

TRANSFER TAX, from page 3

now in our ability to make decisions that affect our constituents. And any time that the legislature or anybody wants to take away our ability to serve our constituents, we definitely are opposed."

Kafoury says preemptions like the one on transfer fees actually restrict voters rights by not allowing them the choice. The RETT ballot measure is a one-size-fits-all application that local governments are, in general, opposed to, Kafoury said. Different communities have different needs, she says.

"Especially right now, when the state is making such huge cuts to really important human services, they're cutting services for seniors, for the mentally ill, for public safety dollars," Kafoury says. At the same time, she says, the state and local constituents expect the same level of service, and the demand continues to rise.

In its campaign, the Realtor's have contracted with a new company, Signature Gathering Company of Oregon, a mutual benefit nonprofit created in June by a team of investors, including heavyweight lobbyist Mark Nelson. Nelson is a member of the nonprofit's board of directors. Nelson's lobbying firm, Public Affairs Counsel, has been hired by Signature Gathering Company of Oregon, and has received \$2,500 for services to date.

Nelson is also retained as the lobbyist for the Housing Alliance, which has supported and campaigned for a real estate transfer tax in the past, specifically for affordable housing.

"The Housing Alliance retains Public Affairs Counsel to help us educate legislators about housing needs and to move our legislative agenda, says Byrd on the matter. "We are confident in their ability to help us achieve our goals."

Nelson was out of town and not available to comment for this story, but his business partner, David Reinhardt, said there is no conflict of interest with this situation.

"He has not been contracted to lobby on the real estate transfer tax," Reinhardt said. "That would be a conflict of interest. We do not have a client that wants us to lobby for a

ban on the real estate transfer tax."

Reinhardt said that his company will not lobby two sides of an issue. "That would be totally unethical."

Kafoury, however, says the history of issues Nelson has lobbied for are directly opposed to the needs of Multnomah County, specifically his recent opposition to Measures 66 and 67 – initiatives that preserved many crucial programs for people in need, Kafoury says.

While the ballot initiative has caught the attention of affordable housing advocates, there is no campaign organized in opposition at this time.

"We've been working on this with the Housing Alliance," said John Miller, executive director of Oregon Opportunity Network comprising affordable housing organizations and agencies across the state. "We're looking at all the implications of the ballot measure and deciding a strategy."

Art Kegler, the chief petitioner on the amendment initiative, says that if affordable housing were the goal, "that would be fine." But Kegler says that has not been the goal of most transfer tax bills in the Oregon Legislature, which has considered rescinding the preemption for general fund resources, and could change its course on where the money goes in any legislative session, he says.

"If they did it for affordable housing, I wouldn't have a problem with it. And only if that was documented in the constitution, not just in a legislative action," Kegler says.

In recent years, under the National Association of Realtors campaign, more than 30 states have passed restrictions or prohibitions on transfer fees, most of which were funneling money back to developers. Others have been specifically preserved for charitable uses.

Shaun Jillions, with the Oregon Association of Realtors, said the organization's decision to pursue this was based on surveys of Realtors across the state that showed overwhelming support in eliminating real estate transfer taxes and putting resources to that end.

But not everyone in the business agrees that this should be a priority for an industry

suffering under the housing collapse and challenging economic forces.

"I am perplexed as to why our association is focusing on this issue when there are so many other pressing issues critical to Realtors and citizens of Oregon," says Chris Bonner, a Realtor based in Portland.

Bonner says that states that have a transfer fee applied to affordable housing, such as Florida, have not seen a slowdown in real estate activity because of the fee. Banning such an option prevents jurisdictions from doing what they need to do to keep people in housing, Bonner says.

"We still have not – as a state or a nation – figured out how we are going to assist people who are on a fixed income or are working minimum-wage jobs, get affordable decent housing. And I hate to see any tool taken off the table that can help our communities remain stable and a place where our children will be able to afford a decent place to live."

It's not good for business, either, says Bonner.

"It's not going to hurt our business as much as it hurts our community to have people struggling to afford decent housing," she said, referring to the option of applying such taxes toward affordable housing. "We all can see that when people are on the edge and struggling, it does not make a good environment for either business or livability."

Judy Carnahan has been a Realtor with the Oregon association for more than 25 years, but in January she switched her membership to the Washington Realtors. Carnahan, who is based in Portland, switched because she refused to pay the \$75 assessment the Oregon Association required of members to get the RETT initiative on the ballot. Carnahan didn't support the fee or the initiative, which she said is a lousy way to establish tax law.

"The type of local input and opportunity for members of a community to participate in the building and construction of such a measure or law does not happen," Carnahan says. "This comes from just a group of people with a special interest in mind and that's it. This is not the way we construct good, sound fiscal policy in this state."

The benefits of Realtor membership include access to the multiple listings service

that is a key competitive tool for real estate brokers. Carnahan filed an inquiry with the Secretary of State's office, arguing that the Realtors were withholding membership, and the multiple listings service, as a condition of paying the \$75 for the campaign. (In January, the Attorney General's office sent a cease and desist letter to the Oregon Association of Realtors saying the assessment violates state law in that the revenues contribute to campaigns. Attorney General's office later rescinded the order and the fee. The Realtors had proposed the fee as a three-year assessment, but it was put in place for 2011 only.)

Carnahan, an independent broker, said brokers associated with a brokerage firm had no choice but to pay the fee. She said she had conversations with many brokers who don't support the campaign.

"It was sad to talk with so many Realtors who really did not want to financially support the petition drive, but they felt as though they were forced to do it," Carnahan said.

It's a non-issue for Realtors, and it's not what the real estate industry needs," she says.

"I don't see that housing has been deterred in any way in Washington County, and business certainly hasn't been damaged in Washington County, and in fact, Washington County has one of the lowest unemployment rates in the state," Carnahan says.

Carnahan would not specify if she would support a transfer tax applied to affordable housing – and in fact opposed ones in the past for their lack of clarity – she did say that more could be done by the industry to help the housing crisis than a constitutional ban.

"Even more than before, we have really severe housing problems," Carnahan says. "Families have problems, and I don't see there being any resources available for families who are displaced. Of any time in recent history that I've known about, there is a greater need now for alternative types of housing for families than ever before, and I see no other group that is better prepared, other than governments, to be able to get a handle on this right now."



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