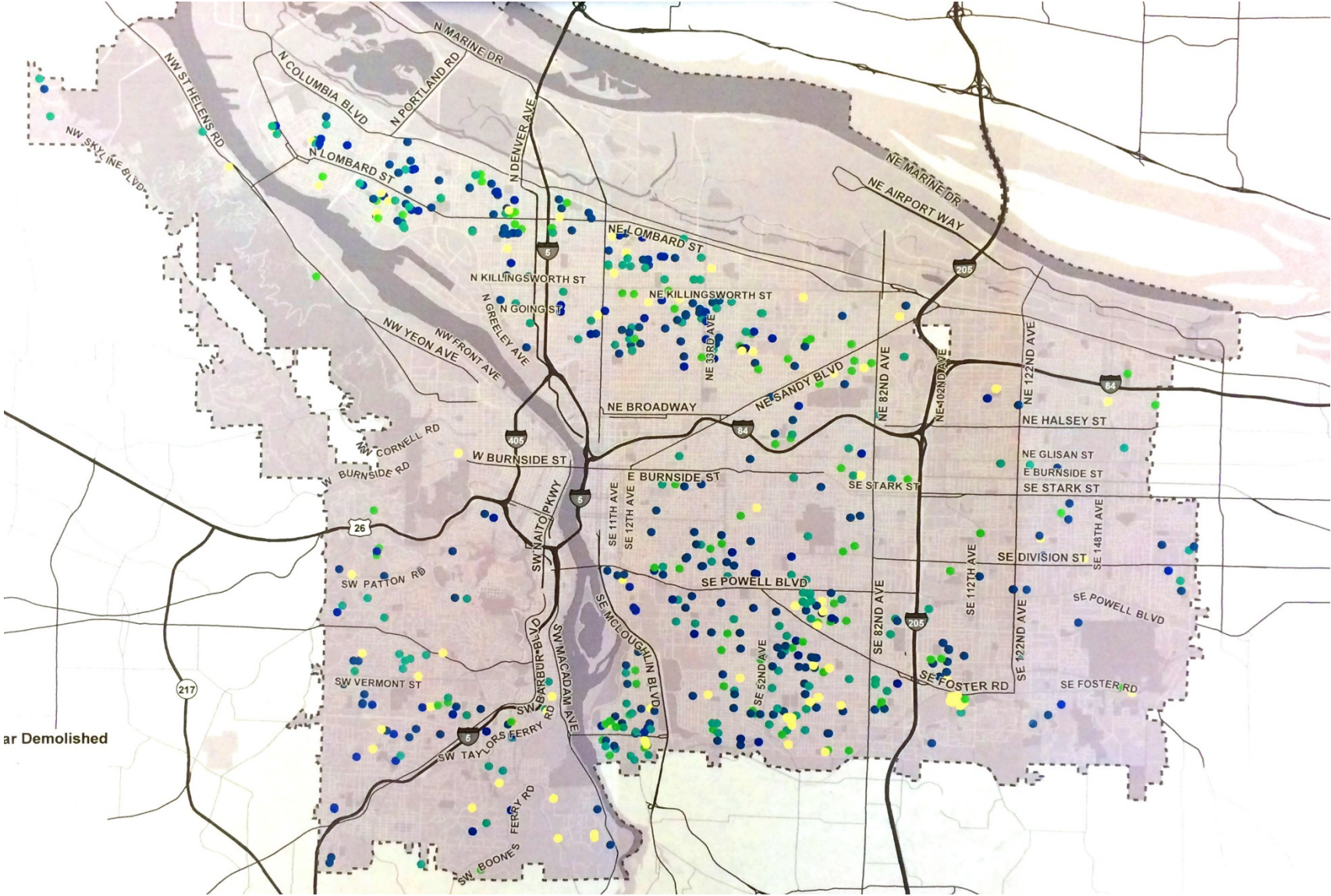
6123 NE Alton St

Permit # 13-214634-000-00-RS

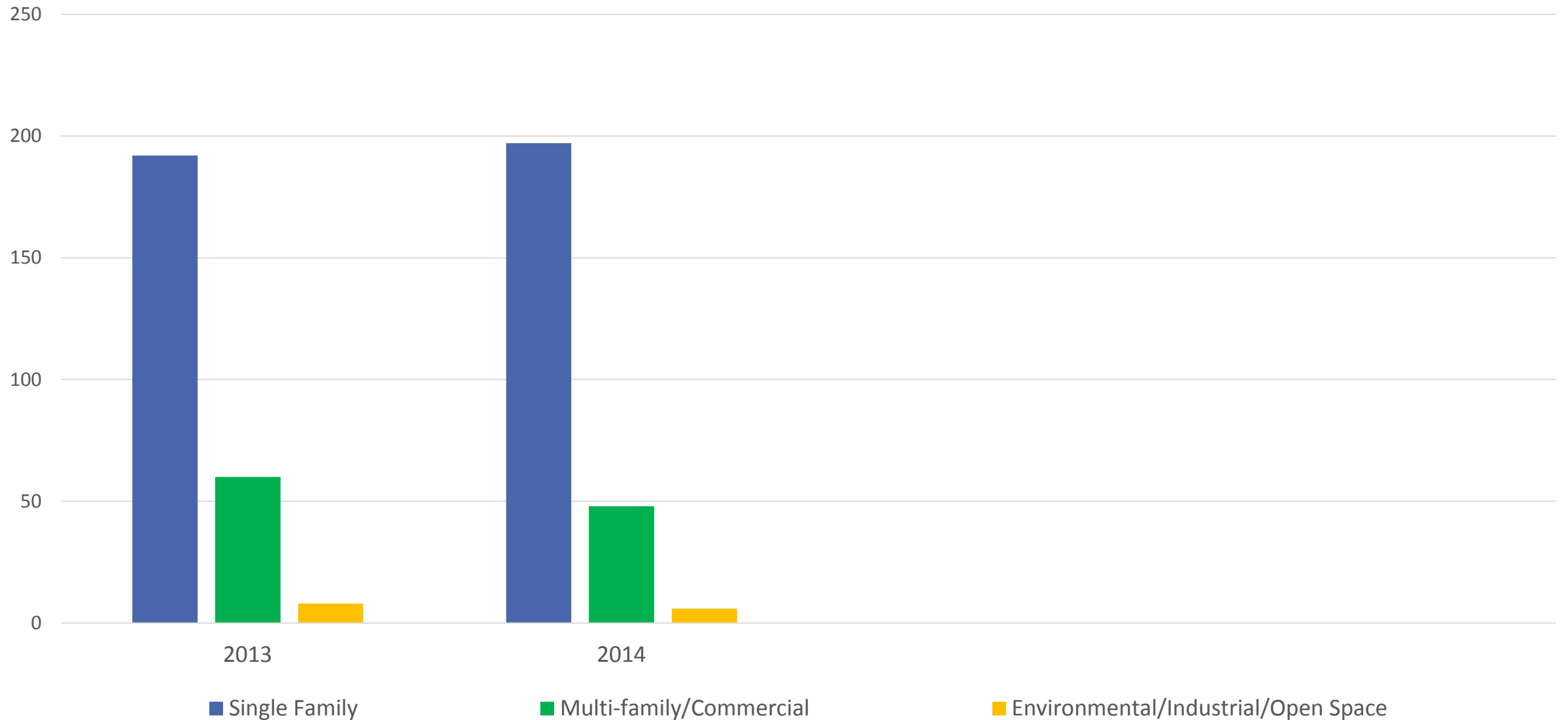
Parcel Size: 3,375 s.f.



# Map of demolitions 2010 -2014



# Single family home demolitions by zone





# Demolitions and affordability

---

	2013	2014
Average price of house demolished	\$221,000	\$267,000
Average price of replacement house	\$513,000	\$496,00

# Demolitions and increased density

	2013	2014
No increase	47%	36%
Demo only	13%	11%
Lot confirmation	25%	36%
Land division	15%	17%
Net increase in lots	25	56
<b>Total housing units permitted</b>	<b>3,951</b>	<b>5,446</b>



# Proposed demolition tax structure

---

- \$25,000
- Triggered by issuance of demolition permit
- Due 30 days after assessment

# Exemptions

---

- Catastrophic loss
- Residential structures ordered vacated or demolished

# Rebates

---

- Affordable housing
- Increased density



# Revenue and Administration

---

- Revenue dedicated to the Housing Investment Fund for home repair and home ownership programs
- .5 FTE needed

# Definitions

---

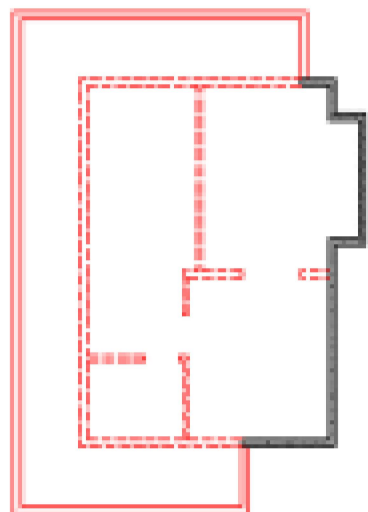
- Demolitions
- Demolitions versus Major Remodels
  
- Residential structures ordered vacated or demolished
  - Title 29, Property maintenance code
  - BDS Director refers to Code Hearings Officer
  
- Affordable housing
  - Rentals affordable to households at 60% of median income
  - Ownership affordable to households at 100% of median income



# Demolition

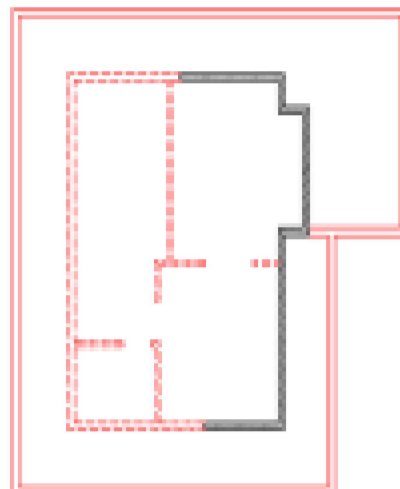
Removal of the superstructure down to the subflooring, such that none of the superstructure is maintained. Demo includes removal of all exterior walls.

**Retain a full wall line and project is not considered a Demolition.**  
Note: Existing foundation must remain and carry floor load.



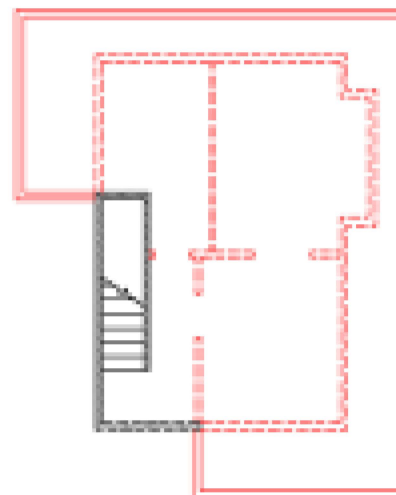
— : EXISTING WALLS TO REMAIN  
- - - : EXISTING WALLS TO BE REMOVED  
— : PROPOSED WALLS

**Remaining full wall line becomes interior = demolition**



- - - : EXISTING WALLS TO BE REMOVED  
— : PROPOSED WALLS  
— : EXISTING EXTERIOR WALL BECOMES INTERIOR WALL

**Retain less than a full wall line (wall fragment) and project is a Demolition.**



— : EXISTING WALLS TO REMAIN  
- - - : EXISTING WALLS TO BE REMOVED  
— : PROPOSED WALLS

# Major Alteration/Addition or Demolition

---

Major Alterations or Additions:

- **Adding any new story**, including a basement or other below-grade structure. Raising a structure to meet the required headroom in a basement is considered the same as creating a basement;
- **Increasing or replacing 50 percent or more of the exterior wall area on any floor.** If the subflooring under an exterior wall is removed, it will be treated as if the wall was removed;
- **Adding total new floor area to the existing structure that exceeds 800 square feet;** or
- **Adding an area exceeding 100 percent of the existing foundation footprint area of the structure.**

Demolition means removal of the entire superstructure down to the subflooring, such that none of the existing superstructure is maintained. Demolition includes removal of all exterior walls. It also includes alteration, abandonment or removal of all of the existing perimeter foundation.