

The Oregonian

Portland waters down proposed \$25,000 demolition tax

By Brad Schmidt

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Portland Mayor Charlie Hales is scaling back his proposed \$25,000 demolition tax in a big way.

The tax would ultimately apply only to developers who knock down a single home and replace it with a single home.

Under revisions released Friday, it would not hit the wallets of builders who knock down one home and replace it with two or more units. Nor would it apply to demolitions that make way for affordable housing.

The tax would also be a flat \$25,000. It would not increase based on the age of the home being torn down, as originally proposed.

Despite the changes, Hales' office said the policy still meets the initial goal of discouraging tear-downs of habitable homes by making it financially "sting."

"We hope it will discourage demolitions," aide Jillian Detweiler said, "especially in the case when it doesn't achieve any other goals," such as added density.

Any demolition would still be subject to the \$25,000 tax, under the proposed rules, which head to the City Council for consideration Wednesday.

But officials have now added a "rebate" section offering refunds of "up to \$25,000."

A rebate would be issued for demolition that makes way for new affordable housing, or one that "increases the number of dwelling units."

"If you knock down a house, and you ultimately replace it with more than one, you would be eligible for a rebate," Detweiler said, adding that the rebate would amount to nearly the entire tax, save some administrative costs.

Detweiler said the changes come after hearing from affordable-housing advocates and meeting with the Home Builders Association of Metropolitan Portland. But she said builders, who are opposed to the tax, didn't offer any specific feedback.

"There hasn't been any, 'Oh, well, if you did this, we think you ought to tweak it this way or that way,'" she said.

Hales on Sept. 16 said he envisioned a tax that would apply to one-for-one knockdowns but also neighborhood infill projects, where several skinny-style homes often replace a demolished bungalow.

In the years ahead, Portland planners predict most residential growth will be from apartments and condos, not from replacing one single-family home with two or more.

"Two for one helps a little," Hales said of added density through single-family home construction. "But when you're talking about thousands (of apartment units), dozens (of single family homes) don't make much of a difference."

City officials say about 180 homes were demolished last year. Detweiler in September said the proposed tax would apply to the vast majority of homes slated for demolition.

In instances where three homes would replace an existing structure, she said, the \$25,000 tax could be split among three lots, reducing the financial impact on builders and homebuyers.

Hales' office rolled out the proposal two weeks before he announced a "housing emergency" focused on homelessness and affordability.

Targeting the tax to only one-for-one replacement is likely to leave some neighborhood groups – opposed to infill – frustrated, Detweiler acknowledged.

But the new version appears to have political support.

"We believe, based on comments from council staff, that a majority of the Council could be most supportive of this proposal if it really is narrowly targeted at when there's no increase in density," she said.

Go Local PDX

Portland's Homeless State of Emergency to Get Its First Test

*By Brendan Murray
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The City of Portland's homelessness state of emergency will face its first true test this week, as residents of a homeless camp in North Portland will need to find another place to take shelter, according to the Oregon Department of Transportation.

People camping in a homeless settlement on a patchwork of public and private land adjacent to a bike path on North Greeley Avenue will be forced out by the DOT and Union Pacific Railroad, who own the land. Written notices were posted at the encampment on Tuesday, informing campers that they must vacate the area or face a more than \$6,000 trespassing fine.

Francisco Catillo, a spokesman for Union Pacific Railroad, told GoLocal the company was alerted to the camp by state officials last week. He said the company must clear the camp to keep its employees, and those living at the camp, safe.

"Whether it's one person there or 10 or 15 or 20 people there, it's a liability to the railroad," Castillo said, referencing heavy traffic on Greeley Avenue and the high amount of trains that travel to the nearby Albina Train Yard.

Neighbors Want Camp Gone

The campsite is adjacent to a community garden owned by Oregon Sustainable Agriculture Land Trust, a volunteer non-profit. The group had hoped to turn the camp into a more established settlement area.

Along with nearby Sisters of the Road Cafe, the group hoped to bring in support services and resources such as clean water, garbage service and portable toilets for the homeless.

Many in the area, however, did not feel the site was suited for such a camp. The Overlook Neighborhood Association, a group of more than 5,800 people and several business associations, wrote a letter to the City Council this week saying the group “strongly opposes establishment of a temporary or permanent homeless camp near the intersection of Greeley and Interstate Avenues.”

“The site is wholly inappropriate for this sort of use,” the letter read. “Both Interstate and Greeley Avenues carry high traffic volumes. Encouraging people to live there in an unregulated, ad hoc manner puts both pedestrians and motorists at risk of a tragic accident, especially at night under poor illumination.”

The group also cited reports from bikers and joggers who use the nearby path being harassed by people at the camp, large amounts of trash that litter the area, and the high amount of alcohol and drug use in the area.

“When local organizers first proposed placing a public garden on the site a few years ago, they assured the Overlook Neighborhood Association that they would not use that as a starting point to develop a homeless camp,” the letter said. “The Oregon Department of Transportation was correct when it decided to evict campers from its property there.”

Where Will They Go?

Members of the City Council, who, as GoLocal reported, last week passed an ordinance declaring a one-year state of emergency regarding the homeless and housing problems plaguing the city, are working to find a new shelter for those being evicted from the camp.

Mayor Charlie Hales’ Office said that it might allow campers to take shelter on other city property in the same area, even despite the heavy opposition from the ONA.

Josh Alpert, Hales’ chief of staff, told GoLocal that solution would not be an ideal one, but that “at this point, there are not many opportune sites.”

"Homelessness is happening, and it would be amazing if it happened in an orderly fashion," Alpert said. "It doesn't work that way."

Alpert also said that the city is asking people who are sleeping in city buildings or on city property to be respectful of nearby residents and businesses and to “minimize complaints.” He said the focus will be on eliminating open drug and alcohol use, visible trash, and aggressive behavior. City officials will also attempt to break camps into smaller groups, if possible.

Alpert said the city was hard at work to help both homeless residents and those bothered by them. He said a homeless help hotline has been established, and more programs will soon be on the way.

"Nobody should be under the impression that we're doing nothing," Alpert said.

Hales Narrows Proposed Demolition Tax

GoLocalPDX News Team

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The \$25,000 demolition tax proposed by Mayor Charlie Hales will not cover all home demolitions, the Mayor's Office announced, but instead would apply only to developers who knock down a single home and replace it with a single home.

Revisions of the tax released last week narrowed the measure's scope. When originally proposed last month, the tax applied to all home demolitions in the City of Portland. Now, developers who tear down a single home and replace it with two or more units would not have to pay the fee. Also under the revisions, a clause that would increase the tax depending on the age of the home was eliminated.

The tax, which will be voted on by the City Council on Wednesday, would be charged to any demolition, regardless of size or scope. However, demolitions that increase the number of dwelling units or lead to affordable housing would be eligible for a full rebate.

The changes come after the City Council declared a state of emergency regarding the city's housing and homelessness crisis earlier this week.

Jillian Detwiller, an aide in the Mayor's Office, said the new tax would still "discourage demolitions" while not punishing contractors and developers who are looking to increase the amount of apartments in the area.