



City of

**PORTLAND, OREGON**

Development Review Advisory Committee

1900 SW 4th Avenue, Suite 5000  
Portland, Oregon 97201  
503-823-7308  
FAX: 503-823-7250  
TTY 503-823-6868  
[www.portlandonline.com/bds](http://www.portlandonline.com/bds)

December 1, 2015

AUDITOR 12/01/15 PM 3:40

Dear Mayor Hales and City Commissioners,

Mayor Hales' proposed "demolition tax" proposal goes before City Council for a second reading on December 2nd. A new tax is not to be entered into lightly, and this tax proposal is not expected to be progressive in any way, even with the multiple amendments that were proposed at the November 25 public hearing. As the City's development industry stakeholder committee, the DRAC poses questions about the tax that we believe need examination in a more complete public review process than has been afforded the current proposal. Our list of questions which need public discussion are:

1. Will this tax be in effect forever? Is a provisional option possible so a "test drive" can be done to determine if the tax is doing what was intended before it becomes a permanent new tax?
2. How much revenue for new affordable housing is expected to be raised through this new tax? How much revenue from this source is needed to make a difference in the housing affordability crisis?
3. While the proposal identifies the Housing Investment Fund as the recipient of the new revenue, and that the money will be used in developing "affordable housing", how will the money be used to do that? Will there be grants issued for development proposals? How will the funds be leveraged to make housing in the city more affordable? Will loans be granted to bring old, substandard smaller housing stock up to current code compliance?
4. How will the funds affect the overall affordability of non-subsidized housing in the city?

We believe review of data on demolitions for the past two years and comparison of 2014-2015 demolition data with demolition data from 2005-2006, pre-real estate crash years, may give perspective about the magnitude of the "epidemic" and will provide information about potential revenue.

Developing data on the type, age, and area or neighborhood of the demolitions may capture information that defines the demolition trends. Not all demolitions are bad. Some houses need to be replaced by housing that meets current codes for safety and health.

The DRAC first heard of this proposal in September. The new tax proposal is expected to go before Council for a possible vote on December 2nd. This is a remarkably short timeline for developing even a provisional tax proposal.

The Development Review Advisory Committee urges the Council to slow this proposal down, to review data about how this tax may affect housing affordability in the city, and to develop a more balanced plan for limiting demolitions and for addressing housing affordability.

Development Review Advisory Committee  
Letter Re: Demolition Tax Proposal  
December 1, 2015

We would respectfully request, at the least, time to broaden outreach of this proposal with the hope of generating a longer-term, more progressive plan than the current demolition tax proposal. We really believe it is in the best interest of the city to commit to making progress on the long term development issues we have facing us here in Portland, not just the demolition of houses.

Thank you for your time and attention.

Sincerely,



Maryhelen Kincaid  
Development Review Advisory Committee (DRAC) Chair

Cc: Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman  
Paul L. Scarlett, Director, Bureau of Development Services

#### Development Review Advisory Committee (DRAC) Members

<u>Name</u>	<u>Representing</u>	<u>Affiliation</u>
Claire Carder	Neighborhood Coalition Land Use Committees	Neighborhood Coalitions
Hermann Colas	Minority Construction Contractors & Development Professionals	Colas Construction, Inc.
Phil Damiano	Environmental Conservation & Green Building	Johnson Air Products
Maxine Fitzpatrick	Low-Income Housing Developers	PCRI, Inc.
David Humber	Public Works Permit Customers	Humber Design Group Inc.
Rob Humphrey	Small Businesses	Faster Permits
Maryhelen Kincaid	Citywide Neighborhood Interests	Citywide Land Use Interests
Christopher Kopca	Historic Preservation	Downtown Development Group LLC
Dana Krawczuk	Frequent Development Review Customers	Perkins Coie LLP
Jennifer Marsicek	Design Professionals	Scott Edwards Architecture
Kirk Olsen	Large Developers	Trammell Crow Company
Joe Schneider	Large Construction Contractors	Skanska
Justin Wood	Home Builders	Fish Construction NW Inc.

DEMOLITION TAX OF CERTAIN RESIDENTIAL STRUCTURES

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)

ADDRESS AND ZIP CODE

Email

NAME (print)	ADDRESS AND ZIP CODE	Email
<i>on panel</i> Fred Leeson	2226 NE Hancock Pdx 97212	fredleeson@hotmail.com
Clinton Wood	PDX	clintonwoodencal@gmail.com
<del>Gary Whitehill-Bazink</del> <i>changed mind Spoke</i>	2011 NE 13th Ave PDX 97212	gbazink@gmail.com
JOHN MATERNOSKI	2284 NW EVERETT ST #406 PORTLAND OR 97210	john@tripparch.com
TERRY PARKER	PO Box 13503 97213	parker2012@gmail.com
Steve Smelser	13395 SE King Rd 97086	srsmselser@g.com
Lightning Watchdog	PDX	PDX
Claire Carder	6156 SW Nevada Ct. 97219-	schertzcarder@comcast.net
Diane Linn	Proud Ground	dianalinn@proudground.com
Peggy Moretti	Restore Oregon	peggy@restoreoregon.org
Michael Dowd	0753 SW Miles St. 97214	dowdarchitecture@gmail.com

**DEMOLITION TAX OF CERTAIN RESIDENTIAL STRUCTURES**

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Cameron Herrington	5421 N. Montana Ave 97217	cameronherrington@livingcully.org
✓ PAUL GROVE	15555 SW Barry, Co 97035	Paul.grove@kba-pdx.com
✓ Charles JOHNSON	on file as if req'd ☺	
✓ Jane Leo	Portland Realtor Assoc.	jleo@pma.org



Home Builders Association  
of Metropolitan Portland

---

November 24, 2015

Portland City Council  
City of Portland  
1221 SW 4th Avenue, Rm. 140  
Portland, OR 97204

Re: Proposed Demolition Tax

Mayor Hales and Honorable Commissioners:

For the record, my name is Paul Grove and I represent the HBA of Metro Portland. I appreciate the opportunity to testify on the matter before you today. As you know, our members are active in helping support the density and redevelopment objectives of the city. Moreover, as members of the community and residents of the city, they too care about preserving housing affordability and livability in Portland – now and for future generations to come.

As stated previously, the HBA of Metro Portland cannot support the proposal before Council. Unfortunately, the proposed ordinance and potential amendment to remove density rebates take an already problematic policy proposal and make it potentially worse. Moreover, there are still a number of troubling policy issues and potential unintended consequences for the city that would stem from the ordinance.

Affordability. We recognize the rebate provision as an apparent effort to address the potential impacts to affordable housing – but frankly, it does not. In particular, smaller home builders and not-for-profit organizations that construct new housing at the SDC waiver requirement, and there are increasingly few, would experience a major burden in trying to carry the cost of the tax and additional financing when funding resources are already limited.

In addition, smaller builders that provide new housing in and around the median home price in Portland will also experience the same difficulty in carrying these additional costs, and unfortunately the burden of such a tax ultimately shifts to the home buyer – it becomes a much different proposition for a family trying to purchase a home at \$375,000 versus \$350,000. In the end, the proposal would have the opposite impact than its stated purpose and would negatively impact a family's ability to purchase a new or first-time home at a more reasonable price.

Sustainability. Many of the homes that face the prospect of being torn down, while technically habitable, often have a series of deficiencies that make them inefficient. From knob and tube wiring and oil-heat furnaces to a lack of insulation and single-paned windows, the number one contributor to a home's carbon footprint is energy usage. As such, older inefficient homes are replaced by significantly more energy-efficient housing that further the city's environmental and sustainability objectives. Unfortunately, the proposal before Council does not acknowledge and recognize the improvements that new housing stock provides to our residential carbon footprint.

Home Builders Association of Metro Portland  
1555 SW Bangy Rd., Ste. 301  
Lake Oswego, OR97035  
503-684-1880 • Fax 503-684-0588

Equity. One of the potential penalties of the proposal is its impact on an individual's property values and rights. On its face, it would appear that a homeowner who wished to tear down their existing home to build and occupy a new structure would be subject to the tax. If so, it's hard to reconcile this application of the tax to the stated purpose. In addition, the tax may also negatively impact those long-time Portland residents that may be in a position to finally sell their home and property and realize their nest egg. As such, the proposed tax would, similar to that of a new homebuyer, shift the burden and impact to the existing owner. Both instances would result in an unfortunate and unintended consequence.

Administration/Accountability. Another problem area involves administration and oversight of the program. The ordinance provides significant discretion regarding the implementation and administration of provisions related to the tax. Moreover, language in the proposal is permissive as to implementing procedures and the adoption rules, as well as failing to provide for coordination between administering bureaus. In short, the potential for uncertainty in the process exists with its administration. In addition, there does not appear to be any reporting requirement back to Council to determine if the stated purpose and objectives of the program are ultimately achieved.

Density. Lastly, the potential amendment that would remove the rebate provision for subsequent development that increases the number of dwelling units flies counter to the city's need and stated objectives toward density and infill redevelopment. Not only does this significantly impact the city's efforts to meet its density requirements, it has lasting impacts on housing affordability throughout Portland.

Ultimately, it is incumbent upon us as to look at Portland's housing policies in a more comprehensive fashion and stop the practice of addressing individual issues in a piecemeal fashion. The consequences of continuing this approach go well beyond the immediate issue at hand and have significant, cumulative impacts around the future of housing affordability and achieving other policy objectives for the city.

Thank you for the opportunity to testify on the matter today.

Respectfully,

A handwritten signature in black ink, appearing to read 'P. Grove', with a long horizontal flourish extending to the right.

Paul Grove  
Associate Director of Gov't Relations

November 24, 2015

Claire Carder  
6156 SW Nevada Ct.  
Portland OR 97219

My name is Claire Carder. I'm here to testify as a DRAC representative about the proposed \$25,000 demolition tax.

The DRAC, the Development Review Advisory Committee for the uninitiated, is a council-appointed group of 17 individuals that include all sectors of building and development community within the City of Portland. (read the list of positions).

The DRAC first heard of this proposal in September and at the September 17<sup>th</sup> meeting, voted to submit a letter to the Mayor's Office expressing disappointment that there had been no involvement of the DRAC in developing or reviewing the idea of a "demolition tax".

The DRAC met last Thursday, November 19, which is a regular meeting. We had a full agenda that included Jillian Detweiler from the mayor's office, to present the Demolition Tax as it is currently proposed. Lively discussion followed. **The DRAC voted unanimously to oppose the proposal** and to submit a letter to the Mayor's office detailing the main reasons for opposition. The letter was drafted, reviewed, revised, signed, and submitted to the Mayor's Office. The letter should be in the record but I have brought additional copies.

The DRAC's opposition to the proposal, as detailed in the letter, is based on four main concerns:

1. The proposal attempts to use the demolition tax proposal as a "one size fits all" response to many concerns expressed by neighborhoods and special interest groups, including developers. These larger issues are: 1) Housing affordability in the city; 2) Planning efforts to increase residential density due to expected increases in population; 3) Loss of neighborhood landmarks, cohesiveness and character; and 4) The need to replace substandard housing stock with safer, code-compliant housing. The proposal does not address even one of those issues.
2. The process of developing the proposal was not inclusive and did not involve key stakeholders, including the development community. Since stakeholder involvement was limited, I suspect this proposal pleases none and offends all more than solving any problems.
3. The proposal will negatively impact ~~the development of~~ housing affordability by adding \$25,000 to the cost of housing built to replace demolished structures. Regardless of the proposal's provisions, the demolition tax amount will be added to the cost of new construction, disproportionately affecting the ability of lower- or median income families to become home-owners.
4. This proposal was developed, at least in part, to address the "demolition crisis". Do we really have a demolition crises? While we have numbers, we don't really know what those numbers mean. Analysis of demolition data has been limited. Is the city undergoing loss of housing that is higher than ever experienced before? Is there a crisis? If so, what is it - really?

The Development Review Advisory Committee urges the Council to withdraw this proposal, which we consider deeply flawed, and if there is serious interest on the part of the Council in addressing the concerns that presumably would be addressed by this proposal, they develop a plan in collaboration with all stakeholders that will include implementing pieces that will show a greater commitment to making progress on the longer term development issues we have facing us here in Portland, not just the demolition of houses.

Thank you for your time and attention.

November 24, 2015

Claire Carder  
6156 SW Nevada Ct.  
Portland OR 97219

My name is Claire Carder. I'm here to testify as a DRAC representative about the proposed \$25,000 demolition tax.

The DRAC, the Development Review Advisory Committee for the uninitiated, is a council-appointed group of 17 individuals that include all sectors of building and development community within the City of Portland. (read the list of positions).

The DRAC first heard of this proposal in September and at the September 17<sup>th</sup> meeting, voted to submit a letter to the Mayor's Office expressing disappointment that there had been no involvement of the DRAC in developing or reviewing the idea of a "demolition tax".

The DRAC met last Thursday, November 19, which is a regular meeting. We had a full agenda that included Jillian Detweiler from the mayor's office, to present the Demolition Tax as it is currently proposed. Lively discussion followed. **The DRAC voted unanimously to oppose the proposal** and to submit a letter to the Mayor's office detailing the main reasons for opposition. The letter was drafted, reviewed, revised, signed, and submitted to the Mayor's Office. The letter should be in the record but I have brought additional copies.

The DRAC's opposition to the proposal, as detailed in the letter, is based on four main concerns:

1. The proposal attempts to use the demolition tax proposal as a "one size fits all" response to many concerns expressed by neighborhoods and special interest groups, including developers. These larger issues are: 1) Housing affordability in the city; 2) Planning efforts to increase residential density due to expected increases in population; 3) Loss of neighborhood landmarks, cohesiveness and character; and 4) The need to replace substandard housing stock with safer, code-compliant housing. The proposal does not address even one of those issues.
2. The process of developing the proposal was not inclusive and did not involve key stakeholders, including the development community. Since stakeholder involvement was limited, I suspect this proposal pleases none and offends all more than solving any problems.
3. The proposal will negatively impact ~~the development of~~ housing affordability by adding \$25,000 to the cost of housing built to replace demolished structures. Regardless of the proposal's provisions, the demolition tax amount will be added to the cost of new construction, disproportionately affecting the ability of lower- or median income families to become home-owners.
4. This proposal was developed, at least in part, to address the "demolition crisis". Do we really have a demolition crises? While we have numbers, we don't really know what those numbers mean. Analysis of demolition data has been limited. Is the city undergoing loss of housing that is higher than ever experienced before? Is there a crisis? If so, what is it - really?

The Development Review Advisory Committee urges the Council to withdraw this proposal, which we consider deeply flawed, and if there is serious interest on the part of the Council in addressing the concerns that presumably would be addressed by this proposal, they develop a plan in collaboration with all stakeholders that will include implementing pieces that will show a greater commitment to making progress on the longer term development issues we have facing us here in Portland, not just the demolition of houses.

Thank you for your time and attention.





SAVING HISTORIC PLACES

November 25, 2015

**Letter of Testimony re. Proposed Portland Demolition Tax  
Portland City Council**

My name is Peggy Moretti and I'm the Executive Director of Restore Oregon, a non-profit that works statewide to preserve and pass forward Oregon's historic places, and promotes livable communities.

We have been tracking the growing demolition epidemic in Portland for a couple years now. We've participated in several task forces and proposed practical solutions that will curb demolitions while allowing needed growth. Our staff is currently serving on the Residential Infill Project and the Deconstruction Advisory Group, *and the Seismic Advisory Group.*

**We support the proposed demolition tax for two primary reasons:**

1. It provides a very important dis-incentive to counter-balance somewhat the accelerating market forces that are spurring the 400-plus single family residential demolitions we'll have this year.  
This tax will **slow the pace** of demolitions while the Residential Infill Project does its work to redefine the single family zoning code in a way that will retain neighborhood character.
2. The demolition tax also aligns with the City's sustainability goals. Every time a building is demolished, you throw away tons of materials, craftsmanship, history, and embodied energy that has already been expended. It should hurt a little to dump that into the landfill. It has been well-documented that it takes decades for replacement structures to offset the energy thrown away, and the energy expended in new construction.

Some have questioned whether it is appropriate to label what we're experiencing as a "demolition epidemic." But it does meet characteristics of an epidemic in that it is uncontrolled; and the "fatalities" have a permanent impact on the community.

The money raised from the demolition tax will certainly not solve our housing crisis, but if 200 demolished houses pay the tax, that's \$5M to put toward affordable housing. (Hopefully it will be in a historic building!)

The current situation is costing Portland quite a lot in the form of:

- Waste and landfill
- Loss of affordable starter homes
- The release of hazardous materials
- And the loss of neighborhood character that makes Portland, PORTLAND.

It may make sense to revisit the tax after a couple years, and we would recommend future amendments that waive the tax for **moving** a house, or reduce it for **deconstruction**. But right now, the demolition tax offers an important and effective disincentive, and gives neighborhoods a better chance.

TERRY PARKER  
P.O. BOX 13503  
PORTLAND, OREGON 97213-0503

**Subject: Testimony to the Portland City Council on the demolition tax, November 25th, 2015**

Portland's single family home neighborhoods are under attack. In addition to working class neighborhoods being torn apart by proposed up zoning in the comp plan, throughout the city livable single family homes are being demolished at an alarming rate. The average cost of a new house that replaces a home torn down is 2.4 times more. Many of the homes being torn down are considered to be affordable starter homes - some of them fixer uppers. Reducing the housing stock of these starter homes also reduces the opportunity for lower income people to invest in a house and obtain some wealth through the equity of property ownership instead of just continuing to pay rent. Moreover, diversity within single family home neighborhoods suffer when there is an absence of affordable starter homes.

Most of the new replacement houses fall into the category of either a narrow skinny box or an out of scale monster box with a porch super glued on the front side. In most cases, the footprint of these new cookie cutter boxes interrupt the back yard and/or front yard ribbons of green that add to the quality of life in most single family home neighborhoods. Moreover, the unique historical qualities of neighborhood character and architecture that make Portland an appealing place to live it is lost when the only new single family housing comes in the form of various sized boxes.

Much has been said about the Portland single family home neighborhoods that have disappeared - including those where the Veterans Memorial Coliseum now stands and in areas that have been part of urban renewal. The city needs to preserve the single family housing stock we still have. It must be affordable to all levels of income including families just starting out, the working class and senior citizens on fixed incomes. Assessing a demolition tax is a good start to reduce the obscene number of demolitions taking place, but not the entire answer or complete solution to the problem.

As an individual and as a member of the UNR Steering Committee, I fully support the implementation of a demolition tax, the amendment that eliminates the rebate for constructing two houses for one demolished home, and the testimony supplied by UNR representatives.

Respectively submitted,

Terry Parker  
Northeast Portland

Testimony for City Council in Support of the Demolition Tax  
November 25, 2015

From:

Alyssa Isenstein Krueger  
2348 SE Tamarack Ave.  
Portland, OR 97214  
503-724-6933  
[pdxhappyhouse@gmail.com](mailto:pdxhappyhouse@gmail.com)

My name is Alyssa Isenstein Krueger and I am a real estate broker in Portland. I represent many first time home buyers in Portland, and I am pleading with you to do something to curb the wanton destruction of our viable vintage housing stock. We are losing our starter homes to the greed of builders who see dollar signs. If builders/ developers are going to make profits at the expense of our citizens access to affordable home ownership opportunities, then they need to pay into a fund to help offset that cost. A demolition tax isn't perfect but it's something.

The most affordable home is the one that is already standing, and once these homes are demolished they are gone forever, taken out of service forever more. By charging developers \$25,000 for each home they demolish for the purpose of helping fund affordable housing efforts, this at least creates a revenue source to help families stay in Portland who are otherwise being priced out from both rental housing and home ownership, and addresses the cost of the loss of affordable housing to our rapidly changing community.

Housing prices over the last year in Portland have risen the third fastest in the entire country, right behind Denver and San Francisco. The latest Case Schiller housing price index shows that metro Portland home prices increased an average of over 10.1% from September 2014 to September 2015. Looking at data for our closer-in neighborhoods, this increase is probably 15% or more. At the same time, wages have remained stagnant, and rents have increased in the double digits over the last year, which means potential first time home buyers who are renting are having an even harder time saving for a down payment. With no affordable homes to buy, and rents out of reach, where are these families supposed to live? Revenue generated from the demolition tax could help families with a down payment or rental assistance so they can continue to live in their neighborhoods.

It isn't just small starter homes that are being demolished. The home at 3416 NE Alameda was a gorgeous Tudor that was well maintained and had gardens featured in

Sunset magazine. It was on a double lot, and in May of 2015, Everett Custom homes purchased this home for \$815,000 cash, \$36,000 over the list price of \$779k. The home was recently demolished and the lot was split into two lots. Last Wednesday, Everett put the 2 now vacant lots up for sale- at a list price of \$500,000 each. Perhaps if there had been a demolition tax in place, that home would still be standing. In the Hayhurst neighborhood, 3015 SW Idaho was a 1949 Ranch style home that Everett purchased in March for \$210,000. They demolished the homes with plans to subdivide the property. Last Wednesday Everett put that lot up for sale for \$500,000. And last but not least, 7850 SW 30th was a 1941 built home near Multnomah Village that Everett purchased for cash \$398,500 in May. Last week they listed that empty lot for \$400,000. Had there been a demolition tax, then perhaps these homes would still be standing.

## **United Neighborhoods for Reform Position Statement: Moratorium**

The City of Portland should issue an immediate moratorium on demolition of houses. It is both legally justifiable and morally responsible for the city to do so until adequate procedures and verification are in place to effectively protect the public from exposure to hazardous asbestos and lead dust released during demolition.

Oregon state law prohibits municipalities from declaring moratoriums on construction or development unless certain conditions are evident: (1) to prevent a shortage of public facilities or (2) a compelling need, such as irrevocable public harm.

It is UNR's position that both of these conditions exist and support an immediate moratorium.

(1) Shortage of public facilities. Recent UNR research and testimony before City Council, and *Oregonian* articles regarding ineffective asbestos management among relevant and responsible state and municipal entities, demonstrate an existing shortage of procedures and resources (i.e., public facilities) exacerbated by continuing housing demolitions.

(2) A compelling need to protect public health. Existing processes and procedures to ensure existing regulations are followed fall alarmingly short of adequately protecting the public from severe and long-term health impacts from exposure to hazardous materials, thus creating a compelling need.

The moratorium would affect only demolitions of houses and would not have a detrimental effect overall on new construction within the city of Portland. During the moratorium, demolitions still could occur if documented proof of certified abatements were verified before issuance of a demolition permit. Final rules would be developed and vetted by all stakeholders during the moratorium.

Within the allowed 120-day duration of a moratorium, proper and effective verification procedures can be developed and implemented. In previous testimony, UNR offered suggestions as to how these procedures could be made more effective, such as documented evidence, interagency coordination, and specific measures taken during demolitions. In addition, roles and responsibilities of involved agencies should be established to maintain the integrity of proper oversight going forward.

### **ORS 197.520 Manner of declaring moratorium**

(1) No city, county or special district may adopt a moratorium on construction or land development unless it first:

(a) Provides written notice to the Department of Land Conservation and Development at least 45 days prior to the final public hearing to be held to consider the adoption of the moratorium;

(b) Makes written findings justifying the need for the moratorium in the manner provided for in this section; and

(c) Holds a public hearing on the adoption of the moratorium and the findings which support the moratorium.

(2) For urban or urbanizable land, a moratorium may be justified by demonstration of a need to prevent a shortage of public facilities which would otherwise occur during the effective period of the moratorium. Such a demonstration shall be based upon reasonably available information, and shall include, but need not be limited to, findings:

(a) Showing the extent of need beyond the estimated capacity of existing public facilities expected to result from new land development, including identification of any public facilities currently operating beyond capacity, and the portion of such capacity already committed to development;

(b) That the moratorium is reasonably limited to those areas of the city, county or special district where a shortage of key public facilities would otherwise occur; and

(c) That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining public facility capacity.

(3) A moratorium not based on a shortage of public facilities under subsection (2) of this section may be justified only by a demonstration of compelling need. Such a demonstration shall be based upon reasonably available information and shall include, but need not be limited to, findings:

(a) For urban or urbanizable land:

(A) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas;

(B) That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city, county or special district are not unreasonably restricted by the adoption of the moratorium;

(C) Stating the reasons alternative methods of achieving the objectives of the moratorium are unsatisfactory;

(D) That the city, county or special district has determined that the public harm which would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands, and the overall impact of the moratorium on population distribution; and

(E) That the city, county or special district proposing the moratorium has determined that sufficient resources are available to complete the development of needed interim or permanent changes in plans, regulations or procedures within the period of effectiveness of the moratorium.

UNR, whose work is endorsed by 43 neighborhood associations, supports the demolition tax as one way to maintain and fund viable affordable housing, while better distributing the costs of trash-and-build development. The loss of housing is real, exacerbated by developers now eliminating homes to merely put lots on the market—this after a declared housing emergency.

Whatever happens with the tax, we need to do much more. Because of severe public danger related to the release of asbestos and lead dust during demolitions, UNR proposes a temporary demolition moratorium until the city can craft rules on abatement, comply with the new state law on asbestos, and effectively protect the public from exposure to hazardous materials.

At meetings of city staff and federal agency personnel, we have seen how slow and difficult it will be to take uncontrolled hazmat out of demolitions. Let's give them the needed time—and the incentive—to safeguard people and the environment. Maybe even go up to Vancouver, Washington, and see how they do it?

In September *Oregonian* reporter Fedor Zarkhin looked into the release of hazmat during mechanical demolition in a multipart series. He found huge gaps in oversight of demolitions that allowed asbestos and lead to be visited upon unsuspecting neighbors and surrounding properties.

Think about the kids who live near a demolition who play on the swingset and then eat a snack without washing their hands, thereby ingesting small particles of lead, a substance that the Centers for Disease Control says has no safe limit in children. Imagine the asbestos fibers embedding themselves in people's lungs, later to bloom into serious illness.

Demolitions occur almost daily, and the exposure is exponential. Have you consulted legal counsel as to the city's culpability when all these health effects present themselves? After the *Oregonian* stories and our visits here, you can't say you didn't know.

A moratorium sounds like scary stuff, but it needn't be. The law is on your side! Under the Portland city charter, a key responsibility of city government is to ensure public safety.

(City Charter, Section 2-105.

"(a) ... the City has power and authority:

"...

"2. To secure the protection of persons and property and to provide for the health, cleanliness, ornament, peace, safety and good order of the City).")

A demolition moratorium is legally justifiable and morally responsible. One grounds for a moratorium, according to state law (ORS 197.520), is that it demonstrate "compelling need" including prevention of "irrevocable public harm from development."

It has been hard enough watching the great neighborhoods we created turn into profit centers for short-term investors. But it has been unconscionable to watch our neighborhoods also become poison centers where we can no longer eat what we grow, breathe deeply, or play safely.

As you consider demolitions and their irreversible effects, and a moratorium, we urge you to: Be brave. Be responsible. Be our leaders.

Thank you for your service to your constituents. Happy Thanksgiving!

11/25/2015 Margaret Davis | 3617 NE 45th Ave. | Portland, OR 97213 | 503-287-2419  
unitedneighborhoodsforreform.blogspot.com

## Moore-Love, Karla

---

**From:** Kevin Christiansen <kchristiansen@oregonbankers.com>  
**Sent:** Wednesday, November 25, 2015 8:45 AM  
**To:** Council Clerk – Testimony  
**Cc:** Linda Navarro  
**Subject:** Written Testimony Re: PDX Proposed Demolition Tax  
**Attachments:** 2015-11-24 Comment Letter to PDX Re Demolition Tax -- Final.pdf

Good Morning:

Attached to this email, please find our written testimony with respect to the above-referenced item before the Council this morning. We will not be testifying in person. If you have any questions, please don't hesitate to contact me. Thank you for your assistance.

Very truly yours,

Kevin T. Christiansen  
*Government Affairs Director*



777 13<sup>th</sup> Street SE, Suite 130  
PO Box 13429 | Salem, OR 97309

(503) 576-4123 **Direct**  
(503) 581-3522 **Office**  
(503) 581-8714 **Fax**

website | facebook | twitter | youtube

---

### **Northwest Bank Executive Conference | December 6-8 | Portland, OR**

Registration is now open for the [2015 Northwest Bank Executive Conference](#). Whether you are a bank executive, director, or business partner, you won't want to miss this top-notch event focused on the industry's hottest topics. [Click here](#) for more information.





*The Voice of Oregon Banking • Since 1905*

Sent Via Electronic Delivery (cctestimony@portlandoregon.gov)

November 24, 2015

Portland City Council  
Attn: Council Clerk  
1221 SW Fourth Ave., Room 130  
Portland, Oregon 97204

**RE: Proposed Demolition Tax Resolution, Dated October 8, 2015**

Dear Mayor Hales and Members of the Portland City Council:

On behalf of the Oregon Bankers Association (OBA) and the Independent Community Banks of Oregon (ICBO) and our membership of Oregon's state and national banks, we appreciate the opportunity to provide written testimony on the above-referenced proposal concerning the creation of a tax on certain residential structures facing demolition in the City of Portland. By way of background, the OBA is the full-service trade association for the banking industry in the State of Oregon. The ICBO serves the independent banks headquartered in the State of Oregon. OBA and ICBO work collaboratively and represent the voice of the Oregon banking community before federal, state, and local governmental entities.

Discussion

The City of Portland is proposing to implement a tax on the demolition of certain residential structures within the City of Portland. Chapter 6.08 has been drafted to accomplish this end. Section 6.08.030 provides that on or after January 16, 2016, the Owner of a Residential Structure for which a residential demolition permit has been issued shall pay a tax to the Bureau in the sum of \$25,000. Chapter 6.08 sets forth the mechanics of how the program would be administered including rebate provisions, an appeals process, and a penalties process.

Section 6.08.050 provides for exemptions to the proposed tax. Specifically, subsection (A) of the chapter provides two exemptions from the proposed tax:

"(1) Any structure being demolished due to a catastrophic loss such as fire, landslide, flood or other disaster; or, (2) Any Residential Structure that has been found to be in violation of

Chapters 29.30, 29.35, or 29.40 and is subject to a vacation or demolition order by the Code Hearings Officer, following a request from the Director of Bureau of Development Services for a determination under Section 29.60.070 and 29.060.080."

It is important that any exemption from the tax be broad enough so that unsafe and uninhabitable buildings can be replaced with buildings that can be safely occupied. Certain residential structures may not rise, or sink as the case may be, to the level of a "catastrophic loss" or be subject to a violation of the above-referenced provisions in Chapter 29, but would, nonetheless, not be safely habitable. It would not serve the City and its need for affordable housing, a concern the OBA and ICBO share, to have residential structures that are not habitable, but cannot be demolished without incurring a tax. Should a situation like that arise, a process should exist in the newly proposed chapter whereby a property owner could pro-actively, and for good cause, petition the City for a waiver of the tax. In the alternative, the exemption should be broadened to include these kinds of properties.

#### Conclusion

We appreciate the opportunity to provide written testimony with respect to the proposal presently before the City Council. If you have additional questions, please feel free to contact us. Thank you.

Very best regards,



Kevin T. Christiansen  
Government Affairs Director  
Oregon Bankers Association &  
Independent Community Banks of Oregon

**Parsons, Susan**

---

**From:** Cameron Herrington <cameronherrington@livingcully.org>  
**Sent:** Tuesday, November 24, 2015 10:15 PM  
**To:** Moore-Love, Karla; Council Clerk – Testimony  
**Subject:** Testimony re: Demolition Tax  
**Attachments:** LivingCullyDemoTaxLetter.pdf

Dear Council Clerk,

Please find attached testimony from Living Cully regarding the City Council agenda item 1215, "Establish a tax on the demolition of certain residential structures in the City of Portland."

We would appreciate if you would distribute this to the City Commissioners. Thank you.

-Cameron Herrington

---

Cameron Herrington  
Living Cully, anti-displacement program coordinator  
503.489.8334, [www.facebook.com/livingcully](http://www.facebook.com/livingcully)





November 24, 2015

TO: Portland City Council  
FROM: Living Cully  
RE: Demolition Tax

Dear Commissioners:

We support the proposed demolition tax, as it will create a dedicated revenue stream for the city's Housing Investment Fund. Though the projected revenue is quite minimal when compared with the scope of our affordable housing shortage, we need to take advantage of every opportunity to set aside funds for this purpose.

We have three concerns with the current proposal, and urge you to amend the ordinance to address these issues:

**1. Affordable housing projects should receive a waiver from the demolition tax, instead of a rebate.**

The current proposal allows for developers of affordable housing to receive a rebate for the \$25,000 demolition tax. However, this still requires affordable housing projects that include a demolition to obtain and carry an additional \$25,000 of financing in order to pay the tax up front. We fear that this added expense will be a deterrent for small-scale builders who would otherwise take advantage of existing SDC waivers and tax abatements to build affordable homes.

A better system would be an up-front tax waiver for projects that will result in affordable housing, rather than a post-facto rebate. This would prevent affordable housing developers from needing to finance and pay the extra \$25,000 in the first place. The same system that is used to qualify affordable housing developers for SDC waivers could easily be used to grant demolition tax waivers for those same projects.

**2. There should not be a rebate for housing development that increases density.**

According to the Oregonian (Nov. 19 "Charlie Hales wants to close rebate loophole on demolition tax proposal"), over half of the single-family homes demolished in Portland over the past two years were replaced with developments that added additional residential units. Under the proposed ordinance, these developers would be eligible for a demolition tax rebate. This means that the City would forgo over half of the potential revenue it could collect from this tax.

Not only would this rebate rob desperately needed revenue from the Housing Investment Fund, but it is also unnecessary. The presumed purpose of the rebate is to encourage developers to replace demolished homes with more units. This is an unnecessary

incentive, because adding density is *already* more profitable for a developer than a one-to-one replacement – additional enticements are a misappropriation of public funds.

Demolitions are already most likely to occur in situations where zoning and code specifications allow for increased density; it is in these situations that the developer can realize the greatest profits, by purchasing only one unit but then developing two or more. Developers already seek to maximize their profits, and do not need an extra incentive to do so. Eliminating this unnecessary rebate would double the revenue generated for new affordable housing.

**3. The tax should be applied to each unit of housing that is demolished.**

The term “Residential Structure,” as defined in 6.08.020 E in Exhibit A of the proposed ordinance, *seems* to indicate that a \$25,000 tax would be applied to each residential unit that is demolished. We would like to ensure that this is indeed the case, and that the Revenue Division will apply this tax to each housing unit that is demolished (e.g. the demolition of a duplex, or of a house with an internal ADU, would result in a \$50,000 tax).

Thank you for addressing these concerns, and for taking this step to expand access to affordable housing throughout Portland.

Sincerely,

Living Cully partners:



**Testimony for Wednesday Nov 25, 2015 Council Agenda Item on Demolition Tax**

A demolition tax will not stop demolitions.  
It will create another administrative bureaucracy.  
It will have administrative operating costs of over \$100,000 a year.

In reviewing 192 demolition permit applications since April 27, 2015, 55 were for houses that had a real market value of under \$200,000. For 76 of the 192 permits the assessed value of the house was under \$100,000 and the house was valued less than the land. A demolition tax would only penalize the future buyer.

A demolition tax will not affect the rising cost of land. It will make some housing less affordable to entry level home buyers.

A demolition tax is punitive. There is no proof, data, or indication that a tax of any amount will slow demolitions. Testimony from developers substantiates this.

The claim that the tax will raise revenue for "affordable housing" is incongruous as it only raises the cost of a new home and the affordability for a new buyer.

A common issue heard by DRAC, the Demolition Task Force, Council testimony, neighborhood meetings and information shared with City Council and their staff, is that there are houses in neighborhoods that are significant, and some have the potential to be saved, but neighborhoods don't have the capacity to deal with the process in place. The demolition appeal process provides an opportunity for an extended delay. So far that process of extended delay has not saved any houses because by the time a landowner applies for a permit, a considerable amount of planning and cost has gone into what will be built after the teardown, leaving little incentive to negotiate a deal with those interested in saving the property.

We acknowledge there is a need to address the adversarial situation that has arisen between the developer's and landowner's legitimate interests and the community's desire to save houses. The City Council should support projects being designed to fully identify and document these significant houses, which offer an opportunity for alternatives to demolition. It is far more productive to identify those houses in advance that are most vulnerable to demolition.

Incentives should be available to those property owners whose house is "significant", and choose to preserve their home, or the builder who agrees to a design type review with neighbors.

Neighborhoods need solutions based on accurate, current data that will provide a benefit to the character of Portland and the livability of our neighborhoods.

We are working on just such a project that will identify significant houses, providing easily accessible and useful information to help landowners, neighborhoods, planners, real estate agents and developers make sensible and objective decisions. It will also inform needed work on updating the HRI.

We can save houses from demolition. We have a pilot project ready to be funded and put in place. Staff from BDS, BPS, Mayor Hales', Commissioners Saltzman's and Novick's office have all seen the presentation and have offered favorable reviews.

City Council should appoint a limited time task force to identify the best possible solutions for slowing demolitions and preserving significant houses in Portland. The Residential Infill Project is addressing design issues. This task force will identify concrete ways and resources for neighborhoods to preserve the very thing they most ask for – preservation of the character of the neighborhood.

Maryhelen Kincaid, 2030 NE Blue Heron Dr, Portland  
Ben Earle, 5524 NE 30<sup>th</sup>, Portland  
Michael Molinaro, 4007 SE Taylor, Portland

## Parsons, Susan

---

**From:** Holly Chamberlain <hollyc@visitahc.org>  
**Sent:** Tuesday, November 24, 2015 1:49 PM  
**To:** Council Clerk – Testimony  
**Cc:** Detweiler, Jillian; Steve Dotterer (kradot@hevanet.com)  
**Subject:** Architectural Heritage Center: Demolition Tax Proposal Comments  
**Attachments:** Final AHC comments on Demolition Tax proposal.pdf

Please find attached our written testimony on the following issue:

1215 – Establish a tax on the demolition of certain residential structures in the City of Portland (previous agenda 1054; ordinance introduced by Mayor Hales; add Code Chapter 6.08)

Please let us know if we can provide any additional information or if you have any questions.

Sincerely,

Holly Chamberlain

**Holly K. Chamberlain**

Managing Director

Architectural Heritage Center

701 SE Grand Ave. Portland, OR 97214

503-231-7264 [www.VisitAHC.org](http://www.VisitAHC.org)

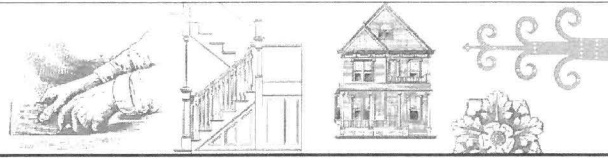
Office hours: Tues. - Fri., 10:00 a.m. - 6:00 p.m.

**Regular public operating hours** are 10:00 am to 4:30 pm, Wednesday – Saturday, although our offices are open earlier and later and also on Tuesdays. **Enjoy a virtual museum of the city** with our **TagWhat smartphone app**. Link through Google Play Store or App Store. "Like" us on **Facebook** and visit our website for updates and our resource directory of preservation professionals at [www.visitahc.org](http://www.visitahc.org).

"There are artists among the builders; there are builders among the artists; good architecture depends on both." – *Ellis Lawrence*



Architectural Heritage Center  
701 SE Grand Avenue  
Portland, OR 97214  
503 231-7264  
503 231-7311 fax  
www.VisitAHC.org



November 24, 2015

Dear Mayor Hales and Council Members:

The Architectural Heritage Center (AHC) wishes to thank Mayor Hales for bringing back to Council the issue of a proposed \$25,000 tax to tip the balance in favor of rehabilitation over demolition of single family homes in single family zones.

**We strongly support the demolition tax proposal** with the amendment that removes the density rebate for additional houses in single family zones.

**In addition we support additional amendments** that would:

- 1) make the money raised by the demolition tax available for rehabilitation and affordable home ownership;
- 2) levy the \$25,000 tax on a per-tax-lot basis; and
- 3) review the program for impact after one year.

Clearly, strategies and programs beyond this demolition tax will be needed to protect the character of Portland's neighborhoods and to provide an adequate supply of affordable housing. Conservation of existing buildings is one of the best strategies to address affordable housing and livability.

The AHC seeks to preserve the historic character and livability of Portland's built environment and promote sustainability through the re-use of period homes and buildings. As you consider the impacts of the continuing demolition epidemic, we offer our expertise to help arrive at reasonable approaches and solutions.

Sincerely,

Cathy Galbraith  
Executive Director  
cathyg@visitahc.org



## Parsons, Susan

---

**From:** Feters, Mark  
**Sent:** Monday, November 23, 2015 12:25 PM  
**To:** Parsons, Susan  
**Cc:** Mh Kincaid; Rob Humphrey; Scarlett, Paul; Torgerson, Leanne; Scherzcarder; Justin Wood  
**Subject:** DRAC Letter regarding proposed Demolition Tax (Council item #1215)

**Importance:** High

Sue, as we discussed, I am attaching a letter from the Development Review Advisory Committee regarding City Council item #1215 (Demolition Tax) scheduled for this Wednesday, November 25<sup>th</sup> at 9:45. Please include in the packet and circulate to City Council members.

Thank you.



DRAC Demolition  
Tax Letter #2 ...

Mark Feters  
Sr. Management Analyst  
City of Portland  
Bureau of Development Services  
(503) 823-1028  
[mark.feters@portlandoregon.gov](mailto:mark.feters@portlandoregon.gov)



City of

**PORTLAND, OREGON**

Development Review Advisory Committee

1900 SW 4th Avenue, Suite 5000  
Portland, Oregon 97201  
503-823-7308  
FAX: 503-823-7250  
TTY 503-823-6868  
[www.portlandonline.com/bds](http://www.portlandonline.com/bds)

November 23, 2015

Dear Mayor Hales,

On October 8, 2015, we, the members of the Development Review Advisory Committee (DRAC) wrote to you to express our concerns regarding your Demolition Tax proposal and our disappointment in being excluded from the proposal's review/vetting process. At that time we reserved comment on the proposal itself since we had not been afforded an opportunity to review it to that point.

We are appreciative of Jillian Detweiler's visit to the DRAC meeting on November 19<sup>th</sup> to discuss the proposal and to hear our concerns directly. However, we are now writing to state our opposition to the proposal, for the following primary reasons:

- The proposal will negatively impact the development of housing affordability by adding \$25,000 to the cost of housing built to replace demolished structures. This amount will disproportionately affect lower-priced construction, making it more difficult for those with lower incomes to buy homes.
- The process of developing the proposal was not inclusive and did not involve many key stakeholders, including the development community. This exclusivity has resulted in a proposal that divides the development industry and the community, and denied all parties an opportunity to collaboratively develop a proposal that would work for all stakeholders.
- This proposal attempts to address demolition as a single issue, and fails to address the larger context. Metro's plans and the City's Comprehensive Plan anticipate significant population growth without a corresponding increase in available buildable land, requiring an increase in intensity of use of existing residential land. An increase in demolitions is the natural result of this reality, particularly where the zoning code allows for higher densities.
- The problem that the proposal is supposed to address, the "demolition crisis", has never been clearly defined. The data on demolitions have not been analyzed enough to determine what the data means for housing in the city, currently or for future housing needs and costs, and for the preservation of neighborhood character.


In light of these factors, we urge you to not move forward with the proposal, but rather to convene a committee composed of representatives from all stakeholders of the demolition issue.

Development Review Advisory Committee  
Letter Re: Demolition Tax Proposal  
November 23, 2015

The Development Review Advisory Committee is ready to help in any way possible. Since DRAC already includes representatives of all the stakeholders, neighborhood land use representatives and historic preservationists as well as developers, the DRAC may be uniquely positioned to move forward quickly on evaluating the issues raised by neighborhoods about demolitions and developing a proposal that meets the needs of all parties.

If you do move forward with your proposal, we urge you to establish a minimal new construction value, below which the demolition tax would not apply. This would remove a hindrance to the development of housing for lower-income buyers.

Sincerely,



Maryhelen Kincaid  
Development Review Advisory Committee (DRAC) Chair

Cc: Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman  
Paul L. Scarlett, Director, Bureau of Development Services

Development Review Advisory Committee (DRAC) Members

Claire Carder, Maplewood Neighborhood Association  
Hermann Colas, Colas Construction, Inc.  
Phil Damiano, Johnson Air Products  
Maxine Fitzpatrick, PCRI, Inc.  
David Humber, Humber Design Group Inc.  
Rob Humphrey, Faster Permits  
Maryhelen Kincaid, Citywide Land Use Interests  
Christopher Kopca, Downtown Development Group LLC  
Dana Krawczuk, Perkins Coie LLP  
Jennifer Marsicek, Scott Edwards Architecture  
Kirk Olsen, Trammell Crow Company  
Joe Schneider, Skanska  
Justin Wood, Fish Construction NW Inc.

28

DEMOLITION TAX ON CERTAIN RESIDENTIAL STRUCTURES

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Robert McCallough	6123 SE Road Coley	robert@mvresearch.com
✓ JANET BAKER	3416 NE 39TH	janbak@pacifier.com
✓ BARBARA STRONIK	3444 NE 35TH	wosley_9@hotmail.com
✓ MARGARET DAVIS	3617 NE 45TH	manebooks@gmail.com
✓ JOHN SANDIE	3425 NE FREMONT	sandietam@gmail.com
✓ TERRY PARKER	PO Box 13503 97213	parkert2012@gmail.com
<del>STEVE ELDER</del>	<del>4901 NE 31ST</del>	<del>elderpdx@gmail.com</del>
✓ Mary Helen Kinckid	DRAC Chair	
✓ BRANDON SPENCER HARTLE	1130 SW MORRISON	BRANDON@RESTOREOREGON.ORG
✓ Paul Grove	1555 SW Bayard rd. Lake Oswego	paulg@hbapdx.org
✓ Jerry Johnson	601 SW Alder St PDX	jwj@johnson <sup>economics</sup> <del>garden</del> .com

**DEMOLITION TAX ON CERTAIN RESIDENTIAL STRUCTURES**

IF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Dan Franks	Portland	503-498-2318
✓ Eric Thompson	10940 SW Barnes PDX	eric@oregonhomeworks.com
✓ Steve Messinetti	steve@habitatportlandmetro.org ←	1478 NE Killingsworth PDX
✓ Justin Wood	1834 SW 58 <sup>th</sup> PDX	justin@fishconstructionnw.com
✓ Fred Leeson	Bosco-Milligan 701 SE Grand 97214	fredleeson@netmail.com
✓ Cliff Goldman	41527 NE Skidmore	speechflow@yahoo.com
✓ Alyssa Isenstein-Krueger	2348 SE Tamarack, 97214	pdxhappyhouse@gmail.com
✓ Lightning Watchdog	X	X
✓ Steve Elder	4910 NE 34 <sup>th</sup> 97211	relder/pdx@gmail.com
✓ Jess Larson	5625 NE 13 <sup>th</sup> 97211	jess@welcomehomecoalition.org
✓ Shelley Oylear	5428 W Bondain Str	oylears@gmail.com

DEMOLITION TAX ON CERTAIN RESIDENTIAL STRUCTURES

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
<del>John Miller</del>	<del>2305 NE 40th Portland OR 97212</del>	<del>john@carsonba.org</del>
✓ Jane Leo	Portland Metro Assoc of Realtors 150 SW Harrison #200 Portland	jleo@pmar.org
✓ Tom Karwaki	7139 N. Macrum Ave Portland 97203	Xkarwaki@yahoo.com
✓ Mary McMurray	4406 N. Commercial port. 97217	-
✓ Jack Bookwala	4110 NE KLECKTIAI	jackbookwala@yahoo.com
✓ JIM HOWELL	3325 NE 45TH AVE	JIMHOWELL89@HOTMAIL.COM
✓ Randy Sebastian	16771 Boons Ferry RP LAKE OSWEGO	SEBASTIAN@RENAISSANCE-HOUSE.COM
✓ Kathy Austen	2628 SE 109th Ave. Portland, OR 97266	N/A

## Moore-Love, Karla

---

**From:** Eric Thompson <eric@oregonhomeworks.com>  
**Sent:** Thursday, October 15, 2015 1:37 PM  
**To:** Moore-Love, Karla  
**Cc:** Council Clerk – Testimony  
**Subject:** Testimony regarding the proposed Demo Tax  
**Attachments:** Demo Tax testimony - 10.14.15.docx

Hi Karla,

I spoke during yesterday's public hearing and would like for my attached letter to be distributed to the Mayor and Council members.

Thanks in advance,

Eric

October 14, 2015

Portland City Council  
City of Portland  
1221 SW 4<sup>th</sup> Avenue, Room 140  
Portland, OR 97204

Re: Proposed Demolition Tax

Mayor Hales and City Commissioners:

My name is Eric Thompson. I'm a Portland resident and I also own a small business that specializes in infill single family construction here in Portland. We use local contractors, we support the local economy, and I'd like to think that we improve the City's neighborhoods one new construction house at a time. I am here today to testify against the proposed demo tax.

While I think we can all agree that Portland, like most west coast cities, has an affordable housing issue, I believe the proposed demolition tax is a solution that is looking for a problem and doesn't address affordability here in Portland at all.

Let me share some numbers with you:

- If we use \$350,000 as the top end price for an affordable house that someone could purchase and perhaps fix up for their family, there were 6,330 such houses bought and sold in Portland over the past 12 months.
- Of those 6,000+ houses, 174 were accompanied by a demo permit.
- And of those 174 demo permits, only 75 were for a 1-to-1 replacement. The rest were to be replaced by two or more houses, which is 100% aligned with the City's stated density goals.
- And finally, of those 75 1-to-1 demo permits, only 30 were for houses that had an appraised value of more than \$125,000. This is important because while some houses demo'd over the past few years could be deemed habitable, the vast majority, as evidenced by their low appraised values,



were often vacant, derelict, rundown eyesores that were the blight of otherwise thriving neighborhoods. In reality these houses were at the end of their useful lifecycle.

It's interesting to note that at the current rate of demos, it will take roughly 500 years to replace the City's housing stock. And houses built in the early 1900s do not enjoy the engineering advances of a newly built home and will certainly not last 500 years.

There's a common thought that most of these houses are viable to live in and remodel. But it's also important to realize that real estate is a very efficient market of buyers and sellers. With this in mind, it's safe to say that if a house has any real habitable value, that a home buyer or rehabber will be able to pay more for the house than a developer, who can only afford to pay land value for the purchase.

So what are we really talking about? Perhaps 30 affordable and habitable houses were torn down last year in Portland. This amounts to a meager half of 1 percent of all such affordable houses bought and sold in the city over the past year.

And there's a perception that these houses are all being torn down at the hands of large (and out of town?) developers. But the reality of the situation is very different. Last year there were a total of 114 "entities" who purchased a demo permit in Portland. Of those, 89 of them only pulled a single demo permit. As you can see, the vast majority of demos are being performed by very small builders and/or existing property owners so the common thought that this is a tax on big developers simply isn't true.

And I take exception to the Mayor's recent quote of "The outcome we want is less demos", which has been restated by several people testifying before you today. I equate that to stating that we want less jobs, less businesses and less commerce. As any economist will tell you, the local construction industry is one of the single largest drivers of economic activity and living wage jobs, not to mention increased fees and taxes. Simply wanting less demos without a viable reason for it isn't thoughtful policy at all, but rather, as some have suggested, it's simply election year politics.

As an interesting aside, I demo'd one such house a few years ago in Westmoreland and replaced it with a new home, so this was an example of the 1-for-1 demo that the City is now considering taxing. In speaking about the proposed demo tax with my clients, who owned the house that we replaced, they told me that not a week goes by where they don't receive a compliment on their home and how it improved the neighborhood. They then recounted a story when Mayor Hales, then campaigning door-to-door, shared his same sentiments and told them that this is exactly the type of infill development that the City needs.

The proposed tax will have zero impact on housing affordability and is an absurd gesture toward real housing policy. Adding taxes and fees to something that is already considered too expensive makes no sense, which the Oregonian also pointed out in today's paper.

However, if the Mayor and Council would remove the ever-increasing development restrictions imposed over the past 10 years, perhaps real change can be made toward addressing the problem of housing affordability.

Respectfully,

Eric Thompson

## Moore-Love, Karla

---

**From:** Eric Thompson <eric@oregonhomeworks.com>  
**Sent:** Thursday, October 15, 2015 1:37 PM  
**To:** Moore-Love, Karla  
**Cc:** Council Clerk – Testimony  
**Subject:** Testimony regarding the proposed Demo Tax  
**Attachments:** Demo Tax testimony - 10.14.15.docx

Hi Karla,

I spoke during yesterday's public hearing and would like for my attached letter to be distributed to the Mayor and Council members.

Thanks in advance,

Eric

October 14, 2015

Portland City Council  
City of Portland  
1221 SW 4<sup>th</sup> Avenue, Room 140  
Portland, OR 97204

Re: Proposed Demolition Tax

Mayor Hales and City Commissioners:

My name is Eric Thompson. I'm a Portland resident and I also own a small business that specializes in infill single family construction here in Portland. We use local contractors, we support the local economy, and I'd like to think that we improve the City's neighborhoods one new construction house at a time. I am here today to testify against the proposed demo tax.

While I think we can all agree that Portland, like most west coast cities, has an affordable housing issue, I believe the proposed demolition tax is a solution that is looking for a problem and doesn't address affordability here in Portland at all.

Let me share some numbers with you:

- If we use \$350,000 as the top end price for an affordable house that someone could purchase and perhaps fix up for their family, there were 6,330 such houses bought and sold in Portland over the past 12 months.
- Of those 6,000+ houses, 174 were accompanied by a demo permit.
- And of those 174 demo permits, only 75 were for a 1-to-1 replacement. The rest were to be replaced by two or more houses, which is 100% aligned with the City's stated density goals.
- And finally, of those 75 1-to-1 demo permits, only 30 were for houses that had an appraised value of more than \$125,000. This is important because while some houses demo'd over the past few years could be deemed habitable, the vast majority, as evidenced by their low appraised values,

were often vacant, derelict, rundown eyesores that were the blight of otherwise thriving neighborhoods. In reality these houses were at the end of their useful lifecycle.

It's interesting to note that at the current rate of demos, it will take roughly 500 years to replace the City's housing stock. And houses built in the early 1900s do not enjoy the engineering advances of a newly built home and will certainly not last 500 years.

There's a common thought that most of these houses are viable to live in and remodel. But it's also important to realize that real estate is a very efficient market of buyers and sellers. With this in mind, it's safe to say that if a house has any real habitable value, that a home buyer or rehabber will be able to pay more for the house than a developer, who can only afford to pay land value for the purchase.

So what are we really talking about? Perhaps 30 affordable and habitable houses were torn down last year in Portland. This amounts to a meager half of 1 percent of all such affordable houses bought and sold in the city over the past year.

And there's a perception that these houses are all being torn down at the hands of large (and out of town?) developers. But the reality of the situation is very different. Last year there were a total of 114 "entities" who purchased a demo permit in Portland. Of those, 89 of them only pulled a single demo permit. As you can see, the vast majority of demos are being performed by very small builders and/or existing property owners so the common thought that this is a tax on big developers simply isn't true.

And I take exception to the Mayor's recent quote of "The outcome we want is less demos", which has been restated by several people testifying before you today. I equate that to stating that we want less jobs, less businesses and less commerce. As any economist will tell you, the local construction industry is one of the single largest drivers of economic activity and living wage jobs, not to mention increased fees and taxes. Simply wanting less demos without a viable reason for it isn't thoughtful policy at all, but rather, as some have suggested, it's simply election year politics.

As an interesting aside, I demo'd one such house a few years ago in Westmoreland and replaced it with a new home, so this was an example of the 1-for-1 demo that the City is now considering taxing. In speaking about the proposed demo tax with my clients, who owned the house that we replaced, they told me that not a week goes by where they don't receive a compliment on their home and how it improved the neighborhood. They then recounted a story when Mayor Hales, then campaigning door-to-door, shared his same sentiments and told them that this is exactly the type of infill development that the City needs.

The proposed tax will have zero impact on housing affordability and is an absurd gesture toward real housing policy. Adding taxes and fees to something that is already considered too expensive makes no sense, which the Oregonian also pointed out in today's paper.

However, if the Mayor and Council would remove the ever-increasing development restrictions imposed over the past 10 years, perhaps real change can be made toward addressing the problem of housing affordability.

Respectfully,

Eric Thompson

Kathy Avesten  
2628 SE 109th Ave.  
Portland, OR 97266

Dear Mayor Charlie Hales and the  
Portland City Council: Steve Novick,  
Amanda Fritz, Dan Saltzman, and Nick Fish,

I do want demolitions by developers  
of beautiful, historic, livable houses to stop.

I do not want to pay an additional  
\$25,000 when I am ready to build my  
dream home.

I do want affordable housing to be  
built in appropriate places. It is not  
appropriate to remove beautiful, desired,  
historic houses to build expensive condos.  
There is much vacant land in outer southeast  
Portland where affordable mixed use development  
could happen without removing anything.

The proposed \$25,000 demolition tax  
is not an effective way to prevent destruction  
of historic, livable houses. According to  
an analysis reported yesterday by a local  
television station the proposed tax with  
its accompanying "loopholes" will not  
impact speculative developers at all.  
Instead it will impact people who want  
to replace one house with one other.  
It will impact people like me and my  
spouse, who for eighteen years have  
been discussing building our dream  
home.

For eighteen years my spouse and I have been discussing building our dream home. In 2008 an opportunity came up to buy a perfect site. We anticipated we would not be ready to build for at least ten to fifteen years, but we scraped together the money and took out a loan to buy the site. We are still paying off the loan, but we are on schedule. We will need to remove (re-site or deconstruct) an existing house when we are ready to build. The existing house was built as a two storey house around 1928. Around 1933 it experienced a fire and emerged as a one storey house. Around 1960 a kitchen was added on, on a different kind of foundation than the main structure. This house is not a stellar example of beautiful historic architecture. The character of the neighborhood will not suffer from its removal. We, however, will face daunting impacts by having to pay an additional \$25,000 when we are ready to remove it. That \$25,000 could mean we cannot afford solar panels. It could add years to our wait to build our dream home. Once we build we do not intend to profit or sell. We intend to live in our dream home for the rest of our lives. Please do not diminish or delay our dream. Please do help others who wish to remain in beautiful, historic homes live their dreams, too.



A housing tragedy has happened on SE Division St. (around SE 30th Ave.)

Last year a family that loved the house in which they lived was kicked out. (Whether this was by an owner who had been renting to them who wanted to sell or by a bank I do not know.)

This beautiful Craftsman house, which stood among other loved Craftsman houses, was sold to a developer, for \$365,000 if I remember the right sum. That is a price that could have been affordable for another private family who would have loved and maintained that house.

Instead now a beautiful, viable, Craftsman house is gone and the houses on the adjacent lots are in greater danger of removal too. Expensive condos will be built on this lot. I doubt this could have been prevented by charging the developer \$25,000 more to remove the house. I do think the community would have been better served by retaining a complete row of beautiful, loved, Craftsman houses.

Please find a better way to discourage demolition of historic houses, while encouraging retention and construction of affordable housing, and allowing private home owners to build (and live in) their dreams. Thank you.

Kathy Austen, 2628 SE 109th Ave., Portland, OR 97266

## LETTERS TO THE EDITOR

Read more letters, submit your own letter and comment at [ORne.ws/myoregon](http://ORne.ws/myoregon)

### Teardown tax

Regarding "Mayor Hales' teardown tax is punitive, counterproductive," (Sept. 18): The Oregonian/OregonLive editorial board is to be commended for mentioning the work and mission of the newly formed Residential Infill Stakeholder Advisory Committee, which is to "guide the city in zoning matters and in being sensitive to well-established neighborhoods in which teardowns frayed nerves — notably where a builder has not boosted capacity so much as replaced an old, habitable house with a big new expensive one."

I live on Northeast Skidmore Street, where two McMansions were recently completed, one of them occupied by one individual, the other by a family of four. They went for \$670,000 each. The two McMansions farther down the block and closer to Northeast 42nd Avenue are nearing completion and will be going for \$900,000 each. Houses on Skidmore between Northeast 42nd Avenue and Northeast 47th are valued at \$350,000 to \$400,000. Not only are the newly constructed houses architecturally incompatible with all other houses on the street, but they're contributing to the increase of the unaffordability of Portland housing. Zoning changes are needed to stop this epidemic; this is the mission of the committee.

Taxing developers on a teardown is just one tool being used to disincentivize developers from thoughtless construction.

**CLIFF GOLDMAN**  
Northeast Portland

### Trees and infill

Becky Duncan (Letters to the Editor, Sept.

Wed. 9/30/15 1082

SUMMER STRIBLING CONTENT AGENCY LLC  
© 2015



23) seems to think it borders on criminal for Vic Remmers and Everett Custom Homes to make a profit. Did Duncan lose millions in assets when the housing market crashed? Did she risk her entire livelihood, lay off dozens of employees or lose everything, as many contractors did? Is she willing to make that "little outlay"? Then she should go do it.

And "green building practices"? What is more green than infill? Want developers to expand urban growth boundaries onto more farmland? Do the residents of the Eastmoreland area think their homes were built on prairie land? How many torn-down old homes built of old-growth timber to build new monuments to vanity?

The attitude seems to be: "I moved into

this neighborhood because it was quaint, but if you come it's too many." Maybe those who were already there when you arrived felt the same way.

**DON WRIGHT**  
Newberg

### Monica PAC

Regarding "Wehby's new breed of PAC," (Sept. 20): Monica Wehby warns us that Monica PAC is "an operation the likes of which Oregon has never seen." It seems this operation consists of an opaque business structure that raises money from an unsuspecting public to provide a "service" or "product" of questionable value while enriching the principals. The organization, while committed to rooting out corruption, features a failed polit-

ical can forming and can CEO wh paying l account ments a Oregon and Cyl Byzanti parency set for sruption.

### Candi

We ar actions i speech i actions i countrie view of actions.

In the old Trun insisted and ther them?" I a Muslim religious Carson c followin into han ing with the very flames o Constitu side of it

## SUPERFUND SITE

# The lower Willamette River will be clean o

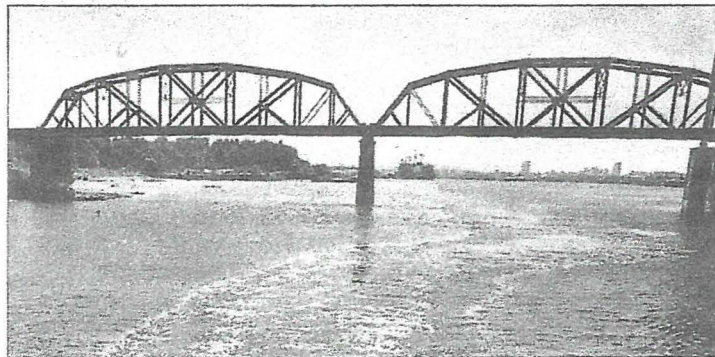
**DENNIS McLERRAN**  
IN MY OPINION

After more than 150 years of heavy indus-

trial activity, expansive growth and world-changing innovations, the Portland area is on the verge of a transformational effort to restore the very river that drove so much of the region's economic success and cultural history.

Indeed, if it could be grown, processed, manufactured or repaired, it was going to happen along the Willamette. And that same "get it done" attitude was resurrected in the '60s and '70s when former Gov. Tom McCall drove the fight to clean up the Willamette, which had caused public health authorities to ban people from its waters.

The governor rallied public opinion and the state Legislature to create the Department of Environmental Quality — and to give it teeth. Over time, the pollution insults



The lower Willamette River within Portland Harbor continues to be contaminated with heavy metals, PCBs, hydrocarbons, dioxins and pesticides.

STAFF/2011

majority Over t working Group, o tribes, th national public vi that time that plan

We're opportu in the cle the stree a way to time spe guide an the mape Over t of the cit gon have

PCBs, hydrocarbons, dioxins and pesticides.

In some areas of Portland Harbor, resident fish and shellfish aren't safe to eat, and direct contact with sediment can pose a risk to people. Despite health agency warnings, people continue to eat fish and shellfish from the river, putting themselves and their

of the river from the Columbia Slough to just below the Broadway Bridge — are big and complicated, and require agencies, citizens and industries to work together to address the problems. That process is often complex, time-consuming and sometimes a little contentious.

Regarding rebates being proposed:

Property owners could collect rebates for building multiple units or affordable housing.

Unfortunately the rebate would be granted to a developer who is going to replace a one structure and replace with two larger more expensive "McMansions" ; thus, no disincentive for the current destruction derby. - So

Perhaps an idea would be to grant the rebate to the developer who will replace the demolished home adhering to height, width, and setbacks that are compatible with the neighborhood and what the Residential Infill Stakeholder Advisory Committee will be advising do as to preserve the architectural integrity and affordability of the neighborhood.

Cliff Goldman  
4527 NE Skidmore  
Portland, 97218

TAX = STICK  
REBATE for appropriate replacement,  
The carrot.

Testimony for City Council  
October 14, 2015

From:

Alyssa Isenstein Krueger  
2348 SE Tamarack Ave.  
Portland, OR 97214  
503-724-6933  
[pdxhappyhouse@gmail.com](mailto:pdxhappyhouse@gmail.com)

My name is Alyssa Isenstein Krueger and I have been a real estate broker in Portland since 2007. I work almost exclusively with clients looking to buy or sell in close-in Portland, meaning west of I-205.

I support UNR's proposal of a flat \$35,000 fee for any home demolition. As a real estate broker I see first hand the market determining the price of housing, not the developers. Developers price their homes at the top end and then reduce prices until they snag a buyer. Most new construction goes through at least one price reduction while it is on the market, and as a whole they linger on the market for a longer time than the existing stock of homes. Single family homes- particularly those under \$400k are much less likely to see price reductions and if they are in a desirable micro location, they don't stay on the market for long. To the developers who respond that adding a demolition fee onto the price of homes will only increase the cost to a buyer, that is only be true if a buyer is willing to pay what a developer is asking. No buyer is ever forced into paying more for a home than they feel it is worth or that they can afford.

We are seeing a crisis in affordability along the continuum of housing here in Portland. Rents are increasing at an astronomical pace and the only true way a family or individual to guarantee that their housing costs do not increase and price them out is through home ownership. For a family of 4 earning the 100% median family income of \$73,900, they are most likely going to be looking in the under \$350k price range to buy a home. Finding a home for under \$350k in the central neighborhoods of Portland is difficult, and is almost next to impossible for a family wanting a 3 bedroom home within 3 miles of the downtown core. For homes under \$350k that have the misfortune of sitting on more than one historic lot, families looking to stave off displacement and buy a home are already competing with developers who come in with cash and offer quick closings.

The new proposal you have for the demolition tax will only incentivize the demolition of the affordable single family homes in the name of density for wealthier individuals

and families. Increasing density at the expense of losing our homes that are affordable to families earning up to 120% of the median family income is backwards. No developer is going to demolish an affordable single family home and then build 2 more affordable homes- that doesn't pencil out for them, and the only way it does pencil out is to replace the one affordable home with 2 or more homes unaffordable to families making often times over 200% of MFI. How is this possibly right?

We should be looking more at ways of incentivizing the preservation of single family homes- particularly the smaller and more affordable ones, not debating how to appease developers looking to line their pockets on the backs of long time residents of Portland who merely want to buy a home, plant roots, and stay in their communities.

## Demolition Tax Proposal Testimony – October 14<sup>th</sup> Presentation before City Council

My name is John Sandie, a frustrated resident of NE Portland; and I am representing, most probably, thousands of others sharing a similar state of mind.

For almost two years, Portland citizens have been seeking help in: 1) muting the explosive trend of housing demolitions that is eroding the character of many neighborhoods; and, 2) effective and responsive management of hazardous materials to protect both workers and nearby citizens during these demolitions. Despite countless meetings and thousands of hours of city resources and civic-minded volunteers, there are no real results to be observed.

Recent changes to demolition requirements have had no impact in actually saving houses. The “good faith” requirements loaded on neighborhoods to grant a delay appeal were not matched with any leverage to prompt developers to act in a similar mode. In only a few cases have residential deep pockets and legal support been able negotiate and pay the developers’ “ransom” required to preserve significant neighborhood treasures.

Recent articles within the Oregonian substantiate that developer hazardous materials self certification without verification is a hollow policy putting the public at risk.

Demolition often leaves a scar on the neighborhood mien that never goes away. The situation screams for simple, results driven hurdles to make demolitions the decision of last resort rather than the easiest, as is the case today. Preservation and public safety *must* be assured their due and true worth in all policy. The time for meaningful action is woefully long overdue. Council must buy time for the Residential In-fill Project to accomplish its goals; a simple and significant demolition tax is needed, now!

I'm Margaret Davis with United Neighborhoods for Reform. I live in Northeast Portland.

We are grateful that you are taking up a demolition tax to curb demolitions, which hurt neighborhoods and people. We respectfully submit a revised version. Karla has copies of it for you, already in code language.

The simple structure of UNR's revised tax—a flat \$35,000 on both demolitions and major remodels—will achieve the aim of protecting affordable housing and amassing funds for more. Minus any exemptions, rebates, and loopholes, the revised tax is far easier to understand and administer.

Thank you, Mayor Hales, for visiting our neighborhood association this week for feedback on the tax. At that time you cited “marginal success”—I quote—of previous efforts by this council to combat demolitions.

I would argue that submarginal or zero success better describes those efforts. To illustrate: under the demo delay rules that took effect six months ago, no home has been saved. Same with deconstruction. That voluntary program, which involves giving money to developers to do the right thing by forgoing wasteful and hazardous mechanical demolition, has had no takers since it was instituted—until this week, when city staff urged someone to submit an application. And that was for a house that's already gone.

Such nonresults highlight the need for real ones. One constant in these underwhelming measures was heavy influence by members of the Development Review Advisory Committee, or DRAC. DRAC, which includes many developers, does an excellent job finessing permitting processes. This tax is not one. We have been assured by the mayor that whatever revisions are made to this tax will occur through the Revenue Division and, we hope, transparent process. We are counting on it.

Demolitions take it all away—the affordable housing, mature urban trees, character and history, and uncontaminated dirt and air, among other irreplaceable assets of our community. This is your third try at curbing demolitions—please, make it matter.

Commissioner Fritz: If you led the charge against smoking in parks, you should stop the demolitions. Demolitions send hazardous materials such as lead and asbestos across the neighborhood and pose health effects that are similar to smoking, and worse.

If you care about kids, as you do Commissioner Saltzman, having led the charge for the children's levy, then you should stop the demolitions. The Centers for Disease Control says there's no amount of lead that's safe in children. Bulldozed homes exude it.

If you care about resource waste and climate change, Commissioner Novick, you should stop the demolitions. It's said that the carbon cost of disposing of a home made of old-growth materials can never be recouped no matter how “green” the replacement house is.

If you care about affordable housing and aging in place, Commissioner Fish, you should stop the demolitions. Most of the homes demolished served generations of families, and could shelter more if allowed to remain standing.

Mayor Hales, thank you for bringing a demolition tax forward. Thank you, Council, for considering a revised tax that actually will keep viable housing out from under the bulldozer.

**EXHIBIT A**  
**REVISED**

Chapter 6.08 Demolition Tax Law

6.08.010 Purpose

The demolition of residential structures in Portland has reduced the diversity of housing stock and decreased the availability of affordable housing within the City. Subsequent redevelopment has contributed to increases in housing prices that make it more difficult to provide affordable housing. The permit fees relating to building demolitions cover the administrative costs of the regulatory program, but do not address other impacts of demolition of residential structures. The tax imposed under this Chapter is not for the purposes of recovering the administrative costs of the demolition permit program, and it is not regulatory in any manner. The tax is strictly for revenue purposes. The tax imposed pursuant to this Chapter shall be in addition to any regulatory demolition permit fees established from time to time by the City Council and other applicable regulatory fees and charges.

6.08.020 Definitions. The terms used in this Chapter are defined as provided in this section or in Administrative Rules adopted under Section 6.08.060, unless the context requires otherwise:

- A. "Bureau" means the Revenue Division of the Bureau of Revenue and Financial Services of the City of Portland.
- B. "Demolition" means removal of the entire superstructure of a Residential Structure 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.
- C. "Director" means the Director of the Bureau, or his or her designee.
- C. "Major Residential Alteration or Addition" refers to a project as defined in Chapter 24.55.150.B.
- D. "Owner" means the person that owns the property on which the Residential Structure to be demolished or altered is located.
- E. "Residential Structure" means a dwelling unit as covered by the Oregon Residential Specialty Code located in a Single-Dwelling Comprehensive Plan Map designation of R20, R10, R7, R5 or R2.5 that has independent living facilities including provisions for sleeping, cooking and sanitation, and that is designed for residential occupancy by a group of people.

6.08.030 Demolition Tax.

On or after January 16, 2016, the Owner of the Residential Structure for which a residential Demolition or Major Residential Alteration or Addition permit has been issued shall pay a tax to the Bureau in the sum of \$35,000. Upon notification from the Bureau of Development Services that a permit for Demolition or Major Residential Alteration or Addition of a Residential



Structure has been issued, the Bureau shall issue a tax assessment to the Owner noting that the tax will be due.

#### 6.08.040 Payment of the Tax.

Payment of the Demolition or Major Remodel tax shall be due within 30 days after the Bureau sends the Owner a tax assessment.

#### 6.08.050 Exemptions.

The demolition tax shall not apply if a complete application for a residential Demolition or Major Residential Alteration or Addition permit was on file with the City on or before January 15, 2016. The Owner's obligation to pay the demolition tax under this Chapter does not affect the Owner's obligation to pay demolition permit fees and other regulatory charges.

#### 6.08.060 Administration.

A. The Director may implement procedures, forms, and written policies for administering the provisions of this Chapter.

B. The Director may adopt rules relating to matters within the scope of this Chapter to administer compliance with this Chapter.

C. Before adopting a new rule, the Director must publish the proposed rule on the City's website for a minimum of 10 days prior to adoption of the rule and allow for public comments. The notice on the website will identify the period of time that public comments on the proposed rule can be made and information on how to submit those comments.

D. The Director or designee will receive public comments concerning the proposed rule. The Director will either adopt the proposed rule, modify it or reject it, taking into consideration the public comments received during the comment period. If a substantial modification is made, an additional public comment period may be allowed at the discretion of the Director. Unless otherwise stated, all rules are effective upon adoption by the Director. All rules adopted by the Director will be filed in the Bureau's office. Copies of all current rules will be made available to the public upon request.

E. Notwithstanding Subsections C and D of this Section, the Director may adopt an interim rule without prior public notice upon a finding that failure to act promptly will result in serious prejudice to the public interest or the interest of the affected parties, stating the specific reasons for such prejudice. Any interim rule adopted pursuant to this paragraph is effective for a period not longer than 180 days.

#### 6.08.080 Revenue Division Responsibilities.

A. Receive the revenues derived from the demolition tax and, after deducting administrative expenses, deposit the revenues in to the Housing Investment Fund for home repair and home ownership programs; and,

B. Keep accurate records of expenses and revenues.

#### 6.080.090 Appeals.

A. Any application aggrieved by any determination of the Bureau may appeal to the Director. The application must file this appeal within 30 days of the City's serving or mailing of the assessment or determination.

B. If the application does not agree with the Director's determination, they may appeal the determination to the City of Portland Code Hearings Office. The applicant must file this appeal within 30 days of the City's serving or mailing of the Director's determination. The findings of the Code Hearings Office are final and conclusive. The City will serve the findings upon the appellant in the same manner as service for the notice of hearing. Any amount found to be due is immediately due and payable upon the service of notice.

#### 6.08.100 Penalties.

A. A penalty of 5 percent of the tax under Section 6.08.030 is due if payment of the tax is not made in accordance with Section 6.08.040.

B. An additional penalty of 20 percent of the tax is due if not paid within 90 days of the original due date of the tax.

C. The Bureau may waive or reduce any penalty determined under Subsections A. and B. for good cause, according to and consistent with written policies. Penalty waiver and/or reduction requests are discretionary and not subject to the appeal process or timeline outlined in Subsections 6.08.090 A. and B. The applicant must file a written request with the Bureau detailing why a penalty should be waived within 30 days of receipt of a billing notice that assesses a penalty. The Bureau must respond to requests to reduce and/or waive penalties within 60 days from the date the written request is received. If the applicant has requested that penalties be waived and the Bureau denies the applicant's request for this discretionary waiver of penalties, the applicant may request a conference with the Director (or designee) within 30 days of the date of the Bureau's notice of denial. If the conference with the Director results in a denial of the penalty waiver request, that decision is final and may not be appealed to the Code Hearings Office.



Bought for \$725,000 to be demolished  
3587 square feet  
House in excellent condition



Smaller house on right listed for \$1,298,000; 4004 square feet  
Larger house on left 5143 square feet

**Should these houses be rebated?**

## **Testimony by Barbara Strunk for United Neighborhoods for Reform Wolsey\_9@hotmail.com**

UNR supports the idea of a demolition tax to try to discourage demolitions of viable single-family houses. We do not support the current proposed form of the tax with rebates if two “dwelling units” are built in place of the one demolished house. The original form of the tax with no rebates had some credibility, but we think it could be better.

**This is what we think will happen if the current form of the tax before you today is enacted.**

1. The number of demolitions of viable single-family residences will increase.
2. Rebates will encourage demolitions and lot divisions.
3. We will see greatly increased lot divisions and demolitions, especially in neighborhoods where nearly all the houses have underlying historical lot lines and are still somewhat affordable,

**We do not want to see any of these possible results of this tax happen.**

**The results we want from a demolition tax are as follows:**

1. An economic disincentive to most demolitions.
2. An increase in resources to put toward housing affordability.
3. Encourage the building of smaller, more relatively affordable houses.
4. Avoid any policy that encourages lot divisions.

**This is how UNR thinks we should attain these goals:**

1. \$35,000 flat fee for all demolitions of single-family residences.
  - 1.1. The proposed tax is too low to be a disincentive. \$25,000 is a drop in the bucket compared to the \$800,000 to \$1.3 million selling price of new houses we see on the market today.
  - 1.2. People may claim that this tax will lower the price received by a seller of the house to be demolished. We argue a seller needs to wait just a few days longer and a buyer who wants to live in the house will have a chance to make a bid.
  - 1.3. To the argument that the tax will raise the selling price of the new house we say: A developer will sell a house for what the market will bear. Period.
2. Ideas to Be Considered in the Near Future
  - 2.1. If we want to accomplish more with this tax we should consider a rebate issued based on the size of the new house.
    - 2.1.1. The smaller the new house the larger the rebate. We want to encourage the construction of smaller, relatively affordable houses.

- 2.2. We propose adding major remodels that have the impact of a demolition to this program.
- 2.3. The current definitions of demolition and major remodel are very similar. It would be very easy for a project to be moved from demolition to major remodel to avoid a demolition tax. Both type of projects now have the same impact on neighborhoods, and on the surging price of housing.
- 2.4. We want to see the definitions of demolition and major remodel rewritten soon.

**We do not support the demolition tax in its current proposed form.**

**We support the concept of a demolition tax in the form just outlined: a flat tax of \$35,000 on every demolition of a single-family house.**

**We urge the Council to revise this potentially positive idea of a demolition tax accordingly and accept as written by United Neighborhoods for Reform.**

## 10-14-15 Testimony of Janet Baker, UNR Steering Committee

My name is Janet Baker and I'm part of United Neighborhoods for Reforms. I live in Northeast Portland

So -- finally the City proposes an alternative approach to curbing demolitions- a demolition tax. The tax is intended to play dual roles. First it is intended to disincentivize demolitions in tandem with the work of the residential infill task force, which will be completed in 2017. Secondly it would provide some funding for low income housing initiatives, a greatly underserved part of our Portland community.

First, a little background: United Neighborhoods for Reform formed in 2014 to tackle better rules for demolition delay, treatment of hazardous materials during demolition, and improved guidelines for new construction, among other solutions, as ways to curb residential demolitions citywide. Our work, endorsed by 43 neighborhood associations, has pushed to the forefront many ideas for protecting affordable, viable housing.

While we greatly appreciate formation of the residential infill task force that will recommend new-construction guidelines, it will be at least 18 months before their recommendations come to you for a vote.

We can't wait that long. Between now and then hundreds more houses will be demolished in Portland and replaced with oversized suburban style tract homes that only a very small fraction of homebuyers can afford.

What's more: Clearly the changes in the process for demo delays are not working. Neighbors and city staff are grappling with the process to save well-built quality homes that have served generations of Portland families. Of the six successful appeals brought by neighbors, not a single home has been saved.

The only beneficiaries of this demolition boom have been the developers. They have made many millions on the backs of Portland homeowners and renters.

Externality, a term used in economics, is the cost or benefit that affects a party who did not choose to incur that cost or benefit. The negative externalities of the demolition boom in Portland are way too many to enumerate. In addition to the damage done to neighborhood fabric and the impacts on people living adjacent to these demolition and construction projects, demolitions have destroyed many viable, affordable homes and apartments in Portland at a time when affordable housing is becoming increasingly hard to find.

The money collected from this proposed demolition tax would go into a fund to address affordable housing issues. It is only fair that the beneficiaries of the boom, the developers, should help pay for some of the negative externalities of their actions.

Although UNR agrees that a demolition tax could help curb demolitions and raise money for affordable housing, we do not believe the proposed tax structure will achieve that goal. The next speakers will tell you why we don't believe the proposed tax will work and what we submit as a revised tax for you to consider.

Anonymous  
Portland, OR

Mayor Charlie Hales and Portland City Council  
City of Portland

Dear Mayor Hales and Portland City Council:

I am going to start by asking a simple question. Mr. Mayor and members of city council, if you really want to solve these problems, and generate revenue the city might put toward affordable housing, I respectfully ask "why don't you go after the taxes and fees your constituents have already authorized?" I will set forth below how you can generate 50 to 100 million dollars for affordable housing, improve livability, and do all of this with existing taxes and fees – instead of a new tax on law abiding citizens that also significantly makes costs higher instead of lower.

Our city has an epidemic of individual owner-occupants, landlords and developers that have flagrantly avoided building permits and taxes, and for decades the city has turned a blind eye. It's no secret that for every "demolition" development, there are a dozen or more unreported, untaxed and unpermitted remodels – up to and including full-blown illegally built Accessory Dwelling Units.

This rampant illegal activity results in colossal rent and sale price increases that simply dwarf a hundred or two demo-related developments each year. Yet with the cities current passive stance they do not even bother to try to collect all the increased property taxes due from these illegally built tax-evaders in this time of our "emergency housing crisis"? Even more, the solution proposed is to instead apply an unprecedented and gargantuan new tax on legitimate and code compliant members of the public?

Even more disturbing is that all these illegal remodels and non-permitted structures have created an extreme safety concern (Livability) for unknowing residents of our great city. I ask what future liability is brewing for the city when their passivity is allowing thousands of major updates and remodels every year without an iota of lead or asbestos testing, zero structural, mechanical, electrical inspections or even one building code review? What a catastrophe that the city would overlook such a huge family safety issue while enabling tax evaders, but yet spend their time and resources to invent a new tax that only affects those who are following the rules and zoning codes that our own planning commission put in place to structure the growth of our city.

In closing, I will leave you with a final question. Why would the city even propose such an unprecedented new tax on law abiding citizens before first ending the **institutionalized** acceptance of **illegal** development that contributes abundantly more to the very problems the city purports to want to solve?

To substantiate this point I have taken the time to provide you with a case study and simple pro forma of how you can really solve this problem.

Anonymous

## CASE STUDY:

On the next few pages are a case study of just one example of a property that was bought and completely remodeled with no permits or tax adjustments, then immediately flipped for nearly double the price. Thus, Livability (Safety) may have been compromised due to no inspection or permits, and Affordability was definitely compromised, due to the price nearly doubling overnight. It took half an hour to set up a process to find these types of homes, and 15 minutes to find the first obvious case.

The example is 10 years behind on at least \$1,000 per year in over-due but unassessed property taxes. Adding in 10 years of penalty and interest, plus the required permit and inspection fee penalty's for such unpermitted work, and this single property alone could generate the city an immediate \$30,000 in back taxes and fees, plus an additional \$1,000 or more per year forever thereafter.

If the 1.5 or so full time employees the city needs for the demo tax were instead to just find one single property like this per week, they could generate 1.5 million dollars in revenue for the city in just the first year alone.

Multiply this by the true number of these properties out there (1000's and 1000's), and the city could easily raise 50 to 100 million dollars for affordable housing over the next couple of years, while securing millions more in additional continuing property tax revenue every year thereafter.

I will set forth the simple low tech process the city, or any concerned individual can perform to help identify these properties.

Pick an MLS search area, and read the sales descriptions of each home over the last several years. Once a highly updated or remodeled home is identified, search its address history in MLS to determine when the work was performed, by seeing if the last sale of that property was already remodeled or not. This tells you approximately when the work was done. Now search for the property on [portlandmaps.com](http://portlandmaps.com) and inspect its permit and property tax histories. If relevant building permits and large property tax valuation increases did not happen around or in the next year after when the work was done, then the property is a good candidate for tax reassessment, resulting back taxes, inspections and permit/code enforcement fees, and actions to ensure it is safe and legal.





Presented By: [REDACTED] Agent Full  
 Phone: [REDACTED] E-mail: [REDACTED]  
 RESIDENTIAL Status: SLD 10/14/2015 9:45:25 AM  
 ML#: [REDACTED] Area: 143 List Price: \$235,000  
 Addr: [REDACTED] Unit#: [REDACTED]  
 City: Portland Zip: 97202 Condo Loc: [REDACTED]  
 Map Coord: [REDACTED] Zoning: [REDACTED] List Type: ER LR: N  
 County: Multnomah Tax ID: [REDACTED]  
 Elem: Richmond Middle: Mt Tabor  
 High: Franklin PropType: DETACHD  
 Nhood/Bldg: [REDACTED] CC&Rs: [REDACTED]  
 Legal: [REDACTED]  
 Internet/Address/No Blog/No AVM: Y/N/ Offer/Nego:  
 Home Energy Score:  
 Home Wrnty: 55+ w/Affidavit Y/N:

GENERAL INFORMATION

Lot Size: 3K-4,999SF # Acres: [REDACTED] Lot Dimensions: [REDACTED]  
 Wtfrnt: [REDACTED] View: [REDACTED] Lot Desc: LEVEL  
 Body Water: [REDACTED] Seller Disc: DSCLOSUR Other Disc: [REDACTED]

RESIDENCE INFORMATION

Upper SQFT: 1028 SFSrc: [REDACTED] #Bdrms: 5 #Bath: 2/0 #Lvl: 3 Year Built: 1913 / FIXER  
 Main SQFT: 1050 TotUp/Mn: 2078 Roof: [REDACTED] Style: OLD-PDX Green Cert: Energy Eff.: [REDACTED]  
 Lower SQFT: 1050 #Fireplaces: 1 / Parking: [REDACTED] Exterior: WOOD  
 Total SQFT: 3128 Addl. SQFT: [REDACTED] #Gar: 0/ Bsmt/Fnd: [REDACTED]

REMARKS

XS/Dir: [REDACTED]  
 Private: Fixer. House has much upside potential. House is very cluttered. Owner is usually home during the day. Please leave card.  
 Public: Fixer. Large old Portland style home with tons of potential. Fabulous close-in SE location!

APPROXIMATE ROOM SIZES AND DESCRIPTIONS

Living: / / /	Mstr Bd: U/ /	Bths - Full/Part
Kitchen: / / /	2nd Bd: / /	Upper Lvl: 0/0
Dining: / / /	3rd Bd: / /	Main Lvl: 1/0
Family: / / /	: / /	Lower Lvl: 1/0
: / / /	: / /	Total Bth: 2/0

FEATURES AND UTILITIES

Kitchen: [REDACTED]  
 Interior: [REDACTED]  
 Exterior: [REDACTED]  
 Accessibility: [REDACTED]  
 Cool: [REDACTED] Heat: FOR-AIR Fuel: GAS  
 Water: PUBLIC Sewer: PUBLIC Hot Water: [REDACTED]

FINANCIAL

Property Tax/Yr: \$2,218.00 Spcl Asmt Balance: [REDACTED] Tax Deferral: [REDACTED] BAC: % 2.7  
 Terms: CASH, CC [REDACTED] Short Sale: [REDACTED] \$ Pre-Approv: [REDACTED] 3rd Party: N Total Comm Differs: [REDACTED]  
 Escrow Pref: [REDACTED] Other Dues: [REDACTED] Bank Owned/REO: [REDACTED]  
 HOA: [REDACTED] Dues: [REDACTED] Rent, If Rented: [REDACTED]  
 HOA Incl: [REDACTED]

BROKER / AGENT DATA

BRCD: [REDACTED] Office: [REDACTED] Phone: [REDACTED] Fax: [REDACTED]  
 LPID: [REDACTED] Agent: [REDACTED] Phone: [REDACTED] Cell/Pgr: [REDACTED]  
 Email(s) AG: [REDACTED] CoBRCD: [REDACTED] CoAgent: [REDACTED] Agent Ext: [REDACTED]  
 CoLPID: [REDACTED] ShowHrs: 9-7 Tran: 12/1/2004 List: 9/28/2004 Exp: [REDACTED] Occ: OWNER Poss: [REDACTED]  
 LB/Loc/Cmb: all Owner: [REDACTED] Show: Phone: [REDACTED]  
 Show: CALLIST OWN-OCC, RMLSLBX Tenant/Other: [REDACTED] Phone: [REDACTED]

COMPARABLE INFORMATION

Pend: 11/10/2004 DOM/CDOM: 43 / O/Price: \$235,000 %SP/OLP: 93.62  
 Sold: 11/24/2004 Terms: CASH Sold Price: \$220,000 %SP/LP: 93.62  
 SPID: [REDACTED] S/Off: [REDACTED] S/Off Phone: [REDACTED]



Presented By: [REDACTED] Agent Full  
 Phone: [REDACTED] E-mail: [REDACTED]  
 RESIDENTIAL Status: SLD 10/14/2015 9:45:27 AM  
 ML#: [REDACTED] Area: 143 List Price: \$439,000  
 Addr: [REDACTED] Unit#: [REDACTED]  
 City: Portland Zip: 97202 Condo Loc: [REDACTED]  
 Map Coord: [REDACTED] Zoning: [REDACTED] List Type: ER LR: N  
 County: Multnomah Tax ID: [REDACTED]  
 Elem: Richmond Middle: Mt Tabor  
 High: Franklin PropType: DETACHD  
 Nhood/Bldg: RICHMOND ADD CC&Rs: [REDACTED]  
 Legal: [REDACTED]  
 Internet/Address/No Blog/No AVM: Y/Y/Y Offer/Nego:  
 Home Energy Score: [REDACTED]  
 Home Wrrnty: N 55+ w/Affidavit Y/N: N

GENERAL INFORMATION

Lot Size: 3K-4,999SF # Acres: 0.09 Lot Dimensions:  
 Wtfrnt: View: Lot Desc: LEVEL  
 Body Water: Seller Disc: DSCLOSUR Other Disc: LBP

RESIDENCE INFORMATION

Upper SQFT: 1028 SFSrc: Seller #Bdrms: 3 #Bath: 3/0 #Lvl: 3 Year Built: 1913/ REMOD  
 Main SQFT: 1050 TotUp/Mn: 2078 Roof: COMP Style: OLD-PDX Green Cert: Energy Eff.:  
 Lower SQFT: 1050 #Fireplaces: 1 / WOOD Parking: OTHER Exterior: WOOD  
 Total SQFT: 3128 Addl. SQFT: #Gar: 0/ Bsmt/Fnd: FULLBAS, OS-ENTR

REMARKS

XS/Dir: [REDACTED]  
 Private: **SHOW & SELL!** Period-style touches blended w/modern features! Cherry cabs, slab granite, stainless appliances, loads of tile, eucalyptus flooring, nice carpet, 400 sq ft cedar deck, french doors, wainscoting, tall moldings, nearly everything new or extensively updated! Full bsmt w/good ceilings for even more space! Absolute must-see!  
 Public: OPEN 11/20 12-4pm! Agent has financial interest in prop. HOT Richmond area! Extensively remodeled! 3 full baths! Slab granite, tile, cherry cabs, 400 sq ft deck, hardwoods, great millwork, beautiful lighting, landscaped, nearly everything new or updated!! A MUST-SEE!

APPROXIMATE ROOM SIZES AND DESCRIPTIONS

Living: M/ 17 X 13 / FIREPL, HARDWOD	Mstr Bd: U/ 14 X 13 / DBL-CLO, WI-CLOS	Bths - Full/Part
Kitchen: M/ 9 X 13 /	2nd Bd: U/ 12 X 14 /	Upper Lvl: 1/0
Dining: M/ 13 X 13 / FORMAL, HARDWOD	3rd Bed: U/ 12 X 13 / WI-CLOS	Main Lvl: 1/0
Family: M/ 18 X 9 / FNCH-DR	DEN/OFF: M/ 13 X 10 /	Lower Lvl: 1/0
FAMILY: L/ 13 X 35 /		Total Bth: 3/0

FEATURES AND UTILITIES

Kitchen: BI-MICO, DISHWAS, DISPOS, FS-RANG, FS-REFR  
 Interior: HARDWOD, TILE-FL  
 Exterior: DECK  
 Accessibility:  
 Cool:  
 Water: PUBLIC  
 Heat: FOR-AIR  
 Sewer: PUBLIC

**NO TAX INCREASE**

FINANCIAL

Property Tax/Yr: \$2,268.09 Sptl Asmt Balance: Tax Deferral: N BAC: % 2.5  
 Terms: CALL-LA, CASH, CON Short Sale: \$ Pre-Approv: 3rd Party: N Total Comm Differs:  
 Escrow Pref: Bank Owned/REO:  
 HOA: Dues: Other Dues: Rent, if Rented:  
 HOA Incl:

BROKER / AGENT DATA

BRCD: [REDACTED] Office: [REDACTED] Phone: [REDACTED] Fax: [REDACTED]  
 LPID: [REDACTED] Agent: [REDACTED] Phone: [REDACTED] Cell/Pgr: [REDACTED]  
 Email(s) AG: [REDACTED]  
 CoLPID: [REDACTED] CoBRCD: [REDACTED] CoAgent: [REDACTED] Agent Ext: [REDACTED]  
 ShowHrs: all Tran: 12/27/2005 List: 9/24/2005 Exp: [REDACTED] Occ: VACANT Poss: [REDACTED]  
 LB/Loc/Cmb: 24/gas meter Owner: on file Tenant/Other: [REDACTED] Phone: [REDACTED]  
 Show: RML [REDACTED] VACANT

COMPARABLE INFORMATION

Pend: 11/27/2005 DOM/CDOM: 64 / 64 O/Price: \$449,000 %SP/OLP: 96.88  
 Sold: 12/22/2005 Terms: CONV Sold Price: \$435,000 %SP/LP: 99.09  
 SPID: S/Agt: [REDACTED] S/Off: [REDACTED] S/Off Phone: [REDACTED]

## 3830 SE IVON ST - RICHMOND - PORTLAND

[Explorer](#) | **Property** | [Maps](#) | [Projects](#) | [Crime](#) | [Census](#) | [Environmental](#) | [Transportation](#)

[Summary](#) | **Assessor** | [Permits/Cases](#) | [Block](#) | [Schools](#) | [Parks](#) | [Development](#) | [Garbage/Recycling](#) | [Noise](#) | [Historic Permits](#) | [Water](#) | [Documents](#)

General Information	
Property ID	[REDACTED]
County	MULTNOMAH
State ID	[REDACTED]
Alt Account #	[REDACTED]
Map Number	[REDACTED]
Site Info	
Site Address	[REDACTED]
City/State/Zip	PORTLAND OR 97202
Owner Info ( <a href="#">Privacy</a> )	
Owner(s) Name	[REDACTED]
Owner Address	[REDACTED]
City/State/Zip	[REDACTED]

Property Description	
Tax [REDACTED]	Use RESIDENTIAL IMPROVED
[REDACTED]	Block [REDACTED]
Tax Districts	
101 PORT OF PORTLAND	130 CITY OF PORTLAND
130L CITY OF PORTLAND - NEW LEVIES	130M CITY OF PORTLAND PARKS LOP
143 METRO	164 EAST MULT SOIL/WATER
170 MULTNOMAH COUNTY	170L MULT CO LIBRARY LOCAL OPT TAX
171 URBAN RENEWAL PORTLAND	173 URB REN SPECIAL LEVY - PORTLAND
198 TRI-MET TRANSPORTATION	304 MULTNOMAH ESD
309 PORTLAND COMM COLLEGE	311 PORTLAND SCHOOL DIST #1

Deed Information			
Sale Date	Type	Instrument	Sale Price
	INST	[REDACTED]	\$0.00

Land Information		
Type	Acres	SQFT
RESIDENTIAL LAND	0.1100	5,000

Improvement Information	
Improvement Type	SINGLE FAMILY RESIDENTIAL
Improvement Value	\$149,890.00
Room Descriptions	

Building Class 1 STY W/ATTIC & BSMT		
Actual Year Built 1919	Effective Year Built 1919	
Number of Segments 5	Construction Style Other	
Foundation Type Concrete	Interior Finish	
Roof Style	Roof Cover Type COMPOSITION	
Flooring Type	Heating/AC Type Forced Air	
Plumbing ONE FULL BATH	Fireplace Type BRICK 1	
Improvement Details		
# Segment Type	Class	Total Area
1 MAIN	3.0	1,011
2 FIN ATTIC	3.0	300
3 UNF BSMT	3.0	951
4 CONCRETE	3.0	400
5 DET GAR	3.0	198

Tax History		
Year	Property Tax	Total Tax
2014	\$3,511.94	\$3,511.94
2013	\$3,430.31	\$3,430.31
2012	\$3,103.16	\$3,103.16
2011	\$2,986.48	\$2,986.48
2010	\$2,833.56	\$2,833.56
2009	\$2,759.56	\$2,759.56
2008	\$2,604.24	\$2,604.24
2007	\$2,596.43	\$2,596.43
2006	\$2,331.78	\$2,331.78
2005	\$2,227.22	\$2,227.22
2004	\$2,425.94	\$2,425.94
2003	\$2,372.31	\$2,372.31
2002	\$2,178.68	\$2,178.68
2001	\$2,077.45	\$2,077.45
2000	\$2,029.13	\$2,029.13
1999	\$1,886.63	\$1,886.63
1998	\$1,857.20	\$1,857.20
1997	\$1,754.96	\$1,754.96

REMODEL '05  
FIXER '04

NO TAX ASSESMT FOR REMODEL

Assessment History						
Year	Improvements	Land	Special Mkt/Use	Real Market	Exemptions	Assessed
2014	\$149,890.00	\$158,500.00	\$0.00	\$308,390.00	\$0.00	\$146,400.00
2013	\$137,410.00	\$158,500.00	\$0.00	\$295,910.00	\$0.00	\$142,140.00
2012	\$130,470.00	\$128,500.00	\$0.00	\$258,970.00	\$0.00	\$138,000.00
2011	\$119,380.00	\$128,500.00	\$0.00	\$247,880.00	\$0.00	\$133,990.00

3830 SE IVON ST - RICHMOND - PORTLAND

[Explorer](#) | [Property](#) | [Maps](#) | [Projects](#) | [Crime](#) | [Census](#) | [Environmental](#) | [Transportation](#)

[Summary](#) | [Assessor](#) | [Permits/Cases](#) | [Block](#) | [Schools](#) | [Parks](#) | [Development](#) | [Garbage/Recycling](#) | [Noise](#) | [Historic Permits](#) | [Water](#) | [Documents](#)

Permits/Cases				New Permit/Case Search
Permit/Case Number	Permit/Case Type		Latest Activity	
2004-██████████000-00-NU	Nuisance	Occupied Building	Complaint	10/14/2004
2015-██████████000-00-ET	Electrical Permit	One or Two Family Dwelling	Structure Addition/Alteration/Replacement	05/20/2015
2015-██████████000-00-UF	Parks Urban Forestry	Removal/Replant	Right-of-Way	07/20/2015

Please note: Permits/Cases created since January 1, 2000. Data updated twice daily. [View disclaimer.](#)

[About Bureau of Development Services](#)

[Search Tips](#)

[New Permit/Case Search](#)

City of Portland, Corporate GIS

10/14/2015

THE GIS APPLICATIONS ACCESSED THROUGH THIS WEB SITE PROVIDE A VISUAL DISPLAY OF DATA FOR YOUR CONVENIENCE. EVERY REASONABLE EFFORT HAS BEEN MADE TO ASSURE THE ACCURACY OF THE MAPS AND ASSOCIATED DATA. THE CITY OF PORTLAND MAKES NO WARRANTY, REPRESENTATION OR GUARANTEE AS TO THE CONTENT, SEQUENCE, ACCURACY, TIMELINESS OR COMPLETENESS OF ANY OF THE DATA PROVIDED HEREIN. THE USER OF THESE APPLICATIONS SHOULD NOT RELY ON THE DATA PROVIDED HEREIN FOR ANY REASON. THE CITY OF PORTLAND EXPLICITLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE CITY OF PORTLAND SHALL ASSUME NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INACCURACIES IN THE INFORMATION PROVIDED REGARDLESS OF HOW CAUSED. THE CITY OF PORTLAND SHALL ASSUME NO LIABILITY FOR ANY DECISIONS MADE OR ACTIONS TAKEN OR NOT TAKEN BY THE USER OF THE APPLICATIONS IN RELIANCE UPON ANY INFORMATION OR DATA FURNISHED HEREUNDER. FOR UPDATED INFORMATION ABOUT THE MAP DATA ON PORTLANDMAPS PLEASE REFER TO [CITY'S METADATA](#). FOR QUESTIONS ABOUT ASSESSMENT INFORMATION PLEASE CONTACT THE COUNTY ASSESSORS OFFICE IN YOUR COUNTY.

[Address](#) | [Mapping](#) | [Advanced](#) | [Google Earth](#) | [Help](#) | [Beta](#) | [About](#)

PortlandMaps © 2015 [City of Portland, Oregon](#)

NO '04 / '05 PERMITS  
FOR ANY UPDATING  
OR REMODELLING  
WORK

# Far Southwest Neighborhood Association

Portland, Oregon

October 14, 2015

Mayor Charlie Hales  
Councilor Nick Fish  
Councilor Amanda Fritz  
Councilor Steve Novick  
Councilor Dan Saltzman

Subject: Community-Initiated Trails Process

At our Far Southwest Neighborhood meeting on September 22, 2015 neighbors heard a presentation by Dave Manville on the Trails Process. There had been concern in the past few months that neighborhood associations had been excluded from the "community" that would have a say in requesting/recommending/approving placement of trails in public right-of-ways.

Mr. Manville indicated there had been recent changes in the procedures being considered for the establishment of trails. In reviewing the updated Trails Process, we were pleased to see the reference to the city working "with community members and groups to ensure that ... efforts meet the needs of those {the city} aims to serve."

The proposed process appears to provide a good framework for identifying potential trail locations, eliminating conflicts with other services located within the rights-of-way, permitting, construction and maintenance of the trails for the best interests of the city, adjacent residents, and the neighborhoods where they would be located.

The neighbors attending the September Far Southwest NA meeting voted to support adoption of the Community-Initiated Neighborhood Trails Process.

Sincerely,

Marcia Leslie, Chair  
Far Southwest NA  
5445 SW Palatine St.  
Portland, OR 97219

## Moore-Love, Karla

---

**From:** Paul Grove <PaulG@hbapdx.org>  
**Sent:** Wednesday, October 14, 2015 11:33 AM  
**To:** Moore-Love, Karla  
**Subject:** FW: Proposed Demolition Tax  
**Attachments:** HBAMP Testimony\_Demo Tax.pdf

See below...just ensuring it is received. Thank you.

---

**From:** Paul Grove  
**Sent:** Wednesday, October 14, 2015 11:31 AM  
**To:** 'cctestimony@portlandoregon.gov'  
**Cc:** mayorcharliehales@portlandoregon.gov; nick@portlandoregon.gov; novick@portlandoregon.gov; dan@portlandoregon.gov; Amanda@portlandoregon.gov; Dave Nielsen; Jon Kloor  
**Subject:** Proposed Demolition Tax

Please find the attached testimony of the HBA of Metro Portland on the proposed demolition tax, which scheduled for a public hearing at 2 pm today. Please include this in the record of the hearing.

Thank you,

Paul Grove  
Home Builders Association of Metro Portland  
t 503.684.1880 | f 503.684.0588 | [hbapdx.org](http://hbapdx.org)



Home Builders Association  
of Metropolitan Portland

---

October 12, 2015

Portland City Council  
City of Portland  
1221 SW 4th Avenue, Rm. 140  
Portland, OR 97204

Re: Proposed Demolition Tax

Mayor Hales and Honorable Commissioners:

For the record my name is Paul Grove, and I'm the Associate Director of Government Relations for the HBA of Metro Portland. I appreciate the opportunity to testify on the matter before you today. As you know, our members are active in supporting the density and redevelopment objectives of the city. Moreover, as members of the community and residents in the city, they too care about preserving housing affordability and livability in Portland – now and for future generations to come.

Specific to the ordinance before you today, the HBA of Metro Portland cannot support the proposal. While the latest version acknowledges the city's need to meet its stated objectives to increase density within Portland and attempts to carve out an additional provision for affordable housing, there are still a number of problematic policy issues.

**Affordability.** As noted, the rebate provision would appear to try and address the issue of affordable housing – but frankly, it does not. In particular, smaller home builders that construct new housing at the SDC waiver requirement, and there are increasingly few, would experience a major burden in trying to carry the cost of the tax when funding resources are already limited.

In addition, smaller home builders that are providing new housing in and around the median home price in Portland will also experience the same difficulty in carrying the cost of the tax, and unfortunately the burden ultimately shifts to the new home buyer – it becomes a much different proposition for a family trying to purchase a home at \$375,000 versus \$350,000. Unfortunately this proposal would have the opposite impact of its stated purpose and would negatively impact a family's ability to purchase a home at a more reasonable price.

**Sustainability.** Many of the homes that face the prospect of being torn down, while technically habitable, often have a series of deficiencies that make them inefficient. From knob and tube wiring and oil-heat furnaces to a lack of insulation and single-paned windows, the number one contributor to a home's carbon footprint is energy usage. As such, older inefficient homes are replaced by significantly more energy-efficient housing that further the city's environmental and sustainability objectives. Unfortunately, the proposal before Council does not acknowledge and recognize the improvements that new housing stock provides to our residential carbon footprint.

Home Builders Association of Metro Portland  
15555 SW Bangy Rd., Ste. 301  
Lake Oswego, OR97035  
503-684-1880 • Fax 503-684-0588



Equity. One of the unfortunate consequences of the proposal is its potential impact on an individual's property values and rights. On its face, it would appear that a homeowner who wished to tear down their existing home to build and occupy a new structure would also be subject to the tax. If so, it is hard to connect this application of the tax to the stated purpose of the ordinance. In addition, the tax may also negatively impact those long-time Portland residents that may be in a position to finally sell their home and property and realize their nest egg. Unfortunately, the proposed tax on demolitions would, similar to that of a new homebuyer, shift the burden and impact to the existing owner and likely not realize the desired outcomes.

Accountability. Another problem area involves the administration and oversight of the program. The ordinance appears to provide significant discretion regarding the implementation and administration of the provisions surrounding the tax. Moreover, the language in the proposal is permissive as it relates to implementing procedures and policies, as well as adopting rules on the tax. In short, the potential for uncertainty in the process would exist as to its administration. In addition, there does not appear to be any form of reporting requirement back to Counsel to determine if the stated purpose and objectives, in particular around housing affordability, are achieved.

Legality. I want to note in my remarks that Council should have a letter submitted by the Oregon Home Builders Association questioning the city's legal authority to impose such a tax, and I want to ensure that is acknowledged in the record on their behalf.

Ultimately, it is incumbent upon us as to look at Portland's housing policies in a more comprehensive fashion and stop the practice of addressing individual issues in a piecemeal fashion. The consequences of continuing this approach go well beyond the immediate issue at hand and have significant, cumulative impacts around the future of housing affordability and achieving other policy objectives for the city.

Thank you for the opportunity to testify on the matter today.

Respectfully,



Paul Grove  
Associate Director of Gov't Relations

## Moore-Love, Karla

---

**From:** Holly Chamberlain <hollyc@visitahc.org>  
**Sent:** Wednesday, October 14, 2015 10:50 AM  
**To:** Moore-Love, Karla; Council Clerk – Testimony; Detweiler, Jillian  
**Cc:** Holly Chamberlain; Steve Dotterer (kradot@hevanet.com); Cathy Galbraith  
**Subject:** Architectural Heritage Center: comments on proposed demolition tax  
**Attachments:** AHC Portland Proposed Demolition Tax Comments to Mayor and Council.docx

Please find attached a letter containing our comments on the proposed demolition tax. We are happy to provide additional input and answer questions.

Thank you for coordinating the inclusion of our letter into the testimony on this issue.

Sincerely,

Holly Chamberlain

### **Holly K. Chamberlain**

Deputy Director

Architectural Heritage Center

701 SE Grand Ave. Portland, OR 97214

503-231-7264 [www.VisitAHC.org](http://www.VisitAHC.org)

Office hours: Tues. - Fri., 10:00 a.m. - 6:00 p.m.

**Regular public operating hours** are 10:00 am to 4:30 pm, Wednesday – Saturday, although our offices are open earlier and later and also on Tuesdays. **Enjoy a virtual museum of the city** with our **TagWhat smartphone app**. Link through Google Play Store or App Store. "Like" us on **Facebook** and visit our website for updates and our resource directory of preservation professionals at [www.visitahc.org](http://www.visitahc.org).

*"For the last two decades, historic sites around the country have been engaged in a steady, thoughtful discussion about slavery and race. This conversation isn't always comfortable or easy, but it happens consistently and it happens with the authenticity and veracity that can only happen in an old place, in a place where history happened and history is preserved, and history is connected to the present." – Elizabeth Byrd Wood, National Trust for Historic Preservation, July 10, 2015*



**Architectural Heritage Center**

701 SE Grand Avenue  
Portland, OR 97214  
503 231-7264  
503 231-7311 fax  
www.VisitAHC.org



October 14, 2015

Dear Mayor Hales and Council Members:

The Architectural Heritage Center (AHC) seeks to preserve the historic character and livability of the Portland area's built environment, and promotes sustainability through the re-use of period homes and buildings. *This letter provides our comments on the proposed demolition tax.*

The AHC supports the general idea of the demolition tax as a *first step* toward the proposal's goals of discouraging the destruction of single-family houses and supporting affordability, livability, and equity. Additional strategies are needed, however, to address this important and challenging issue, which threatens historic houses, neighborhoods, and community character. *We advocate utilization of historic preservation-related tools and incentives,* not just penalties such as the demolition tax.

Conservation of buildings is one of the best strategies to address affordable housing and livability. Others are needed and the details of the demolition tax and its impacts need to be seriously considered. The AHC is deeply concerned about modifications to the original demolition tax proposal, particularly:

- (1) *Providing essentially an exemption if one house is replaced by two or more units.* This major change appears to be contrary to the stated goals, and may indeed actually encourage demolitions. It would be hard to argue that the private market is not meeting the demands for market rate housing and this exemption for all multiple units is unnecessary. The AHC holds no objection to an exemption for *affordable* housing.
- (2) *Having the tax be a flat \$25,000 by removing the additional charge based on the age of the house* removes an opportunity to raise additional revenues to support affordable housing, and eliminates the tax's one penalty related to historic preservation (and a minor penalty at that). This concept was also an opportunity to increase the tax above relatively small \$25,000, which to many developers is a minor cost that they will pass on to new homeowners, and thus not much of a deterrent. While we acknowledge that enforcement is likely the reason it was removed, simply stating where the data on construction date will come from in the ordinance—the Multnomah County Assessor—provides a relatively indisputable basepoint to justify the tax without creating differences over construction date.

The proposed demolition tax will not be enough by itself to address Portland's affordable housing shortage or preserve neighborhood livability and character but is, however, a step forward. The AHC thanks the Mayor and City Council for considering it, and is available as a resource as these issues are continued to be considered. We are here to help any way we can.

Sincerely,

Cathy Galbraith  
Executive Director

## Moore-Love, Karla

---

**From:** Schwab Mary Ann <e33maschwab@gmail.com>  
**Sent:** Wednesday, October 14, 2015 8:54 AM  
**To:** Commissioner Fritz; Crail, Tim; Moore-Love, Karla  
**Cc:** Hales, Charlie; Alpert, Josh; Haynes, Dana; Commissioner Saltzman; Grumm, Matt; Commissioner Fish; Schmanski, Sonia; Novick, Steve; Warner, Chris  
**Subject:** 1054 TIME CERTAIN: 2:00 PM – Establish a tax on the demolition of certain residential structures in the City of Portland (Ordinance introduced by Mayor Hales; add Code Chapter 6.08) 3 hours requested

Good Morning Amanda and Tim:

Let me start by quoting Citywide Landuse Group Chair, Bonny McKnight, ..."Not just poor policy but policy which will demand more and more public subsidy to pay builders to build so-called affordable housing."

Once again, I am disappointed the Mayor Hale's proposed demolition tax was not vetted FIRST through the ONI 95 Neighborhood Associations or NA Landuse and Transportation Committees; but then their Boards need 30-days to alert members an action (vote) will be taken the following month = 60-days. We citizens have come to expect City Council to respectfully honor the intent of the Public Involvement Principles below:

### City of Portland Public Involvement Principles

Adopted by the City of Portland, Oregon on August 4, 2010

Portland City government works best when community members and government work as partners. Effective public involvement is essential to achieve and sustain this partnership and the civic health of our city. This:

- ☐ Ensures better City decisions that more effectively respond to the needs and priorities of the community.
- ☐ Engages community members and community resources as part of the solution.
- ☐ Engages the broader diversity of the community—especially people who have not been engaged in the past.
- ☐ Increases public understanding of and support for public policies and programs.
- ☐ Increases the legitimacy and accountability of government actions.

These principles represent a road map to guide government officials and staff in establishing consistent, effective and high quality public involvement across Portland's City government.

These principles are intended to set out what the public can expect from city government, while retaining flexibility in the way individual city bureaus carry out their work.

My fear, if by chance the two of you missed reading Brad Schmidt's article about the proposed demolition tax in last Sunday's Oregonian, here is the link: <http://www.oregonlive.com/portland/index...>

***Allow me to add my two-cents on the proposed demolition tax REBATES on certain residential structures -- along mixed commercial corridors (i.e. SE Belmont and SE Hawthorne Blvd)***

***Unable to attend City Council on October 7th, I watched the video:***

- 1) Listening to Commissioner Novick's solution siting the troublesome 3% limit on property tax increases; that will not solve the current rental crisis for those earning minimum wages -- many working two jobs .
- 2) Nor will the Mayor's solution calling for additional Federal grants to subsidizing households 0%-60%.
- 3) As for Commissioner Fish's comments that we fight at the State level to lift the preemptions on local rent control, I believe is quickest solution.

***These troubles started in Salem, it is up the current Legislatures to repair the damage.***

It will save Portland's *DISGRUNTLED RENTERS* from gathering 80,000 registered voter's signatures to place this issue on the ballot, May 10, 2016. Furthermore, it is not clear to me how that ORS/91.225 was approved without Registered Voters' approval? I have asked Brad Schmidt to find out why this ORS no cap on rentals, and no cause eviction -- including preemption on local rent control -- was approved in the House and Senate. About as slippery as the Housing Bureau's definition for affordable housing where those in most need 0-30% are not served. Property Managers will continue renting units to households earning closer to 60% to those with ability to pay first and last months rent, cleaning deposits, application fees and willing to sign a 12-month lease. Final example how this no cap on rent and no cause eviction adds to homelessness. Last September when time to sign a second lease, my friend's rent increased \$300, given thirty days to either sign it, or pay a much larger month-to-month rental fee. Oregon Legislators must amend ORS/91.225 language to read JUST CAUSE EVICTION. And City Council must extend the 30-day no cause eviction notices at least 60-days.

And as for Developer's "by-right" agreeing to add one or two 0-60% low-income studios in exchange for adding two floors is simply egregious. My fear, making the Comp Plan 3025 worthless.

Here is the link to the ORS regarding Local Rent Control: <http://www.oregonlaws.org/ors/91.225> and a list of professionals who may have suggestions if asked to review the proposed \$25,000 demolition tax.

Graig Gibbons, TSCC (Tax Supervising & Conservation Commission),

Mary Hullcaballero, Auditor City of Portland Auditor

Terri Williams, Tax Division Manager, Deputy Director

At the moment, I'm ready to take a sludge hammer to this MAC computer. Toss in a white towel of defeat -- simply learn to accept the community's apathy and complacency.

To quote my neighbor frustrated with 101 Southeast Apartment tenants' over-flow parking: "I thought you [MAS] were taking care of that..."

Not once did he attend a SNA meeting. His 5-bedroom house is currently leased to Lewis and Clark and PSU under-grads -- each of whom has a vehicle.

The owner moved his family to San Francisco, rented a 4-bedroom house \$8,000 a month. My fear? Portland is on a fast track to meet or exceed San Francisco rental fees.

So while the renters get TRICKED when the Developers get TREATED to a watered down proposed \$25,000 demolition tax -- preempted with loop holes compromising the Comp Plan 2035.

It takes three votes to reject the Mayor's proposal.

Mary Ann Schwab, Community Advocate

(503) 236-3522



Nextdoor Sunnyside works best when all your neighbors are members. Invite your neighbors »

- Home
- Inbox<sup>52</sup>
- Neighbors
- Map
- Events Calendar

#### LOCAL

- Sunnyside
- Nearby Neighborhoods
- Local Agencies

#### CATEGORIES

- Classifieds
- Crime & Safety
- Documents
- Free items
- **General**
- Lost & Found
- Recommendations

#### GROUPS

- Browse all 6 groups

© Nextdoor 2015 About Blog Guidelines Help Jobs Privacy Press Safety

## Post in General

---



**Should Developer's pay a tax when they demolish the house next door? Time to express your opinion via the link herewith...** .22 Sep

Mary Ann Schwab from Sunnyside

The Portland Business Journal has an interesting poll on home demolitions 8h ago

Robert McCullough from Eastmoreland

If you are interested in expressing your opinion on whether developers should pay a tax when they demolish homes, enter

<http://www.bizjournals.com/portland/puls.....>

and vote.

I voted "yes", but, of course, I live here . . .

Business Pulse Poll: Should Portland impose a \$25,000 fee for demolishing a house? - Portland Business Journal

Mayor Charlie Hales plans to propose a \$25,000 tax on developers and builders who want to demolish homes in single-family neighborhoods. Good idea?

[BIZJOURNALS.COM](http://BIZJOURNALS.COM)

Shared with Sunnyside + 8 nearby neighborhoods in General

REPLY 23

Paul-Nancy, Joy, Kath, and 3 others thanked you

[View all 23 replies](#)



John Cava from Outer Mount Tabor1 Oct

Although part of the demo problem is that it's taking away all "close-in" housing stock at the price point of \$350K or less - which is pretty much exactly what most first-time home-buyers qualify for (except those with all cash, trust funds, etc.). Because a developer will build and sell and \$800K home on it to aforementioned trust funds, etc. No easy solution, but the fact is that the way many of us entered the housing market, purchasing lower priced homes with bank loans and then building up equity over time, is now closed. With no alternative in sight except renting. The \$350K homes are purchase as tear-downs by developers with all-cash, same-day closing, etc. that the typical first-time buyer cannot compete with. So they're out of the market unless they move away from town. Hard to find a solution - it's all about the money, but a sad situation for many young couples looking to buy.

Thank Flag

Cathy, Krista, Carla, and 3 others thanked John



Jack Barnes from Outer Mount Tabor2d ago

Readers here should be aware that the mayor's proposal has been revised to exempt developers from this tax if they plan to increase the number of units on a property.

In other words, it will be OK to tear down that old house if you plan to build apartments or a duplex, but if you just want to replace one house with another then you will be hit with the \$25K tax.

Does that change folks' support of this proposal?

Thank Flag



Ted Mittelstaedt from North Richmond 1d ago

Considering that all a developer has to do is leave ONE WALL STANDING to change the type from "demolish" to "remodel" - thus ducking the tax for replacing one house with another anyway - it's pretty clear that the proposal is a do-nothing, and won't make any changes at all in what is going on.

The real question isn't whether you support this proposal or not. The real question is why would anyone support Hales in the first place?

Thank Flag

Carla and Kath thanked Ted



**Moore-Love, Karla**

---

**From:** Bob Clark <elvsy3k@yahoo.com>  
**Sent:** Tuesday, October 13, 2015 7:52 PM  
**To:** Moore-Love, Karla  
**Subject:** Written testimony agenda#1054 for October 14, 2015 Council meeting  
**Attachments:** Pubtest1054Oct2015.docx

Hello, Karla.

Please find my written testimony regarding Agenda # 1054, the proposed new demolition tax.

Thank you for getting it to the Mayor and Commissioners if you would.

*Bob Clark  
SE Portland*

**Demolition Tax (Agenda item 1054) Public Testimony**

Bob Clark, SE Portland

Volunteer for the Taxpayer Association of Oregon

*October 13, 2015*

**Dear Mayor, Commissioners and City Auditor:**

**I oppose the proposed new demolition tax (Agenda item 1054).**

**First, and foremost, it significantly hurts private property rights.**

I am not a supporter of the "Stop Demolition" crowd. **The new homes being constructed, by and large, are replacing aging and many times drafty homes, in which families continually struggle to keep them going.** I know this having had a demolition and rebuild just next door to my own home in Portland. Moreover, one block over from my home were two other demolitions and rebuilds where in talking to the homeowners who sold to developers; the selling families were happy to be out of the single story drafty, high up-keep houses.

I am not a developer, nor do I have pecuniary interests in the developer/residential construction industry.

**Sincerely,**

**Bob Clark**

**(503) 233-2073**

## Moore-Love, Karla

---

**From:** Jack Barnes <jack@jackbarnesarchitect.com>  
**Sent:** Tuesday, October 13, 2015 12:08 PM  
**To:** Council Clerk – Testimony  
**Cc:** Commissioner Saltzman; Novick, Steve; Commissioner Fish; Commissioner Fritz; Hales, Mayor  
**Subject:** Written Testimony

Dear Clerk & Council,

I respectfully submit the following testimony regarding Agenda Item #1054, "Establish a tax on the demolition of certain residential structures in the City of Portland".

-----  
I support and respect the Council's goal to minimize demolitions and maintain the diversity of housing stock, however I do not believe that this proposed tax is the proper method to achieve that goal.

Neighborhood uproar over demolitions has focused primarily on developer-driven demolitions where one old house is being razed to make way for two or more homes/apartments, yet this legislation strangely focuses entirely on "1-for-1" demolitions. In doing so, it strengthens the hand of large developers who can afford a \$25K increase in project costs, while penalizing individuals who might wish to improve their own homes through a major remodel or house replacement. If developers choose to absorb this \$25K demo tax, then we can expect costlier homes as a result, or more homogenous homes built cheaply in an effort to offset these added costs.

As a residential architect, I recently had the pleasure of designing a new home for a family in Portland. By replacing an existing small home, we were able to build a home large enough for their family which provided:

- Earthquake safety (replacing a house with a poor foundation and no wind/seismic design elements)
- Healthy air quality, and free of toxic materials (e.g. lead, asbestos)
- Energy efficiency far exceeding current code requirements (replacing an old house with no insulation, and inefficient mechanical systems).
- A home office to offset environmental costs of commuting.

Such goals could not be achieved by remodeling a small home, and families like this one should not be required to pay a \$25,000 penalty for wanting to build a resilient, safe, healthy, environmentally friendly home within the City of Portland.

Several other forward-thinking builders and designers have also replaced existing homes with "Passive House" homes, which often use 90% less energy than the homes they replace. In fact Portland is on the leading edge of building these highly efficient homes. This legislation would penalize 1-for-1 projects with such lofty environmental goals. In most cases, these lots are not even zoned for more than one unit, so it is essentially impossible to build a 2-for-1 and avoid the demolition tax.

The City already has several other options for improving and maintaining the housing stock, especially the Planning & Zoning Code. Improving this code is admittedly a more time-consuming endeavor than adding a demo tax, but in the long run could greatly improve the quality and compatibility of newly built structures, and could encourage thoughtful multi-family development to meet the City's density goals and create affordable housing. I encourage council to take a more thoughtful approach to addressing the demolition problem rather than adding time and expense to an already costly and bloated permitting process.

Lastly, it should be noted that the legislation as written has several gray areas which need clarification:

1. Would a replacement house plus Accessory Dwelling Unit (ADU) qualify as “increasing the number of dwelling units”, thus qualifying for a rebate of the tax?
2. Would the rebate apply when a property owner subdivides a lot to create two dwellings (two lots) on a former single-dwelling lot?
3. Would demolition of an existing detached ADU trigger the demolition tax, since it is a “residential structure”?

Thank You,  
Jack Barnes  
Portland, OR resident in 97215

---

Jack Barnes  
*Architect • CPHC • SHP*

JACK BARNES ARCHITECT, P.C.  
615 SE Alder Street, #304  
Portland, OR 97214  
Tel: 503.232.1620

[www.jackbarnesarchitect.com](http://www.jackbarnesarchitect.com)

## Moore-Love, Karla

---

**From:** Jon Chandler <jchandler@oregonhba.com>  
**Sent:** Tuesday, October 13, 2015 5:21 PM  
**To:** Council Clerk – Testimony  
**Cc:** Moore-Love, Karla  
**Subject:** demolition tax  
**Attachments:** Portland demo tax letter.docx

According to my email's auto reply, I mangled the testimony email address when I copied it. My apologies if this is a duplicate, but attached is our testimony on the proposed demolition tax; please include it in the record for tomorrow's public hearing. Thank you.

Jon Chandler, CEO  
Oregon Home Builders Association  
375 Taylor Street NE  
Salem, OR 97301  
503-602-8945 cell  
503-378-9066 x 3 office

13 October 2015

Hon. Charlie Hales, Mayor  
City of Portland  
1221 SW Fourth Avenue, Suite 130  
Portland, OR 97204

Sent via email to [cctestimony@portlandoregon.gov](mailto:cctestimony@portlandoregon.gov)

Re: Proposed demolition tax

Dear Mayor Hales and Council Members:

The Oregon Home Builders Association categorically opposes the demolition tax being proposed. Others will be advancing policy arguments against this idea – and there are no shortage of policy objections that could be raised – but our objection is quite simple:

The city lacks the legal authority to impose this tax.

ORS 320.170 et seq prohibits the city from imposing a construction excise tax, which this clearly is, both by the terms of the proposed ordinance and the purpose statement referencing ‘subsequent redevelopment’. If the city’s only intent was to prevent property owners from demolishing their homes in order to, say, put in a larger garden or a bocce court, then this ordinance might be silly but legal...but that obviously is not the case. The intent of the ordinance is transparent – to impede redevelopment of neighborhoods (and selected neighborhoods, at that) – and as such, this proposed tax falls within the statutory prohibition of taxes on construction.

We disagree with the city’s objective, but even if we were sympathetic, we would still oppose this tax. Cities do not have the ability to invent taxes out of whole cloth; statutory or other authority must exist. In this case, neither state law nor the city’s own code provide that authority, so this proposed tax is inherently invalid.

Thank you for considering these comments.

Very truly yours,



Jon A. Chandler, CEO

375 Taylor St. NE ■ Salem, OR 97301 ■ [www.oregonhba.com](http://www.oregonhba.com)  
P ■ 503.378.9066 F ■ 503.362.5120

*Building Jobs, Creating Communities*

**2015 OFFICERS**

**President**

Mike Davis  
TMT Home Remodelers  
PO Box 802  
Redmond OR 97756  
541.548.1871  
[mike@tmtconst.com](mailto:mike@tmtconst.com)

**Vice President**

Randy Jones  
Mahar Homes  
815 Alder Creek Dr  
Medford OR 97504  
541.776.1220  
[randy@maharhomes.com](mailto:randy@maharhomes.com)

**Secretary**

Mike Goodrich  
Legend Homes  
515 Western Blvd  
Corvallis OR 97333  
541.754.2102  
[mgoodrich@legendhomes.com](mailto:mgoodrich@legendhomes.com)

**Treasurer**

Tim Breedlove  
Renaissance Development  
16771 Boones Ferry Rd  
Lake Oswego OR 97035  
503.636.5600  
[tbreedlove@renaissance-homes.com](mailto:tbreedlove@renaissance-homes.com)

**Associate Vice President**

Kathy Temple  
Supervised Fuels  
PO Box 7437  
Bend, OR 97708  
541.330.8356  
[kathy@supervisedfuels.com](mailto:kathy@supervisedfuels.com)

**Immediate Past President**

Rick Massey  
Richard Massey Construction Inc  
8688 Massey Ln SE  
Salem OR 97319  
503.588.7598  
[masseyhomes@msn.com](mailto:masseyhomes@msn.com)

**NAHB State Representative**

Dave DeHarpport  
Four D Construction Inc  
PO Box 1577  
Beaverton OR 97075  
503.590.0805  
[fourconst@msn.com](mailto:fourconst@msn.com)

**NAHB Area 15 Representative**

Tom Skaar  
Pacific Western Homes Inc  
2105 NE Fairway Dr  
Portland OR 97211  
503-240-1709  
[pacwesthomes@aol.com](mailto:pacwesthomes@aol.com)

**Chief Executive Officer**

Jon Chandler  
375 Taylor St., NE  
Salem, OR 97301  
(503) 378-9066 ext 3  
[jchandler@oregonhba.com](mailto:jchandler@oregonhba.com)

**Moore-Love, Karla**

---

**From:** Audrey Alverson <audrey.alverson@gmail.com>  
**Sent:** Tuesday, October 13, 2015 2:43 PM  
**To:** Council Clerk – Testimony  
**Cc:** Hales, Mayor; Commissioner Saltzman; Commissioner Fish; Commissioner Fritz; Commissioner Novick; Finn, Brendan; Callahan, Shannon; Alpert, Josh; Detweiler, Jillian; Chabre Vickers; James, Dante; Selby, Jeff  
**Subject:** Submitted testimony on 10-14-15 City Council Agenda Item #1054 Demolition Tax  
**Attachments:** 2015-10-13 HRC statement on housing issues.pdf

To Whom It May Concern:

Please find attached testimony from the Portland Human Rights Commission on City Council agenda item #1054 (October 14) and two upcoming agenda items.

Please feel free to contact me if you have questions or need additional information about the attached.

Thank you,

Audrey Alverson  
Vice Chair, Portland Human Rights Commission

To: **Portland City Council**  
From: **Portland Human Rights Commission**

Date: Oct. 13, 2015

RE: Upcoming City Council Agenda Items

**Portland Human Rights Commission**  
**Supports Upcoming Proposals Related to Housing:**  
**Demolition Tax, TIF Set Aside Increase, and Nexus Study for Development Linkage Fee**

The Portland Human Rights Commission commends members of City Council for unanimously voting to declare a State of Emergency for housing and homelessness on October 7, 2015, and urges that a number of actions to address the housing emergency follow. While the Council's bold step of declaring a housing emergency will bring much needed focus to the issues of housing in Portland over the next year, how we act on this declaration is what matters most.

As such, the Portland Human Rights Commission (HRC) would like to express its support for three important upcoming measures related to housing upon which the Council will be voting:

1. **October 14, 2015 Agenda, Item #1054, Demolition Tax:** As Portland City Commissioners consider establishing a \$25,000 tax on the demolition of certain residential structures, HRC expresses its support for the measure. At a time when housing affordability negatively impacts a great number of Portlanders, we believe it is appropriate and necessary to discourage demolition of serviceable single family homes, especially when demolished homes are NOT replaced with additional housing units. Furthermore, we also encourage members of City Council to support incentives for developers who replace demolished homes with long-term affordable housing and believe it is imperative that all funds collected from this demolition tax will serve to increase our stock of affordable housing units.
  
2. **October 21, 2015 Agenda, Tax Increment Financing Set Aside Policy:** As City Commissioners consider supporting an increase in the Tax Increment Financing (TIF) set aside for affordable housing development in urban renewal areas from the current 30% to 50%, HRC expresses its support for this proposed increase. While we understand TIF funds come with certain limitations, and recognize that these geographically limited funds alone will not solve our housing crisis, we believe at this time we must use every tool available to address the urgent need for additional affordable housing units in Portland; and that the 800-plus units this increase would provide are an essential reason we must seize this opportunity to amend the set aside policy now.



3. **October 28, 2015 Agenda, Commence “Nexus” Study for Linkage Fee:** As City Commissioners consider whether to initiate a “nexus” study to assess commercial and residential developments’ impacts on affordable housing, HRC urges Commissioners to support the commencement of this study. Understanding the impacts of development on affordable housing is a critical first step to providing our city the opportunity to work toward a more equitable future for all Portland communities. As we face the impending end of TIF funds and a significant deficit of affordable housing units throughout our community, we must look to the future - to all available opportunities to fund affordable housing development. A development linkage fee, assuming the nexus study supports this outcome, provides a fair and equitable way to generate affordable housing development funds that are directly tied to affordability impacts.

The Portland Human Rights Commission’s Housing Rights Task Force believes this declaration of a housing emergency and our ensuing actions to end this emergency present our city’s and our community’s best opportunity to seize the moral authority embodied in the statement that “Housing is a Human Right” and to work toward feasible, collaborative, and long-term solutions to this untenable crisis of conscious.

**Portland Human Rights Commission’s Housing Rights Task Force (HRTF)**

*The mission of the HRTF is to define and support the aspirational statement: “Housing is a Human Right.” This fundamental human right to housing is embodied in the United Nations Declaration of Human Rights, Article 25: “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services.”*

Respectfully submitted,

A handwritten signature in black ink that reads "Allan Lazo". The signature is written in a cursive, flowing style.

Allan Lazo, Chair of Housing Rights Task Force  
on behalf of the Portland Human Rights Commission

## Moore-Love, Karla

---

**From:** J L WICKMAN <wickmanj2@msn.com>  
**Sent:** Tuesday, October 13, 2015 4:03 PM  
**To:** Moore-Love, Karla; Council Clerk – Testimony  
**Subject:** Testimony for 10/14/15 Hearing on Demolition Tax Proposal

October 13, 2015

Portland City Hall

1221 SW 4<sup>th</sup> Ave., Room 110

Portland, OR 97204

Mayor Hales and Portland City Commissioners,

I want to take this opportunity to address my concerns and give my testimony regarding the proposed Demolition Tax Law with its provision to give a tax rebates when the demolition of a dwelling unit leads to replacement of two or more dwelling units. I understand the challenges the city faces to address the increasing population which requires enough affordable housing while maintaining the urban growth boundaries. However, I do not think this proposal would truly address these issues and certainly not in an equitable manner.

The demolition tax rebate makes lot splitting a goal and that will certainly bring increased density, but it will impact neighborhoods unequally. Lots that are now subject to splitting, such as those homes in R5 zones are concentrated in certain neighborhoods. This demolition rebate would escalate the already frantic pace of developers to demolish viable homes and build on narrow lots, but only in certain parts of the city making this a less than fair approach to increasing density.

I am currently experiencing this situation on my NE Portland block where a single family dwelling was demolished and it is now possible to replace that home with five newly constructed homes. A quarter of our block will have new development. When I look at every lot on our block I realize they all could be demolished and replaced with at least two units. I do not think that was ever the intent of being able to split lots, but it is the result of unchecked infill development. I live in fear of what is just around the corner for my neighborhood when I see for sale signs go up.

I believe this tax incentive in no way produces affordable housing. I would support giving developer's incentives to build smaller affordable homes that have less of an impact on our environment. Bigger houses,

even if you are building up on smaller lots, is not an earth friendly approach. Along with the fact that every home that is demolished will add to the land fill and increase our carbon foot print. Where is the tax incentive or mandate to deconstruct a home rather than demolish it?

I am not in favor of a proposal that encourages unchecked infill that is unfairly experienced by just some of the city's neighborhoods. In fact, I think that the amount of the tax to demolish a home is much too low and will discourage not encourage more thoughtful approaches to addressing increased density and our city's need to create access to affordable housing for its increasing population.

Respectfully Yours,

Judith Wickman

3946 NE 66<sup>th</sup> Ave.

Portland, OR 97213

## Moore-Love, Karla

---

**From:** Detweiler, Jillian  
**Sent:** Monday, October 12, 2015 8:02 AM  
**To:** Moore-Love, Karla  
**Cc:** Rod Merrick  
**Subject:** RE: Demolition tax structure

Hi Karla

Please include the email below in distribution of testimony on the demolition tax.

Thanks!

**Jillian Detweiler**  
**Policy Director**  
**Office of Mayor Charlie Hales**  
City of Portland  
(503)823-4290

---

**From:** Rod Merrick [mailto:merrick\_map@yahoo.com]  
**Sent:** Saturday, October 10, 2015 4:15 PM  
**To:** Detweiler, Jillian <Jillian.Detweiler@portlandoregon.gov>  
**Cc:** Michael Molinaro <molinaroarchitect@gmail.com>; Barbara Strunk <wolley\_9@hotmail.com>; McCullough, Robert <Robert@mresearch.com>; Brandon Spencer-Hartle <brandon@restoreoregon.org>  
**Subject:** Demolition tax structure

Hi Jillian, I am very concerned to learn of the mayor's policy reversal and I hope you are the person that is likely to be coordinating this proposal with the other members of Council. If not please pass it along.

The recently announced proposal for taxing demolition is an abrupt reversal and a big bonus to developers and lot splitters. This is fuel on the fire that encourages skinny and narrow lot housing based on historic lots of record that the Residential Infill Project is supposed to be tasked with addressing. If this is not pandering to developers it has all the markings while being dressed up in the cloak of "affordability". For an administration that has been slow to grasp the problems and weak on deliberating solutions to the demolition epidemic, this is not likely to play well in the coming months.

The original blanket demolition fee proposal to fund low income housing policies with demolition fees had some credibility. At least it sent a message that Charlie's policy direction was aimed to slow the tide. Admittedly, the fee would do little to slow demolitions in the current market and would certainly add to the cost of new single family housing. In some cases it might leverage a remodel instead of demolition and reduce the waste stream. A stronger message would be sent by substantially reinforcing the demolition delay provisions and educating citizens about their responsible use.

This latest policy actually rewards developers who demolish houses to split lots regardless of the outcome. Moreover it creates a loophole for the teardown disguised as a "major remodel", yet an additional incentive to take advantage of the fee exemptions built in to the code. The qualifiers for exemption will be very complicated to administer.

While this is still a fresh thought, I suggest it be withdrawn for further discussion and impact analysis before being baked in the council oven with all the wrong ingredients.

Regards, Rod

***Rod Merrick, AIA NCARB***  
***Merrick Architecture Planning***  
***Portland, OR 503.771.7762***

## Moore-Love, Karla

---

**From:** Lloyd Connelly <lgconnelly@gmail.com>  
**Sent:** Sunday, October 11, 2015 11:34 AM  
**To:** Moore-Love, Karla; Council Clerk – Testimony  
**Subject:** Proposed \$25,000 tax on house demolitions

October 11, 2015

Mayor of Portland and Members of the City Council,

I'm writing to express concern about the proposed \$25,000 tax on house demolitions in Portland. I want to say first that I have no financial interest in this tax - I'm not affiliated with house demolition or construction in anyway. I'm a home owner who has watched the ongoing renewal of our neighborhood and appreciates the associated benefits of avoiding urban sprawl.

My wife and I used to live in Southwest Portland. We wanted to move to Sellwood but had to wait two years due to the low housing turnover. A for sale sign finally went up on a dilapidated home describing plans to build a new structure. We walked up and down the street and spoke with the neighbors - they were all delighted to see this failing structure replaced by a new home. We worked with the builders to constructed a craftsman style home that matched the size and style of other homes on the street.

Since living in Sellwood, we shared in this enthusiasm as another dilapidated, literally falling over structure went on market and was replaced with a beautiful new home.

This process of renewal is natural and necessary - it should be encouraged! So many cities let their neighborhoods rot while allowing (even encouraging) the construction of endlessly expanding rings of suburbs. The associated environmental impacts of traffic congestion, water use, etc are well known.

Portland is such a special city and we need ensure that our laws and tax structures keep our inner city alive. Our shopping districts, restaurants and local theaters both in Sellwood and throughout Portland continue to thrive because people want to live IN Portland. Discouraging ongoing renewal and investment in our core neighborhoods will only drive people out to the periphery where they will go strip mall chain theaters instead of taking their kids to one of our 47 local theatres.

I strongly urge you to consider the long term erosive impacts of this tax on our neighborhoods and culture.

Thank you,

Lloyd Connelly  
1578 SE Lambert St.  
Portland, OR 97202  
home (503) 246-0784  
cell (503) 705-4091  
lgconnelly@gmail.com

## Moore-Love, Karla

---

**From:** Feters, Mark  
**Sent:** Friday, October 09, 2015 10:02 AM  
**To:** Hales, Mayor  
**Cc:** Fish, Nick; Fritz, Amanda; Commissioner Novick; Saltzman, Dan; Moore-Love, Karla; Mh Kincaid; Scarlett, Paul; Alpert, Josh; Crail, Tim; Schmanski, Sonia; Finn, Brendan; Warner, Chris  
**Subject:** Letter from the DRAC regarding the Demolition Tax Proposal

Mayor Hales,

The Development Review Advisory Committee (DRAC) has asked me to forward the attached letter for your consideration regarding the Demolition Tax Proposal that will be heard before City Council on October 14<sup>th</sup>. DRAC Chair Maryhelen Kincaid can be reached at [jamasu88@msn.com](mailto:jamasu88@msn.com).



DRAC Demolition  
Tax Letter 10-...

Mark Feters  
Sr. Management Analyst  
City of Portland  
Bureau of Development Services  
(503) 823-1028  
[mark.feters@portlandoregon.gov](mailto:mark.feters@portlandoregon.gov)



City of

**PORTLAND, OREGON**

Development Review Advisory Committee

1900 SW 4th Avenue, Suite 5000  
Portland, Oregon 97201  
503-823-7308  
FAX: 503-823-7250  
TTY 503-823-6868  
[www.portlandonline.com/bds](http://www.portlandonline.com/bds)

October 8, 2015

Dear Mayor Hales,

The Development Review Advisory Committee (DRAC) writes to express its disappointment in being excluded from the review/vetting process for your recent proposal for a \$25,000 tax on residential demolitions associated with new development within the City of Portland. Members of DRAC have concerns regarding the tax and its potential impact on affordability within the City, but we are reserving comment on the tax itself, since we were not afforded an opportunity to review the tax and the details on which it is based. Our concern, and the message of this letter, is to state our frustration with your disregard for the experience, advice and input of the DRAC members on this proposal.

As members of the DRAC, our role is to provide advisory opinions to the City Council on matters related to development. Our Committee is disappointed with the lack of process on which this tax was developed. At the September DRAC meeting, Committee members overwhelmingly voted to support sending a letter to you and the Council regarding the exclusion of DRAC from this process.

Members of the DRAC have spent countless volunteer hours over the past 2 years serving on special committees related to demolitions, deconstruction, and infill design standards - working with a wide variety of stakeholders - your own staff included - to find equitable solutions and make sound recommendations to the current issues related to demolitions and deconstruction. We feel the work and recommendations which have come out of those committees are undermined by your actions which are seemingly in response to concerns voiced to you outside of the established processes. We view your actions as a disregard for the effort and outcome of these committees.

The members of DRAC have expressed concerns that the impacts of this tax could negatively impact affordability in housing, that the tax may not be legal, that it should not be used as a funding source for other programs, that this "one size fits all" approach to residential demolitions may not be the best course of action, and that the "problem" that you intend the demolition tax to resolve is not clearly defined.


The members of DRAC will be reviewing the merits and challenges of the tax at upcoming DRAC meetings and providing advice to the City Council, as per our charge as Advisory Committee Members.



DRAC Letter Re: Demolition Tax Proposal  
October 8, 2015

The members of DRAC encourage the Mayor's Office to participate in upcoming DRAC meetings, and to seek the advice of those who have offered our time to serve on matters related to development such as this. We ask that further discussion by Council be postponed until the proposal has been further reviewed by the DRAC.

Sincerely,



Maryhelen Kincaid  
Development Review Advisory Committee (DRAC) Chair

Cc: Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman

Development Review Advisory Committee (DRAC) Members

Claire Carder, Maplewood Neighborhood Association  
Hermann Colas, Colas Construction, Inc.  
Phil Damiano, Johnson Air Products  
Maxine Fitzpatrick, PCRI, Inc.  
David Humber, Humber Design Group Inc.  
Rob Humphrey, Faster Permits  
Maryhelen Kincaid, East Columbia Neighborhood Association  
Christopher Kopca, Downtown Development Group LLC  
Dana Krawczuk, Perkins Coie LLP  
Jennifer Marsicek, Scott Edwards Architecture  
Kirk Olsen, Trammell Crow Company  
Joe Schneider, Skanska  
Justin Wood, Fish Construction NW Inc.

sent to  
council  
10/8/15  
KLV

**Moore-Love, Karla**

---

**From:** Rhonda Vaught <rhonda.vaught@gmail.com>  
**Sent:** Thursday, October 08, 2015 12:44 PM  
**To:** Council Clerk – Testimony; Moore-Love, Karla  
**Subject:** Demo Tax

Dear Portland City Hall and those considering a tax that could have ramifications against important neighborhood improvements,

I am a homeowner of a recently constructed home on the Overlook Bluff in North Portland. I purchased a portion of an oversized lot with a decrepit home in conjunction with my developer/builder. Prior to development, the property was a danger and eye sore to the community. The risk the property exposed to the community was significant as it borders the city's Overlook Park and was fully accessible to numbers of people that gather near to admire the view of downtown and the west hills. Two neighborhood worthy single family homes and an apartment now take up the footprint of that once decaying home. I own one of those homes which includes an attached apartment with a separate entrance. Six people now reside in a lot that had been uninhabitable for years. Additionally the large community of people that gather in the park have a safer and more pleasing destination.

I took great consideration in building this home and was hesitant about taxes and city requirements that were cost prohibitive. From a cost standpoint I felt obligated to consider building in Clark County instead. If not for my deep love of Portland, I would have made the more fiscally responsible decision to build outside of my favored city. If this proposed demolition tax would have been in effect during my decision making process, my financial threshold would have burst and I would have been contributing to the Vancouver tax base instead. I do and would have felt compelled to fight against the proposal as I feel it violates my rights as a property owner to impose an additional demolition tax on property I purchased with an already exorbitant tax burden.

I am not without sympathy or concern for affordable housing. I commend the city for working on a resolution for that. I hope to see my son afford to buy a home in the city limits in the future. At the same time I urge you to understand how much development, in many cases, enhances community livability and safety and significantly contributes to the tax base. I also implore you to consider how this tax will impact current property owners and future home buyers, after all, the affordability considerations of our city need to include "all" of our citizens.

Sensibly speaking, In a vast majority of cases demolition only happens if the house is unlivable to begin with. If a house is livable it is not likely to be purchased by a developer. There are many older homes that have not been maintained wherein the only viable solution is to replace them. Please don't make that unreasonable to accomplish. That would erode the charm of our great city.

I am available to further comment on this perspective if needed. Thank you for taking it into full consideration before making a decision that could have unforeseen and detrimental impact to a city we all work hard to enhance and support.

Very sincerely,  
*Rhonda Vaught*

Rhonda Vaught  
3739 N. Melrose Dr.  
Portland Or, 97227  
503-702-5302

Sent from my iPad

## Moore-Love, Karla

---

**From:** Eric Thompson <eric@oregonhomeworks.com>  
**Sent:** Thursday, October 08, 2015 7:00 AM  
**To:** Moore-Love, Karla  
**Cc:** Council Clerk – Testimony  
**Subject:** Public letters in response to the proposed Demo Tax  
**Attachments:** Demo tax.pdf; Berkson Letter[2[1].docx; Mayor.letter.docx; Hales.doc; Letter for Mayor.docx; Dear Mayor Hales.docx

Hello Karla,

I understand that you are the point person for receiving and distributing letters (testimony) to the Mayor and City Council. Can you please confirm per the attached letters and ensure that they make their way to everyone?

Thanks in advance...and let me know if you have any questions,

Regards,

Eric

Bob & Mary Fedoroff  
7625 SE 22<sup>nd</sup> Ave  
Portland, OR 97202

September 28, 2015

To Whom It May Concern:

We are writing to express our opposition to the proposed \$25,000 demolition tax and other fees that would be charged when a habitable house is torn down. We recently purchased a house in Westmoreland and tore it down for construction of a new home. The old house was barely habitable, had no historic or aesthetic value and could not be effectively remodeled without taking down the entire structure. If the tax had been in place when we made the purchase, it would have severely limited our options as property owners. We understand neighborhood concerns about changes that are taking place, but in many cases the removal of an existing structure is a benefit to the entire neighborhood. We have received numerous unsolicited comments from neighbors and passers-by that our new home fits in very well with other houses in the area and improves the overall appeal of the neighborhood.

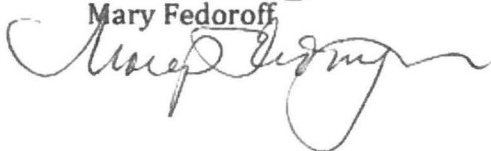
As a result of the improvements we have made to our property, we will be paying considerably more in property taxes. Perhaps those additional taxes can be used to address the affordable housing crisis. Adding a \$25,000 demolition tax and other fees will only serve to make housing less affordable.

Sincerely,

Bob Fedoroff



Mary Fedoroff



Dear Mayor Hales,

I am writing in response to the article in The Oregonian about the proposed \$25,000 tax on demos in the city of Portland. I am a new property owner in the Hosford-Abernethy neighborhood. I purchased the property after the first potential buyer (a remodeler/flipper) backed out of the deal because the house was beyond salvageable and unlikely to pass inspection.

I purchased the property knowing that I needed to demo so I hired the folks at Oregon Homeworks, LLC and Edge Development to help develop it into a home for my family of five. We have lived in the southeast for almost a decade, but outgrew our place. We wanted to stay in the neighborhood. We needed more space but also wanted something that met modern building standards with energy efficiency and earthquake stability. As you know, most of the houses in our neighborhood were built over a 100 years ago and do not meet modern energy efficiency and earthquake standards. Had the proposed tax been in effect, I would have been the one responsible for paying it. That would have made it impossible for me to buy the lot and build a quality home for my family in Portland. In my opinion as a homebuyer, these proposed taxes are in no way a good idea and there has to be another alternative.

I cannot understand why you would want to penalizes homebuyers that want to build in Portland's wonderful neighborhoods by purchasing lots that have been neglected and run down to build safer, more eco-friendly, sustainable homes. I am not a developer. I built a house that fits into the personality and style of my neighborhood. This tax will make it harder for small builders and individual home owners, like me, to improve the housing stock and maintain the personality of our neighborhoods. It seems that there are other ways to raise money for affordable housing without making building a house in Portland un-affordable. For a city with so much growth this seems very counter-productive. I urge you to reconsider.

Sincerely,

Mark Berkson

Proud Homeowner at: 2725 SE 25<sup>th</sup>, Portland Oregon

PS. Since completion I have received numerous compliments and thanks from my neighbors for replacing "that eyesore" with a beautiful home.

Mayor's Office for the City of Portland  
1221 SW 4<sup>th</sup> Avenue  
Portland, OR 97204

Re: Demolition Tax

Dear Mayor Hale:

After searching for several months for existing homes in Portland, my wife and I decided to build a house on a vacant lot in Southwest Portland. We purchased the lot in May 2013. We introduced ourselves to our future neighbors and were overwhelmed by how supportive they were to have a new home built on the vacant lot. Although the permitting process took over a year due to delays by the City, we never received any negative comments from the community in our building efforts.

We were fortunate that the lot had been vacant so there was no demolition needed of an existing structure. Had this proposed tax been a factor in our situation, the extra cost could have made this dream cost prohibitive. Meanwhile, the City would have lost tax payer revenue as the home would not have penciled out. Having a demolition tax is a terrible idea.

Sincerely,

David Eder

**John A. and Johanna Niemitz**  
**1631 NE Broadway—PMB 611**  
**Portland, OR 97232-1425**

**(503) 493-2182**  
**jjniemitz@yahoo.com**  
**(503) 505-0125 John cell**

---

September 21, 2015

Charlie Hales, Mayor  
Portland City Council Members

We are writing to express concern over the proposed \$25,000 plus tax aka fee on the demolition of homes within Portland. Our perspective comes from ownership of a new home constructed in 2011 in the Beaumont-Wilshire neighborhood. We own one of the two homes on what was previously a very large city lot. We feel our home fits well on our street. In fact, many of our neighbors have expressed the same opinion. Shortly after moving in neighbors expressed gratitude that the previous eyesore structure occupying the wide lot was demolished. For us, an additional \$25,000 plus in fees would have priced our home beyond affordability.

A critical point reflected in the paragraph above is that not all builders and developers are the same. As was the case with our home, some “fit” nicely into neighborhoods, both in appearance and value, and replace existing dilapidated structures.

We question treating all demolition the same. There are a couple of homes within a block from us that appear to be falling apart, literally. Aside from the junk (vehicles, including a large farm tractor, that do not run) and trash littering the properties the houses seem in a terrible state of disrepair. We feel that the best option for the neighborhood would be replacement of these structures, but the proposed fee structure would obviously be a significant deterrent to any developer.

The proposed fees also impact the rights of property owners. Although this personal (family) example is not within Portland, an elder relative is attempting to sell his property to support his need for assisted living. There is no doubt that “the market” would pass the tax liability down to him as seller, and thus diminish the value of the property he has owned since the mid 1960’s.

We urge you to retract your current proposal and allow the Residential Infill Stakeholder Advisory Committee to proceed with its work

Sincerely,

John A. Niemitz

Johanna Niemitz

Residence: 4539 NE Mason Street  
Mailing Address: above



September 21, 2015

Mayor Charlie Hales and Portland City Council

Ladies and Gentlemen:

I am concerned about the proposed \$25,000 flat fee for demolition of old homes for infill development.

We live in a new house on property that once had a 400-square foot house from 1928. The County and City benefit from the property tax we pay.

\$25,000 is excessive. The cost would be passed on to the homeowner, and, for many of us, would discourage us from building or purchasing a home within the City. So rather than receiving new revenue, the city would lose revenue.

\$25 for every year of the house's age might be a fair compromise. But the older a house is, the more it needs to be rehabilitated.

I understand the desire to preserve old homes out of respect for their age and history. The initial cost of a little old house might be considered affordable. However, the cost to repair an old house to be safe and efficient might double the initial investment; and it would still be a little house. The County and City would not benefit from the increased property tax that a new home would generate. I don't think this defines affordable housing. People who can afford this level of housing would probably prefer to purchase a big house elsewhere.

Unattractive, little old houses with one bathroom will become hard to sell. They may sit on the market a long time, and might, indeed, become derelict by any definition.

Thank you for your time, attention and consideration.

Linda Wolfe Kelley  
7122 SW Virginia Place  
Portland, OR 97219

Mayor Charlie Hales  
1221 SW 4<sup>th</sup> Avenue  
Portland, Oregon 97204

Dear Mayor Hales,

I am writing in regards to the proposed \$25,000 tax on demos in the city of Portland. As a transplant to your beautiful city I was drawn to the area by the art, culture, and personality of Portland.

I was surprised to discover what I have experienced in many growing cities, beautiful historic neighborhoods with a scattering of Boo Radley-esque houses. These eyesores pose a detriment to the property values of their neighbors. In my humble opinion these homes should be demoed and developed to offer safer, more energy efficient alternatives for potential homebuyers like myself. The proposed \$25,000 demo tax would significantly impact my ability to afford a safe, eco-friendly home to raise my family by driving up home prices and down payments.

To blanket a tax on all demos significantly throws a wrench in developing dangerous and outdated homes that would be more structurally sound with new construction, not to mention slowing progress on developing energy efficient homes that a very eco-conscious Portland population is looking for. By burdening developers with a huge tax for demolitions, the newer/safer homes you desire are no longer offered as affordable options to homebuyers like myself.

Developers are not the enemy, resistance to the ultimate reality that Portland is a thriving mecca for transplants like myself who are searching for the perfect place to raise our families is. Developers help solve space allocation issues and make the most of the land available while creating beautiful unique homes that the population craves. In this growing city we need to encourage progress and development, not dig our heels in and ignore the reality in front of us.

Thank you for your consideration. I implore you to reconsider.

Lauren Allee  
11200 SW Greenburg Rd Apt 14  
Tigard, Oregon 97223



City of

**PORTLAND, OREGON**

Development Review Advisory Committee

1900 SW 4th Avenue, Suite 5000  
Portland, Oregon 97201  
503-823-7308  
FAX: 503-823-7250  
TTY 503-823-6868  
[www.portlandonline.com/bds](http://www.portlandonline.com/bds)

October 8, 2015

Dear Mayor Hales,

The Development Review Advisory Committee (DRAC) writes to express its disappointment in being excluded from the review/vetting process for your recent proposal for a \$25,000 tax on residential demolitions associated with new development within the City of Portland. Members of DRAC have concerns regarding the tax and its potential impact on affordability within the City, but we are reserving comment on the tax itself, since we were not afforded an opportunity to review the tax and the details on which it is based. Our concern, and the message of this letter, is to state our frustration with your disregard for the experience, advice and input of the DRAC members on this proposal.

As members of the DRAC, our role is to provide advisory opinions to the City Council on matters related to development. Our Committee is disappointed with the lack of process on which this tax was developed. At the September DRAC meeting, Committee members overwhelmingly voted to support sending a letter to you and the Council regarding the exclusion of DRAC from this process.

Members of the DRAC have spent countless volunteer hours over the past 2 years serving on special committees related to demolitions, deconstruction, and infill design standards - working with a wide variety of stakeholders - your own staff included - to find equitable solutions and make sound recommendations to the current issues related to demolitions and deconstruction. We feel the work and recommendations which have come out of those committees are undermined by your actions which are seemingly in response to concerns voiced to you outside of the established processes. We view your actions as a disregard for the effort and outcome of these committees.

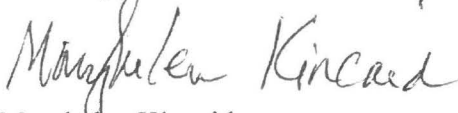
The members of DRAC have expressed concerns that the impacts of this tax could negatively impact affordability in housing, that the tax may not be legal, that it should not be used as a funding source for other programs, that this "one size fits all" approach to residential demolitions may not be the best course of action, and that the "problem" that you intend the demolition tax to resolve is not clearly defined.

The members of DRAC will be reviewing the merits and challenges of the tax at upcoming DRAC meetings and providing advice to the City Council, as per our charge as Advisory Committee Members.

DRAC Letter Re: Demolition Tax Proposal  
October 8, 2015

The members of DRAC encourage the Mayor's Office to participate in upcoming DRAC meetings, and to seek the advice of those who have offered our time to serve on matters related to development such as this. We ask that further discussion by Council be postponed until the proposal has been further reviewed by the DRAC.

Sincerely,



Maryhelen Kincaid  
Development Review Advisory Committee (DRAC) Chair

Cc: Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Steve Novick  
Commissioner Dan Saltzman

Development Review Advisory Committee (DRAC) Members

Claire Carder, Maplewood Neighborhood Association  
Hermann Colas, Colas Construction, Inc.  
Phil Damiano, Johnson Air Products  
Maxine Fitzpatrick, PCRI, Inc.  
David Humber, Humber Design Group Inc.  
Rob Humphrey, Faster Permits  
Maryhelen Kincaid, East Columbia Neighborhood Association  
Christopher Kopca, Downtown Development Group LLC  
Dana Krawczuk, Perkins Coie LLP  
Jennifer Marsicek, Scott Edwards Architecture  
Kirk Olsen, Trammell Crow Company  
Joe Schneider, Skanska  
Justin Wood, Fish Construction NW Inc.

## Moore-Love, Karla

---

**From:** Engstrom, Eric  
**Sent:** Thursday, November 12, 2015 4:12 PM  
**To:** Bizeau, Tom; Adamsick, Claire; Shriver, Katie; Grumm, Matt; Callahan, Shannon; Schmanski, Sonia; Dingfelder, Jackie; Elmore-Trummer, Camille; Arevalo, Nora; Dunphy, Jamie; Stein, Deborah; Zehnder, Joe; Moore-Love, Karla; Anderson, Susan; Pierce, Tera; Crail, Tim; Dietz, Susan  
**Subject:** Comp Plan check in today

All,

Since we had light attendance at the Comp Plan testimony check in today, I'll send out the materials we discussed (attached):

- The current summary of testimony received to date.
- A list of the general sequence of events going forward, with dates as we know them. This will be refined in the next few weeks, with more information about each step, roles, etc.



11.12.15

Summary.docx



City Council

Comprehensive ...

A few updates:

- Reminder that next Thursday is the first hearing.
- We will provide another summary of the testimony next week, and a packet for each office with all of the compiled testimony printed.
- A reminder that there are actually two ordinances and two hearings next week, on the 19th:
  1. 2pm - Supporting documents required by the state (Employment Opportunities Analysis, Citywide Systems Plan, Growth Scenarios Report, Community Involvement Committee Report) – a limited amount of testimony is expected for this, from groups like the Port, Audubon, etc.
  2. 3pm - The actual Comp Plan (including policies, land use map, capital project list) – a lot of testimony expected
- Additional continued hearings for the plan will be on Dec 3 and 10.
- We are working on an additional hearing in the first week of January, at the Mayor's request. The date is not firm, but the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> are being looked at. The location would be SEI in North Portland.
- Work Sessions to discuss amendments are being penciled in in late Jan/early Feb.
- We will also be setting up several meetings with each of your offices to go over your potential amendment lists. These will happen in late November through early January. A tentative sequence of events is attached. We will discuss this again at our next check in.
- We are working with the Mayor's Office on a variety of logistical questions about how the hearings will be run. We can provide more information on that next week.

Eric Engstrom, AICP  
Bureau of Planning and Sustainability  
1900 SW 4th Avenue, Ste 7100  
Portland, OR 97201 Ph: 503-823-3329  
[eric.engstrom@PortlandOregon.gov](mailto:eric.engstrom@PortlandOregon.gov)

To help ensure equal access to City programs, services and activities, the City of Portland will provide translation, reasonably modify policies/procedures and provide auxiliary aids/services/alternative formats to persons with disabilities. For accommodations, translations, complaints, and additional information, contact me, call 503-823-3329, City TTY 503-823-6868, or use Oregon Relay Service: 711.



# Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

City of Portland, Oregon  
Charlie Hales, Mayor • Susan Anderson, Director



## Summary of Testimonies Received October 30, 2015 through November 12, 2015

In the October 30 to November 12, 2015 time frame, a total of 398 public comments were received. Of these, 259 were submitted via the Map App, 110 via email, and 29 via physical letters. Comments ranged in nature from specific zoning requests for private properties to general comments about the City's stated goals and policies. Some of the most frequently-commented on topics thus far include but are not limited to:

- ❖ Concerns around and/or support for potential zoning adjustments as a result of Center and Corridor designations and Mixed Use Zones Projects;
- ❖ Recommendations and observations regarding the character of residential neighborhoods and commercial areas, including desire for denser development; and
- ❖ Concerns around equitable access to housing, affordable housing and the mitigation of further gentrification of certain neighborhoods; and
- ❖ Recommendations for the development of safer pedestrian and bike pathways and/or related infrastructure improvements in various areas of the City.

### Public Hearings Schedule

#### November 19, 2015

Council Chambers  
2pm – 6pm

#### December 3, 2015

Mittleman Jewish Community Center  
6pm – 9pm

#### December 10, 2015

Parkrose High School (Theatre)  
6pm – 9pm

#### January 7, 2015

TBD

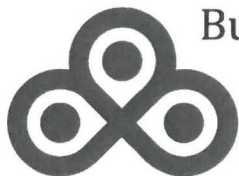
### Total Comments in Terms of Comment Type

Type of Testimony	Number of Comments
Map Apps	259
Emails	110
Letters	29
<b>Total</b>	<b>398</b>

### Total Non-Map Comments in Terms of Policy Chapters

Policy Chapter	Number of Comments
Land Use Designations and Zoning <sup>1</sup>	86
Urban Form	9
Design and Development	21
Transportation	12
Housing	4
Community Involvement	3
Economic Development	2
Environmental and Watershed Health	2
<b>Total</b>	<b>139</b>

<sup>1</sup> Land Use Designations and Zoning is not a policy chapter of the Comprehensive Plan.



Top Map App Commenter as of November 12, 2015: Casey Ward (28 comments).<sup>2</sup>

Map App Comments in Terms of District Liaisons

Liaison District <sup>3</sup>	Number of Comments
SE	83
W	55
E	51
NE	38
N	22
Central City	10
<b>Total</b>	<b>259</b>

Map App Comments in Terms of Types of Requests<sup>4</sup>

Type of Request	Number of Comments
Land Use	135
Transportation Systems Plan (TSP)	124
<b>Total</b>	<b>259</b>

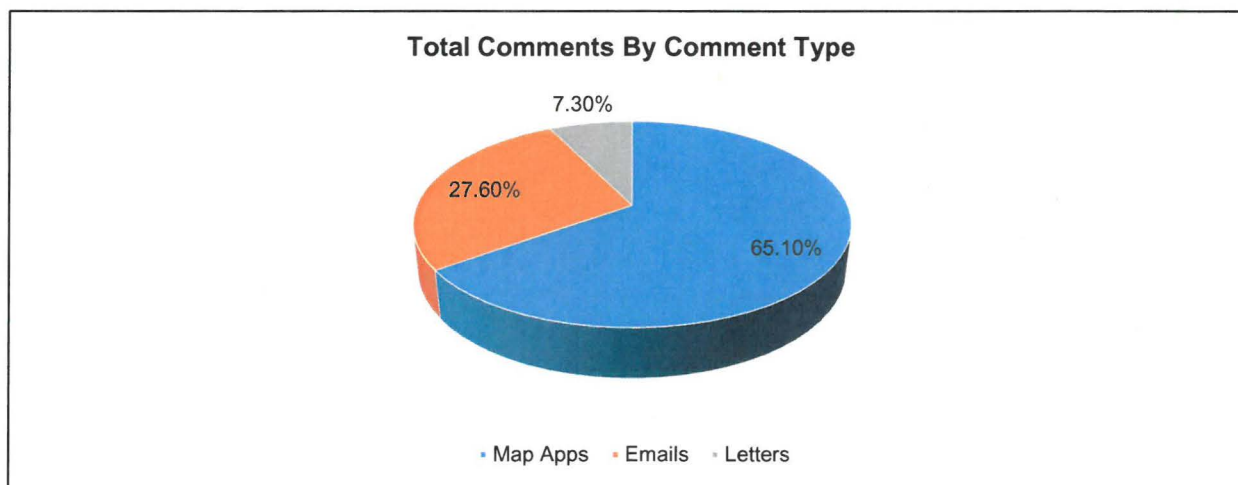


Figure 1. As of November 12, 2015, 65.1 percent of all public testimony received are *Map App* comments, 27.6 percent are *emails* (CPU email address) and 7.3percent are *physical letters*. There was a significant increase in emails received via the CPU email address.

<sup>2</sup> All 28 comments from this individual are related to Pleasant Valley (E). It is a specific zoning request for more density.

<sup>3</sup> District Liaison representing the location of the comment made and not the address of the commenter.

<sup>4</sup> All of which concern the implementation of the Comprehensive Plan. Besides being an implementation tool, the *TSP* is also a supporting document to the Comprehensive Plan. The *TSP* is adopted concurrently with the Comprehensive Plan, but published under a separate cover. Its policies are also included in Chapter 9 (Transportation) of the Comprehensive Plan.



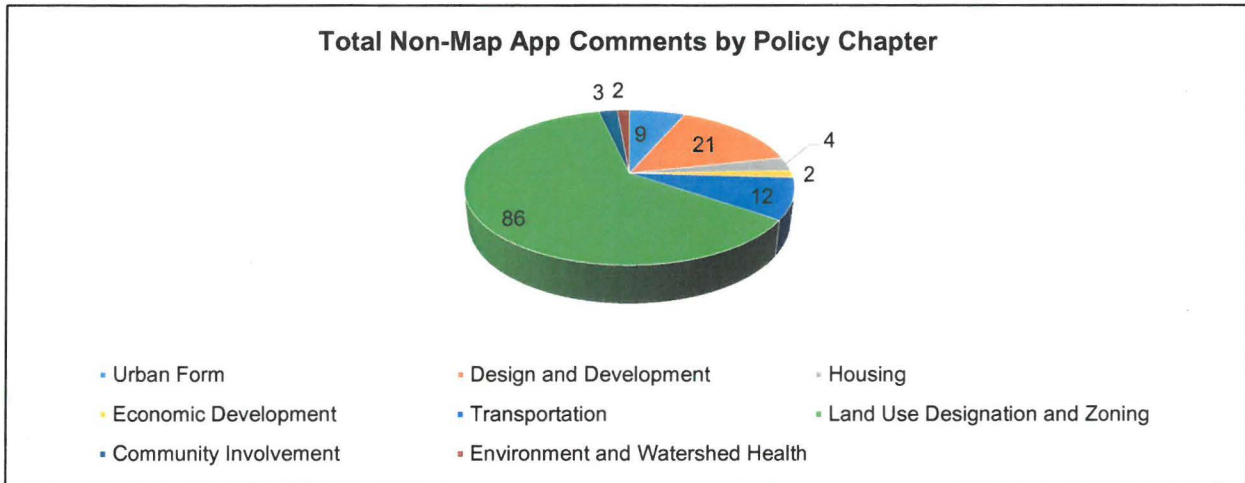


Figure 2. There are 10 policy chapters in the Comprehensive Plan. So far, 7 of these chapters have been addressed in the total of 139 *non-Map App* comments received as of November 12, 2015. The above figure is a breakdown of the policy chapters that have been commented on the most thus far. More than 75 percent of the *non-Map App* comments address *Land Use Designation and Zoning* issues, which are not part of the policy chapters. Most *Land Use* related testimony is made in regards to specific zoning requests or entire neighborhood areas. Examples include requests for zoning changes from commercial to residential designations, from R1 to mixed-use designations, and requests for the consolidation of split zones.

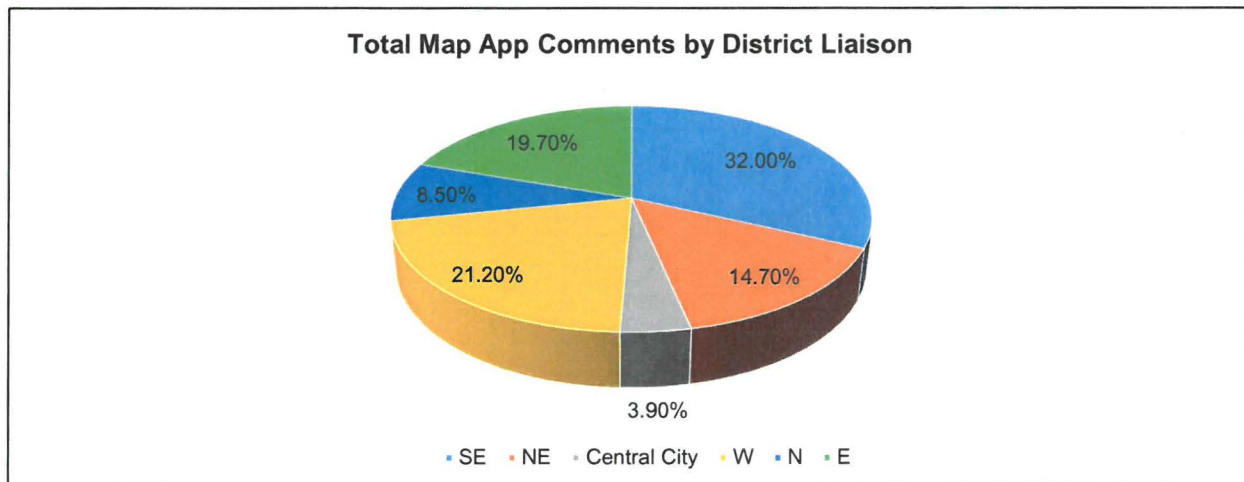
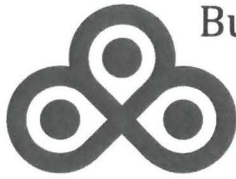
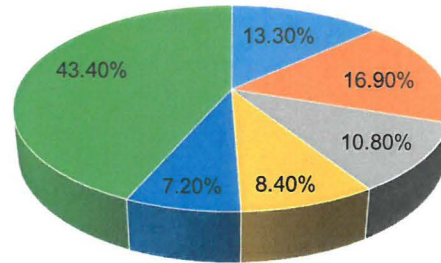


Figure 4. The above figure is a breakdown of the number of *Map App* comments by District Liaison. So far, 32 percent of all *Map App* comments were made with regard to SE Portland. Only 3.9 percent of all *Map App* comments are related to Central City. As illustrated below, most testimony within the SE District are made with regard to the *Richmond* neighborhood. Comments within that area include but are not limited to such topics as the expansion of the 34<sup>th</sup> Ave Greenway, the request for more single-family homes and less density, more density, as well as general bike and pedestrian improvements.



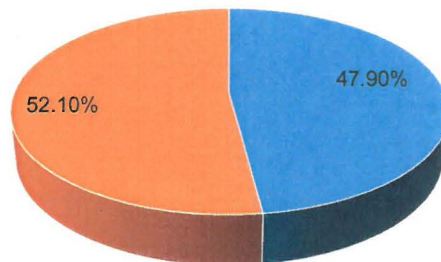
Total SE-Related Map App Comments by Neighborhoods



■ Buckman
 ■ Richmond
 ■ Sunnyside
 ■ Creston-Kenilworth
 ■ Sellwood-Moreland
 ■ Other

Figure 5. The above figure is a breakdown of the most commented on neighborhoods in the SE District (only Map App comments). 16.9 percent of the Map App comments relating to the SE District are made regarding the *Richmond* neighborhood. Only 7.2 percent relate to the *Sellwood-Moreland* area. Comments made with regard to the *Sellwood-Moreland* neighborhood center around requests for more density. However, there are also concerns about the proposed routing of the Springwater Gap Trail.

Total Map App Comments by Type of Requests



■ Transportation Systems Plan (TSP)
 ■ Land Use Related

Figure 6. The above figure illustrates a breakdown of the total *Map App* comments by type of request. 52.1 percent of *Map App* comments were made with regards to *Land Use Requests* and 47.9 percent with regard to the *Transportation Systems Plan (TSP)*.<sup>5</sup> *TSP* related testimony includes such topics as requests for expansions and support of Greenways (Mason and NW Greenway), general pedestrian and bike safety improvements (Hillsdale, Cornell), and the installation of speedbumps and safety measures around the Bridlemile School.

<sup>5</sup> The policies, street classification maps and the street plan maps in the *TSP* are adopted as part of the Comprehensive Plan.



# Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

City of Portland, Oregon

Charlie Hales, Mayor • Susan Anderson, Director



## Available Dates for City Council Tours

### East: Chris Scarzello

Mondays (9am-6pm): 11/23/15; 12/7/15; 12/14/15; and 12/21/15  
Wednesdays (9am-6pm) 11/18/2015; 12/12/15; 12/16/15; and 12/23/15

### West: Joan Frederiksen

Mondays (9.30am-open): 11/16/15; and 11/23/15  
Tuesday (9.30am-open): 11/24/15  
Wednesdays (9.30am-1.30pm): 11/25/15

### North: Leslie Lum

Tuesdays: 11/24/15  
Wednesday: 11/25/15; 12/16/15 (after 1pm)  
Fridays: 12/4/15; 12/11/15

### East: Nan Stark

Tuesdays: 12/1/2015 (morning); 12/8/15 (morning)  
Wednesdays: 11/25/15 (morning); 12/2/215 (morning); 12/9/15 (morning)  
Thursdays: 12/9/15 (morning)  
Fridays: 12/4/15 (anytime)

### South East: Marty Stockton

TBD