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>> Mayor Knudson: Good afternoon, everyone, thank you for joining us for this work session. There is no opportunity for public comment. You can watch online or on Comcast channel 21. Thank you again for joining us today. I now call the October 28, 2026 work session of the Eugene city council to order. I'll turn things over to our city manager for our first topic, which is a work session.

>> Thank you, mayor. A couple things, I wanted to put out two points. This project is in response to an action by the council back in November of 2021, this was related to the climate action plan, 2.0, where council directed staff to develop implementation strategies, and today as proposed, the ordinance would require responsible parties to disclose a home energy score upon when a dwelling is listed for sale, with that, I will turn it over to staff.

>> I am Danielle Klinkbiel. Today's work session is focused on the ordinance establishing a residential energy disclosure requirement, with possible action from city council. I will do a recap of the home energy score policy, previous council work sessions and direction, then I will go over the draft order Nance and code provisions, I will give a quick preview of what will come next, if council decides to adopt the ordinance today. Before I get into local policy direction, there are a few introductory items that I've addressed in previous work sessions, but just want to quickly reiterate again. I spent a lot of time talking about the condition of most of Eugene's housing stock. With many homes in our region being very inefficient. These conditions lead to higher energy costs, and inefficient energy use. From

talking directly to many residents, we know that many of them are unaware of how to address these issues. Expanding the use of home energy scores is one tool that can help. A home energy score is an assessment developed by the U.S. department of energy, to evaluate a variety of physical and mechanical features throughout a home. The assessor provides a score on a scale of 1 to 10. Kind of like a miles per gallon rating for a car. The assessment also includes recommended energy costs, available changes and rebates. Basically, the HES disclosure requirement requires the home seller to list the score, so prospective buyers can view it. The goals are to improve energy efficiency, and finally, to connect them to incentives that can help finance upgrades. Many of these goals align with other council priorities, established in the cap 2.0, and the housing implementation pipeline. What I would like to do with the rest of this presentation, is walk-through the time line that have gotten us to where we are today what started this journey first was council's direction to implement a home energy score policy, both through a cap 2.0 action, and motions passed in 2021. Quickly, here's the language of the cap 2.0 action, here are previous city council motions, directing the city manager to do engagement, research and create an implementation plan. And there's one more motion related to developing options for renters, which has not been the focus of staff's work to date. At the February and March work sessions, staff shared the results of engagement and research. We shared that we had engaged roughly 630 people. And gathered a wide range of community perspectives on the policy. The full engagement report is included in attachment fee of the AIS. We also did robust research to understand what has been learned from other cities, including outcomes and best practices and how those might translate to Eugene. We also identified the resources that would be needed to implement the policy here. The full research memo is included as attachment D. Next, council directed the city manager to draft an ordinance and staff presented it to council last June. The draft ordinance and code provisions are in your packet, attachment A, the key components include the general requirements to obtain and disclose a home energy score when a dwelling unit is listed for sale, with the U.S. department of energy home energy score tool, being the required assessment methodology. The code also provides authority for the city manager to develop administrative rules. Provide financial assistance to the extent funds are available, and to levee penalty for noncompliance. It identifies exemptions for a variety of distressed sale situations like for example a preforeclosure, trustee sale as well as for certain building types, that cannot be scored using the tool or that have a nonresidential use. So for example, commercial buildings, large apartment complexes, industrial buildings, these are buildings that would not be subject to this. And finally, the code identifies conditions under which the score and report expire. And the effective date of the ordinance, which is six months after adoption. That's the code, I'd like to give an overview of how this disclosure requirement would function in practice. Most people would only be subject to this, when they sell their home. Typically, once or twice in a lifetime, and they tend to be guided through this process by a realtor. The seller would hire a qualified assessor to complete a score. It costs about \$150 for the average home, and then include that score in the listing. If they qualify for an exemption or a free score, they may need to submit paperwork or a brief application. If the listing is

posted without a score, they would be notified and provided with time to comply. Lack of compliance after repeated notification may eventually result in a penalty. We recognize that for realtors, this will be another item on the checklist to complete before a home can be listed, and so a lot of our outreach and support would be geared toward them. Buyers will be able to see the home energy score in online listings and during showings. Allowing them to compare homes and inform their offers. Because the score provides different insights than on inspection reports or utility bills, gives buyers additional information when making their final decision. In September, council held a public hearing on the draft ordinance. At the public hearing, 21 people shared a comment. Additional comments were submitted to mayor and city council via email, of these comments, 26 expressed support, five expressed opposition, and one was neutral. The themes from this Input are pretty consistent with what was heard throughout engagement. There's support for increased transparency and consumer protection, support for better protection for incentives and rebates as well as support for tools that can help people better understand how to reduce their energy bills. There are concerns about adding a cost to selling a home, and there are concerns that there aren't enough assessors locally. There were also requests to identify metrics and evaluate the policy over time. There were several questions from city council at the public hearing that I'd like to address. First, councilor groves asked about ways to offset the cost for low income sellers. Staff would intend to set aside resources, so sellers could apply to get a score at no cost. What we would plan to do is have several assessors under contract, who can provide this service and invoice the city. So that this wouldn't be something that would slow down or delay the sales process. This is considered best practice and all the four other cities approach this similarly. Councilor Clark had asked if amendments to the code, to add metrics for evaluating the policy, would require another public hearing. The city attorney at the time had responded that it would not, but I just would like to highlight that staff do intend to track various key indicators and metrics, once the policy is implemented. Mayor had asked for the number of home assessments completed through the score program, in total and per year. For those who are unaware, as a quick reminder, score was a partnership with the U of O, E web and the city providing scores on a voluntary basis to low income renters. Mayor also asked about the number of homes in Eugene built before 1990, and the typical building materials associated with construction at that time. From the report that was published a few years ago, approximately 49,000 residential units were built prior to 1990, representing roughly 65% of our housing stock. And typical construction features from that time include little to no insulation in the floors, walls or attic. Leaky building envelopes, inefficient heating systems and single pane windows. These features are conditions that can lead to very inefficient energy use, and therefore higher energy costs. There's more detail about this in attachment B, which also includes responses to all previous council questions since the February work session. And so that puts us at today. Council has the opportunity to take action on the proposed ordinance, establishing a residential energy performance disclosure requirement. If council decides to adopt the ordinance today, it would take effect on April 28, 2027. And I'd like to give a little preview about what would come next to prepare for that implementation date. If council adopts the

ordinance today, the next steps would be for the city manager to develop administrative rules that provide more details on the requirements. The exemptions, the compliance process, and enforcement penalties, and the fine assistance process. Staff would develop the systems and processes to turn those rules into an actual program. We have a sense of these various pieces based on our research. And our goal would be to align with the best practices that we've learned from other cities, but adopted for Eugene. Staff intend to focus on workforce development before the policy launches. One of the concerns we've heard throughout engagement is that there aren't enough assessors, and there is true. It's because we've only had a voluntary program, so there hasn't been the demand. We would plan to train up roughly 10 to 15 new assessors, this is something that bend had to do, and they were able to do successfully, before they launch. We probably would plan to replicate what they did. We also intend to develop broad communication and outreach materials. We know that realtors and others associated with the home sale transactions are really the ones who are going to be at the helm of responding to this requirement. So much of our outreach, education and support would be targeted toward them. So in summary, council has the opportunity today to consider adopting a residential energy performance disclosure requirement, where we are today is the culmination of prior council direction, extensive engagement and research on outcomes and best practices in other communities that have implemented this policy. Based on outcomes that have been observed in other cities with the policy, we can reasonably expect that the home energy score disclosure requirement would expand people's access to information about their homes energy performance. It would be another tool that connects them to existing incentives and it would lead homes to slowly become more energy efficient over time. Moving in this policy direction aligns with council's goals and priorities established in the climate action plan, the strap plan and the housing implementation pipeline. And at this time, we'd like to open it up. We're happy to answer any questions that would inform your decision today, and with that, I turn it back over to the mayor.

>> Mayor Knudson: Thank you, Danielle and Ian for that presentation, incredibly helpful to see this work over the period of time that it's been a current event in our community. I can say personally, having participated in some of the cap 2.0 workshops and these conversations, thinking back to that moment in time, it was a question really to our community how we could implement and more directly engage our existing building stock, with our community's climate goals and energy efficiency goals and affordability goals and quality of life goals, and I think it is really exciting to see how we are -- have been leaning into this work, and now in 2026 moving forward. In discussion with this body, I strongly support the implementation of this work, most of my questions have to do with nuances and details, how we can further support this plan, and lean in on the development aspects of 24. I think there's a strong area for our community to learn from other places who have implemented policies like this into their local laws. Having said that I'll open the floor for council discussion. I see councilor Evans, councilor groves and councilor Keating in the cue. Councilor Evans?

>> Councilor Evans: Are the assessors going to be hired by the city or independent contractors.

>> They will be independent contractors hired by the seller. They would hire an assessor to complete the score. What I did mention was for the ones who are completing the scores for free, for the lower income -- for families that meet the low income threshold, they would be under contract for this city, and we would hire them to complete the scores for free, for that subset of folks who meet the income qualifications.

>> Councilor Evans: And what are the training requirements for assessors?

>> They need to have a residential contractor license, and complete an additional training that's pretty short, it's a one to two day training in order to get the certification to be an assessor.

>> Councilor Evans: What happens if there's some disagreement with the assessors evaluation of the home and -- it's relative ability to -- or you're pointing out certain things that a homeowner needs to do to improve their home energy score. And make their home more efficient and resilient. What if someone says, I don't agree with that. How do we deal with challenges to an assessors document.

>> Yeah, that's a great question. What I understand your question to be is how would someone go about disputing the score, if they disagree with what the assessor said.

>> Yes.

>> There's a pretty robust process through earth advantage, they do quality assure answer through 5% of all scores that are completed. That's something they do on an on going basis. They also have a process, if a specific person wants to dispute their individual score, they can bring it up individually with the assessor, if they dispute it after that, they can bring it up to earth advantage, and earth advantage will review the score, and the data that was Inputted to verify it was accurate. If there was a discrepancy or data was entered incorrectly, and the score needs to be corrected, there wouldn't be a cost incurred to the -- like the seller, so there is a process lined out already for scores to be disputed, and there's a rigorous quality assurance process already in place.

>> Who is earth advantage?

>> Earth advantage is a national organization, they provide a range of support including research and policy guidance and a variety of services to help implement building policy for jurisdictions. They supported us in doing the research, they're also under contract with a variety of cities across Oregon that have this

policy in place to help train assessors, in some cities, they support tracking compliance. I'm not sure if you have anything to add, related to --

>> I think two other quick things about that, councilor Evans, one, they support the state of energy's home energy. They provide support to the state, all across the state and to cities in the state. That's one of the things, and they also operate something called the Green building registry. That's a repository for information. They're the ones where -- if this advanced and scores were created, it's a way to do management of that information as well as to feed into the quality assurance process.

>> Councilor Evans: If we were to pass this today or in another session or time, would we go -- enter into a contract with earth advantage prior to the April start date for this?

>> Yes, I think --

>> Councilor Evans: Are we already somewhat involved in contractual relations via the state.

>> We have access to them via the state. Right now, it's basically a free service. If this advanced, I think we would get them under contract for two reasons, we would bring them on board to help identify and train assessors, make sure that is done correctly. And we have sufficient quantity to meet demand. We would have an on going licensing agreement with them, so this could be posted to the Green building registry. That's something bethought about, to bring them on as a one time fee would be about \$20,000 to \$30,000, and on going, would be about \$5,000 a year, to keep them with access to their systems.

>> Councilor Evans: Thank you.

>> Mayor Knudson: Councilor groves.

>> Councilor Groves: Thank you, mayor. Will we be offering training for realtors in this process?

>> That is it part of our plan. We plan to do targeted outreach to realtors. Several of those relationships we established through our engagement. We established an engagement with the Eugene realtors association, and others beyond that network. We plan to lean into those relationships and do additional training and support to help guide them through what are the requirements, what's the process, how do you get the score, how do you post it, a lot of our outreach in education will be geared toward them, and on going support. Once the policy launches, we plan to have a help desk. So we can be accessible if someone's struggling for a specific house or something

>> Councilor Groves: It might be a good idea to have a video of that on your web page, so even a seller would be able to understand the process, and how it works. Anything new like this always has a certain amount of consternation around it. Also, thinking ahead about how staff is going to manage, is there someone here that can speak to that component?

>> In terms of managing the implementation if this were to --

>> The implementation and then the on going care and feeding of the program.

>> Yeah, that's something we haven't tried to get too far out over our skis on this, our assumption right now, we will be absorbing this into our program. So again, largely, it's going to be the home program manager, if this advances, we've thought a little bit about what this might look like, in terms of the structure of the rules, and also, just some of the process things we need to be doing. We really thought about talking to other jurisdictions who have been doing this. How do they do compliance, how do they check, what has happened in Hillsboro and other places, to anything out how people are complying with this. A lot of time spent on this is going to be in that realm. Looking at listings, are they posting what the onus is requiring, and using that as a way to send follow-ups, we have this requirement, can I help you understand it, is there something you need informationwise, a lot of time is going to be spent on that, as well as developing some of the systems for continued monitoring compliance, looking at metrics and measures and things like that, that's going to be handled with the program, who are familiar with some of the processes, we know we will take advantage of.

>> Councilor Groves: So there will not be any new pleas?

>> That is not my expectation. We're going to incorporate this.

>> Councilor Groves: How will that affect how you handle this?

>> We will have to reprioritize other things, some things we may see less of, some of our greenhouse gas inventories, things we do on a pretty regular cycle. But making up band with and resources, we'll have to revisit those, and some of the things we do in support of both internal departments and some of our partners externally, it may change some of that as well.

>> Councilor Groves: Having bought and sold a number of houses over the years, buyers and sellers get cranky when a broom handle gets stuck in the spokes. I think whatever we do, we need to have the capacity to make sure we're able to be responsive, and not be the point that hangs up a transaction.

>> Mayor Knudson: Councilor Keating?

>> Councilor Groves: Wait, I had one more question. What is the threshold for lower income sellers. Have we set that yet.

>> In other cities, it's either 60 or 80% of AMI. We haven't gotten too far out making those determinations, but we would probably do one of those two situations.

>> Councilor Groves: We're being asked to vote on this today, and we still don't have all the information worked out, is that my understanding?

>> Well, there are certain parts that would come up through administrative rule making we haven't finalized, because there hasn't been a decision to advance on developing rules. What we have done, EWEB uses 80% AMI. That rule has been pretty effective for them. That feels like it would be a good place to start. To do that is to focus on that number. And that would be my place to start initially on that. Part of what we want to do is to look at, is that working? Are we capturing the right things, and using that as a feedback loop to understand and evaluate this program.

>> Councilor Groves: Thank you, mayor.

>> Mayor Knudson: Councilor Keating.

>> Councilor Keating: I think legal wanted to weigh-in.

>> I want to be clear, the ordinance in front of you, what it says is, that in the administrative rules that will be developed after council action, the administrative rules may include to the extent that funds are available, the establishment of a financial assistance program. The specific exemptions that are in here, do include one -- they include things related to financially distressed sales, essentially, a number of them relate to foreclosure type proceedings. Homes sold that are clearly in financial distress situations. And then if a dwelling unit has been approved for participation in the Oregon property tax deferral for disabled and senior homeowners, that was an exemption we saw, I think in other ordinances, and staff wanted to include here, but the determination of who would qualify for assistance, whether we have an assistance program, we have left that as an administrative decision to be laid out in the administrative rules, if that's something you want to be explicit about in your action, we are going to need to hear about that from the council as a policy manner.

>> Councilor Keating: I don't have any specific suggestions, but it would be nice to know what we're voting on.

>> As it stands, you would be voting on a direction, to the extent funds are available, assistance program would be included in the rules. It would be up to staff, depending on budget, and what they determine is right to recommend the city manager adopt the specifics in the rule.

>> Councilor Groves: Thank you, that is a point of concern of mine, I don't like voting on blank checks. Thank you.

>> Mayor Knudson: Councilor Keating.

>> Councilor Keating: Thank you. Energy performance disclosure requirement is a mouthful. It's trademarked. Is that department of energy? On slide 2, home energy score and there's a trademark.

>> It's a methodology tool developed by the U.S. department of energy. Residential energy disclosure requirement disclosure is the language other cities use, but often on their websites and the more outward facing website, documents, they tend to use the home energy score word.

>> Councilor Keating: Thank you, the department of energy, as I understand it, the scale of 1 to 10, 6 to 10 is a preferable score. I want to see if this lines up with what we're approving today. A 1 to 4 would be below average, meaning that the home consumes more energy than roughly 85% of U.S. homes, five is right smack in the middle, the home performs comparably. 6 to 9, above average. 10 would be a top performer, ranking among the top ten efficient homes nationwide. Our home energy score -- our city of Eugene, residential energy performance disclosure requirement, would our 1 through 10 score mirror the department of energy description I just shared with you?

>> Yes, that's correct.

>> Councilor Keating: Great, thank you. I am enthusiastic about advancing this today, and I would be remiss before -- I know you referenced it, about renters, about council's previous suggestion -- or direction rather, that we have a home energy score for renters as well. As the only renter on council, that lives in an energy efficient home, I suspect I would be in a 1 to 4 range, 2,000 square foot home with an antiquated heater, gaps in doors. Why weren't renters part of this initial conversation? And/or -- not and/or, but recognizing they're not, what are the next steps for renters, should council take action today. What's a reasonable time line for us to grapple with the next -- what I see is a logical next step for a home energy score or home energy audit for the 50% of us who rent in this community.

>> That's a great question. As you mentioned, there was a previous council motion directing the city manager to explore options for renters, that wasn't the focus -- we determined earlier on, that wasn't -- we didn't have capacity for that to also be the focus of exploring this initiative for several reasons. It would have been much broader engagement effort to also engage renters and landlords. The compliance process would be a little bit different. You know, ZILLOW, redfin, they're somewhat of a cookie cutter way to sell a house. Whereas the way houses are rented is not quite as consistent and easy to track compliance for this type of policy. So that would be sort of another subset of steps we'd have to figure out. We didn't

have capacity to explore that while also doing this. We also thought it made sense to start with time of lease, which is what is before you today -- sorry, time of listing, which is what is before you today, as a way to learn and potentially explore renters next. I'll let Ian speak to what it would take for this program to do the renter piece.

>> Thank you for that question, councilor Keating. I think one of the reasons we decided to separate is are the reasonings we talked about, which is talking about both made it a complicated conversation, and it's hard to talk about what's going on with people who may be landlords, versus people who are owning their house and selling those. That was part of the complication. I think the other was, we were able to learn from what the other four cities in Oregon have done, on the point of listing policy. We could sort of -- we could learn from what they've done. See what the market impacts have been, see what's happening from the data, to learn about what that might look like in Eugene. There's less of that in renters. We would be charting new territory. We want to approach this much more carefully, to understand what it might look like in practice. I think the other piece of this is, I think if this advanced, we'd like to figure out what this looks like in practice, how this gets implemented, what are the kinks in this, and use that as a way to think about, what might this look like for renters. In terms of time line, we can't put a time line on this, we want to see how the next six months would go, if council chose to proceed, to figure out how to get in this place, and roll this out, and figure out what it looks like to track compliance. And use that as a way to feed into thinking about an engagement strategy, this would be one of the things where I think we have to make tradeoffs. We wouldn't necessarily have capacity to develop the rules, and also do big engagement process on this, so we have to think about where this fits within the prioritization, and how we can think about doing this. There are other ways we can think about servicing that audience and that part of our population, through other programs, like trying to figure out a way to reconstitute the score program, or other things, which aren't a priority, but if there's a way to do that, it would serve the need to focus on renters. It could be another pathway to think about as a stopgap measure as well.

>> Thank you very much. How long is an energy score good for? Is it good for a year, two years? More?

>> As it's wring in the ordinance, it expires after eight years.

>> Councilor Keating: That's a long time.

>> Or if there's been a major alteration made to the house that would affect the energy usage of the home.

>> Councilor Keating: Okay, I recall at one point there being a mention of an exemption for homes sold by a trust. If there's a recent death in the family, and we experienced this not long ago, my brothers and I, with my mom's property. Is that

still part of the equation, an exemption for families that are selling a loved one's home?

>> Yes.

>> Councilor Keating: Yes, it is? Thank you. The other questions I have seen -- were addressed, the engagement with the realtors, how many assessors are there locally? You mentioned that we plan to bring up 10 to 15. Are there any who have this training at this juncture? How many?

>> Currently there's four assessors serving the Eugene area. And from our research, we know that we need about 15 to 20 in order to meet the demand that this policy will create.

>> Councilor Keating: Thank you very much, I urge adoption.

>> Mayor Knudson: Council Zelenka and then councilor Clark. We have another item after this one, just a time check.

>> Councilor Zelenka: Yeah, other cities have had this program for years, and what we've learned from that is that it's very effective, very efficient with little to no impact on the sell by process or price. The fact that none of that actually happens, worst fears were never realized. It's not a very complicated process, it may seem like that in this. But it's not a very complicated process to have this done. Councilor groves, I'm a little surprised at your question about not having all the administrative rules in place. That's pretty much standard operating procedure, that we've had for decades, where we adopt the administrative rules -- the city manager creates those rules after city council adopts the policy, that's nothing something we do as a -- on a regular basis, this is common practice how we do this, all the little I's get dotted and the T's get crossed in the administrative rules, that's common, we've done it dozens if not hundreds of times. For this program, the program evaluations have been very favorable across the board, I'll point out that when we create these assessors, through this program, assessors -- these are jobs. These are creating jobs in our community and they're well paid jobs, and what turns out, they're abundant and well trained, and they're competent. When it comes to challenges to assessments, they're really -- it's really a very, very infrequent thing, because it's not a subjective process, it's mostly just math. If you have 4 inches of insulation in your attic, and you need 12, you add 8. The calculation of how much energy that saves is a math question. It's not really subjective on terms of what needs to be done with a house to bring it up to -- to become more energy efficient. And the existing residential housing sector is one of the largest sectors of energy users and greenhouse gas emissions in the state of Oregon, and in Eugene without robust energy efficiency program. We do have weatherization programs, but they don't cover a lot in a very over comprehensive period of time. This will help get us there. And just wanted to point out that energy -- earth advantage is a nationally recognized expert. There are technical assistance contractors, but there are experts

around the country and they're asked to speak about this all over the country. On a question of renters, councilor Keating, it's much more complicated the staff said, but ODOT contracted with earth advantage to do a study including renters in the program, and probably roll that out with a model problem that could be replicated by other cities in 2027. Finally, I think after 8 years, I think this is fantastic, that we're finally getting to this policy, and I urge adoption as well.

>> Mayor Knudson: Councilor Clark?

>> Councilor Clark: Thank you, mayor, I appreciate and understand how to count noses, and I understand very well that this measure is likely to pass, based on the -- looking around the table at my colleagues who will vote on it. I have -- I also recognize, frankly, the dangers of speaking against the climate Orthodoxy, and the political incorrectness of it, so there's that. But I'm troubled by this measure for a couple reasons, and I just want to speak them out loud, before we put this into place, which I am relatively sure we will. Number one, to Randy's concerns, we're passing a new ordinance that requires -- whether it requires new staff to be hired or not, we're not certain of, we think it probably won't, but we don't know that yet, we haven't seen the compliance amount. I do have a question of staff. Is it the intent of -- is it the administrative intent at this point for those free assessments and paying the auditor for those free assessments, for that monies to come out of the program itself? In other words, will we increase the amount of the assessment to each homeowner done in order to cover that amount of money that covers those free ones that are offered, or is it our intent to have that be city money that we use to pay for those?

>> The intention for that to come out of our budget, it's budgeted to be about -- like our research shows we should budget about \$5,000 a year, to cover those assessments for low income scores. I lost my train of thought. So it would not be additional budgeted funds to cover this, but we would -- and we would not be increasing the cost to regular priced assessments in order to cover the cost for low income scores.

>> Councilor Clark: But we're making a commitment of expending additional city funds.

>> That's correct.

>> Councilor Clark: That we don't currently do, is that correct?

>> I think as the city attorney spoke to, as funds are available. So there's discretion that we would write into the administrative rules if this proceeded. And depend on what the financial session was, it would be at the discretion if we could cover that or not. That's currently how the ordinance is written.

>> Councilor Clark: Thank you.

>> My expectation is, this will be totally absorbed with the current policeman. I don't expect to be given additional staff to implement this program, it will be done with the existing program, our existing resources, and our existing staff bandwidth, what that will mine is we will make adjustments and reprioritization in the program.

>> Councilor Clark: Thank you. Alan, I would say we're making a commitment to do something, and expand a program without certainty we have good knowledge. But we don't have certainty that we're not putting ourselves in the position for increased on going future expenses that we may not be considering in full. That's I believe his concern, and it's mine as well. The other part of this is, that staff spoke well to the relationships created already during public engagement with realtors. My understanding is that the Eugene association of realtors were absolutely against the idea of doing this. I speak -- I work in this industry every day, and so I have spoken with dozens and dozens of realtors that can't believe we would possibly consider doing this at a time like this, when housing is already as expensive as this, for us to add a mandate that increases the cost of housing, isn't a benefit to the buyer the information may be a helpful bit of information, and I for one am always in favor of buyers having complete and accurate information? I think that's -- that's a bear minimum. But I believe that this is a great deal more about creating a database of everybody's home in Eugene, than it is about serving buyers. And their best interests. Especially as Matt points out, that at least half the houses in Eugene, aren't usually for sale to the homeowner, to the occupant, they are for rent to the occupant.

>> Mayor Knudson: Councilor Clark, I'm going to --

>> Councilor Clark: I will probably vote against this as a resolution. Councilor Yeh?

>> Councilor Yeh: My question is, is there a way -- will this be coming back in our budget discussions. I can at a certain level understand some of the councilor's hesitation about having an open ended budget item. But I feel like that's something we could address in some way. Yeah, so I guess that's my question. Would it come back during our budget discussions? Would it come back at some other time?

>> I wanted to speak to this. There's a couple things we can do with council, with the administrative rules, bring those back to you as those are developed and adopted under my authority. But two, as staff said, the idea is to use the existing resources that we have, and not to increase the budget. However, if there is at any time, it looks like there may be an adjustment as a result of this program, should council want to approve it, that can be flagged as a part of the budget process, and you can determine whether that is where you would like to allocate resources, I do not envision that, I envision allowing us to go through this program in the first year, track the expenses and coming back to you and letting you know whether we're working within that dollar amount, and if we foresee any expenses increasing to

allow us to pilot it. I completely understand the council's concern about having something open ended. And I would agree with councilor Yeh the budget process could be a place to look at that. We are not going to be increasing the budgeted amount we have now, as a result of this program. If that helps clarify things, let me know.

>> Councilor Yeh: Yeah, thank you, I appreciate that. I don't have any other questions. I'm really excited about this program, and just talking to people in my neighborhood, I've heard so many stories of people like -- I so wish this would have been around when I purchased my house. Thank you. Thanks for all the hard work, staff

>> Mayor Knudson: Thank you, council, thank you for that clarification, city manager, what you're underscoring, we have the opportunity as a community to improve upon and learn from the good work we're doing, and the decisions made by this body, I expect this area of work would be no different. And I have a lot of confidence 234 our staff's capacity, and the work you've done to date, and how you've been thinking about this, and developed it with many years time, and Input from hundreds of people and national experts. We have a robust collection of information to work with as this is coming forward today. I'm going to turn to the council vice president to put a motion forward.

>> Councilor Kashinsky: Thank you, and before I make the motion, I want to express my appreciation for staff, all the work they put into this, the materials produced, the outreach you did, it was very impressive, I appreciate it, as we're moving forward with this to address climate change, impact and improve our energy scores. With that I move to adopt an ordinance establishing a residential energy performance disclosure requirement, as attached in item one, attached to the AIS.

>> Second.

>> Mayor Knudson: Thank you, councilors, any further discussion from council? Seeing none, I will now take a vote for this motion. All in favor? Five. And councilor Yeh, you appear to be frozen on screen, in the process of raising your hand.

>> Councilor Yeh: I'm trying to vote yes.

>> Mayor Knudson: Thank you. Six, and all opposed, did I miss anyone? All opposed, one. And the motion passes with a vote of 6-1. Thank you, council, thank you staff very much. This concludes our first agenda item for today. I'm now going to turn to the city manager, to introduce our second topic, which is a work session on voluntary annexation follow-up, I also want to flag to staff and to council that council President leech is not here today, and did request to me, and communicated this to the vice president that we would not take a vote today, but would actually come back to this vote when councilor leech is able to be present, and that looks like it

would be November 9th at our meeting. Specifically, because this area of work certainly has impacts directly within councilor leech's ward, and she wanted to be here for that decision point. City manager, if you would not mind introducing our voluntary annexation follow-up?

>> The council had two previous work sessions on this item, one in 2024, and one in 2025, they focused on annexation, and potential incentives for voluntary annexation. Our interim director, presented four voluntary annexation incentives at last year's work session, those are targeted outreach and education, right-of-way annexation, fee waiver, and property tax differential. This work session provides a follow-up to several councilor inquiries, and also provides an opportunity for council to indicate whether they're interested in a deeper discussion about what a property tax different shall program could look like, and in fact if incentives are going to encourage voluntary annexation. With that, I'll turning it over to staff.

>> Thank you, thank you for having us today. This is part of an on going conversation you've been having related to encouraging voluntary annexations along with facilitating the production of more housing. We are here today with staff for planning. City attorney's office and finance to provide a deeper dive into some of the aspects of voluntary annexation, and in particular, one of the potential incentives, so with that, I will hand it over to Jeff.

>> Thank you, Alyssa. Good afternoon mayor and city council. It's nice to be in front of you all again. I'm Jeff Gephardt, I'll be picking up the torch on the topic of voluntary annexation. For our agenda today, I'll provide a quick refresher, followed by trends and outcomes, and introduce a change in state law impacting annexations in Eugene. And then we'll move on to the incentive options, council options and next steps. So let's jump right into the nuts and bolts of annexation quickly. This is a follow-up for council, I want to take a moment to do a quick overview, to break it down within the city's urban growth boundary, land is either in city limits or outside of city limits. Annexation has the ability to bring a property within city limits. It's consistent with our city plans and policies, it has urban services and is contiguous to city limits. I'll come back to that one a little later. A facts and figures guide is attached to our summary, which goes into the nuances of annexation. Anyone interested in annexation should check out those resources. I will move on now to the trends and outcomes we've seen after a council request for a little bit of a deeper dive. We've seen an average of about 10 approved annexations, during this time period, the annexation fee has remained unchanged at 5,155 \$and change. An application takes about just over 3 months to be fully processed and approved. It was notable to staff, that the annexations tended to be smaller properties, rather than large ones. Looking at the type of land being brought into the city. Over the 114 applications over the last 10 years, the vast majority of applications have been for residentially zoned or designated land annexed into the city. Thinking about geography, we see that annexations tend to be limited to three neighborhoods. River road, Santa Clara and the northeast neighbors. They consist of existing smaller residential lots. This is likely why we see a large Congress continuing end of residential annexations I

showed on the last slide. Now, let's take a look at each -- we took a look at each application to evaluate what has occurred on residential properties since annexation. I want to shout out to Gareth and Haley who have done a lot of work on this subject. About 51% vexed or divided the land that they're on following annexation, for us, this was one of the more surprising outcomes, given that we understood the reason for annexation to be facilitating property investment. Of those divided, we saw 248 lots or parcels created. There were a few large subdivisions in the mix, however, the majority of new lots were created through the division of smaller sites that resulted in just the creation of one or two extra lots. As far as housing production is concerned, it's resulted in 362 new units in the ten-year time frame. And it takes about two years for a property to develop following annexation. Showing housing production is occurring relatively quick if it does happen after annexation. With that brief summary, I'll move on to a state legislative update. One of the biggest barriers has been a state and local requirement for -- that a property needs to be contiguous with city limits in order to annex. Even if a property met all the other requirements, a property is barred from Annexing into the city. In response to local advocacy to tackle this barrier, the state passed a house bill that changes the rules to allow noncontiguous properties to be eligible for annexation. This applies only within Eugene and urban growth boundary. The property must be designated residential or mixed use. It must be connected to water, wastewater services, and accessible by a public road to take advantage of this option. There are many properties, especially in rural Santa Clara, that would likely qualify, we estimate 4,000 properties that may now be eligible based on this change in state law. The state law does apply directly, and once effective, January 1, 2027, applicants will be able to take advantage of that rule change. We plan to send a mailer to those who may be affected by the new laws. We have new rules passed on by the state, for potentially developing on our unannexed lands, this was the Oregon homes rule making, however, this just landed on our desk, so I can't speak intelligently on that today. We're still diving into what that's going to look like. We'll come back to that with more information at a later date, more than likely. Moving on to the incentives. These were provided to you at your last work session by Alyssa, we have already begun some of the work to implement the first two, I'll spend a little extra time going over the fee waiver and property tax differential options. Outreach and education is our first one. It's within the scope of our existing work plan and resources. The few items listed here are already underway or will begin to happen in the near future. Moving down the road to right-of-way Annexation. This is a tool we already use and has multiple potential benefits for incentivizing Annexations. The cost of this incentive is mostly born by the city department undertaking the Annexation, typically, that's our public works department. And that can impact the budget for individual projects or teams pursuing the Annexations. Right-of-way Annexations will continue to be assessed on a project by project basis. The application fee waiver or reduction incentive, an application costs over \$5,000 as I mentioned, waiving or reducing the application fee is one way to reduce the up front costs of Annexation, which would be an obvious barrier for a homeowner looking to Annex. Could it be targeted to specific properties? Yes, such as residential, industrial or commercial. It's probably a good

time for me to mention, that this incentive option is slated for inclusion within our scheduled fee modernization project coming in 2027. Myself, as well as an excellent team of folks helping me out, will be taking this project on, in the coming year. As of right now, given our housing need, and the previously identified interest in supportive housing production, we're proposing a reduction for residential lands. Financial impact is too the general fund, as there is a loss of fees that would normally offset the cost for staff time. Consideration for these potential impacts can be integrated into the overall budget process, later on, give than following the fee modernization project. Finally, property tax differentials, this incentive allows the phasing of the city's tax rate over a period not to exceed 10 year wheres, as part of Annexation. It probably comes as no surprise, that we anticipate this action would have the greatest financial application, due to the loss of new property tax revenue, however, it may also be the most attractive incentive for new property owners, as this inning crease has been highlighted as one of the biggest deterrents when looking to Annex into the city. We will spend a little bit extra time looking for the financial implications of this incentive. To help us understand this issue, we used a 100% Annexation scenario, for eligible unannexed properties in river road and Santa Clara. This what if scenario, compares the overall revenues to the anticipated operating expenses for a year. So to start, we look at the revenues column. The first 4 million in the property tax revenue -- the first 4 million is the property tax revenue based on the reduced general fund tax rate. We refer to this as the hold harmless rate. If it were decided this would offer a 100% tax differential, the tax rate would remain the same as if it were before preannexation. Next, we have the additional property tax revenue, that the city would have collected without the incentive in place, based on the full general fund tax rate. Then we add the other revenues, these other revenues are expected to scale up with the additional population, a good example of these is something called state shared revenue, which is a -- distributed to cities on a per person basis. We would receive a higher share as we add more Eugene residents through annexation. With those three revenues added together, it comes to approximately \$12.6 million. Let's look at the operating costs. Right out of the gate, we see the operating expenses that we accept outstrip the forecasted revenue total, the estimate is based on our current general fund operating budget per capita, multiplied by the estimate of new residents in this scenario. This simple formula provides us a rough sense of the scale for this model and illustration. The result in the red is the annual deficit of \$6.3 million, a 100% tax differential is applied from the deficit, guys from 3 million to 13.3 million because of the 7 million in city tax revenues that is no longer collected. Knowing how that math works, let's take a look at the longer term impacts. We're going to be looking at a model based on the annexation scenario for all of river road/Santa Clara. We're assuming all properties that are eligible for Annexation to come in and have a 100% hold harmless rate for the full ten-year period, this would be one of the largest incentive options available under the rules for tax differentials. The tax years, 100% rate, that is. Again, we see the base tax rate here in blue. For the first 10 fiscal years, all properties pay the same tax rate, as if they were preAnnexation. At the closure of the tax different shall period, the revenue jumps up to the full city rate. And the city begins collecting a lot more property tax revenue. Looking at the dotted

columns I just added, this is the property tax revenue not collected because of the tax differential incentive, we add on those other revenues, I mentioned previously, and now I'll add the operating expenses, which you see is the pink line hovering well above the expected general revenues, like in the last slide. There's a pretty big gap between this and the expected revenues. If we were to kind of reduce our revenue expenses, we would have to bring the line down to here, which is about reducing our operating costs to 60% of what they currently are. So in considering a tax differential program, you're really looking at there gap between the expenses and revenues, especially when you consider the full hold harmless tax differential shah they're Yo, this accounts for this red area I just put on the graph here, and it grows much larger. The incentive and potential for more annexations could also increase. So there's some important caveats here, first I mentioned the operating expenses and estimate based on the simple premise that assumes city services are provided at the same cost per person as the current city services for the rest of Eugene. Any reduction or efficiency in the cost of services, could reduce the financial burden and lower the expense line closer to the revenue line. As discussed last year, the city is already likely dedicating some resources or expenses to some unannexed properties. The expenses do omit infrastructure upgrades or street improvements that may be necessary in these areas. To say the least, the cost is extremely challenging, and would take more analysis to re Refine. The council could chose to scale this back alleviating the overall cost of the budget. The incentive could only provide for two years of tax benefits, this would align with the average time to develop is about two years. Honing in on those financial implications, there's anticipated deficit between the property tax revenue and expenses, but there's also the administrative cost of running such a program. From a policy perspective, though, there is a balancing act here. Property tax differential is a large impact to the general fund. It also facilitates housing production, consistent governance, and the efficiency in early service provision in these areas. These factors need to be considered during any future process to implement such a program. Given the complex nature of the option, staff would need to undergo a much more detailed development program, if the council is interested in pursuing this option. Moving on to council options, and this concludes the substantive part of the presentation. Feedback and questions are welcome on any of the other topics, we are looking to highlight one topic that staff is looking for direction on, and that is a property tax differential program. Given the anticipated significant impact on staff time and resources, we would like to hear from the council whether you have interest in implementation of this program or not. Thank you for listening for me get through that all. I appreciate it. And I will hand it back to you all for discussion.

>> Mayor Knudson: Thank you, staff. I want to express my appreciation for you taking your time to walk-through all of that. Your team has done some work to help us better understand the options before council today. And taking the time to walk-through those graphs is appreciated and very important. I will open the floor for council discussion. Councilor Clark and councilor Kashinsky

>> Councilor Clark: Thank you, mayor. I appreciate the great amount of work that's been done so far. I am in favor of us continuing. I appreciate councilor leech asking for final decisions to wait until she gets here, because this is one of those issues in which -- as far as I've learned so far, she and I are largely in agreement on the way to proceed here. There may be small areas of disagreement, but I'm not aware of them at the moment. I think we're going to need robust incentives to do this, and to see voluntary acceptance and compliance of people Annexing in. I think all the incentives you listed are going to be necessary, plus another or two, and I thought of some I want to ask about. On the larger issue, at first I want to say, this is one of those long term decisions. It's a decision that may have some costs up front or in the short run. But is in the long term interest of the community. And the people who live here. More than anything else. We have a number of problems at that checkerboard interface of county versus city properties. Largely because this is an issue we've never dealt effectively and looked at with a long term focus, we should be doing this. And the expense numbers are an issue that is easily seen there, we already spend a ton of city money on the fire department responding to noncity properties, especially in the river road and Santa Clara area. And we don't actively capture how much money we're correctly spending on properties that are not producing any city tax revenue. Jeff, you mentioned the new legislation, and how qualifying for Annexation requires access by a public road. Could you -- is there a definition in the legislation about what constitutes a public road?

>> There's no definition within the house bill that was provided, however, public road as defined in both are UTA code and Eugene code, would be any street or access way or public way that is owned or operated by a jurisdiction, that would be Lane County or the city of Eugene.

>> Councilor Clark: So an LAR would not be considered a public road?

>> An LAR would qualify as a public road under this legislation.

>> Councilor Clark: Excellent news. Another idea of mine I'd like to delve into further, when we have more staff opportunity to analyze it, is the idea that LARs, which are a huge problem to both the property owner and to the county, they're not maintained well, they're local roads that are owned and the liability for what happens on them is born by the property owners, and now the county at the moment. I think we should Annex those LARs, and make them a part of our maintenance infrastructure, there by relieving the county of their problem, and the homeowner and in many cases the rental owner of the liability on a limited basis, that at the same -- and only to do so if all the homes on that street agree to Annex into the city, that road they're on would no longer be considered a local access road, but a public city road. I'd like this it's my idea I'd like to have the staff look into the ramifications of that for the future work session we're going to have. Thank you.

>> Mayor Knudson: Councilor Kashinsky?

>> Councilor Kashinsky: Yes, thank you, and thank you to staff for all of your work on this. The first sort of thought I had was surrounding the fee reduction, or the fee elimination, I know that's going to come back as a different process, but really looking at targeting residential. I would be interested in targeting at smaller lots, perhaps. Ones where they're not going to be subdividing or going through bigger processes, because that seems like a good way to help smooth the path for someone who's -- I'm going to get a building permit and build some houses. If we're looking at ways to sort of target that more, that sort of lot size piece is one I was thinking of. Regarding the tax reduction, so I feel like this information of when we Annexed a property, the cost to serve that property is greater than the property taxes they bring in. That's something that's been included in many packets and many discussions in the past. Very familiar with that. Is that specific to river road Annexed properties or is that sort of everybody's property in the city?

>> The research that we did focused on the river road/Santa Clara area, given those are the two largest areas. Now, the special -- a lot of the math that goes into that is because of the difference between the special districts and the different rate that is people are paying in those areas. So other parts of the city that may have these, maybe there are some in the Laurel hill valley, we would have to look at those specifically, that tax rate is a little bit different in each area.

>> Councilor Kashinsky: Let me rephrase my question a little bit. We have overall a general instability in our budget, where we're not able to afford the level of services that our community would like us to have. And so is this gap between the cost of providing service specific -- and the property taxes they would bring n specific to any property anywhere in the city, where we may want to Annex it in, or is it universal for all property within the city?

>> I would say generally speaking, property tax that is collected does not pay the full freight of what it costs to provide services.

>> Okay.

>> Across the board.

>> Councilor Kashinsky: So that's not specific to newly Annexed properties. That's good to understand with that. It does feel like we're in a little bit of a catch 22 here, in as much as there are reasons for wanting to have properties Annexed in, to get rid of that checkerboard. There are lots of problems with that, I acknowledge and I know some of my colleagues feel that more than I do, see that day to day. I agree that's a real problem, and it seems like, solving that problem or putting incentives in place to solve that problem will exasperate our existing challenges with building a sustainable budget. That makes it challenging to say, this is the thing that we want to prioritize for incentives and things like that. I do feel like feel based incentives, like things that will be more directly related to creating housing might be there, but yeah, I think it's very challenging to talk about incentives for this.

>> Mayor Knudson: Councilor Groves?

>> Councilor Groves: Thank you, mayor, thank you for the presentation. It's always helpful to go over this and see the impacts. I like that we're talking about this, and trying to decide to move forward. I understand councilor leech wanting to be part of the decision, and I think that's appropriate. Does the gap between -- slide 20, does the gap between cost and revenue include adjusting capacity to the increased demand?

>> Can you repeat the question, sorry.

>> Councilor Clark: Yeah, slide 20 shows the gap between anticipated revenue and costs. Does that include increases in staff to handle the increasing capacity?

>> No, it does not.

>> Councilor Clark: Okay.

>> At least I don't believe so, Mauricio can correct me if I'm wrong.

>> Afternoon, everybody, I'm from the finance division. To answer your question, I would actually -- let me see if this is the right response. I would say no, it's assuming the same level of service we're providing citywide on a per person basis. So if we carry over, it will cover the costs of people to serve that area, but if serving that area causes an increase in demand over what we're providing in the city already, no, it doesn't include that increase in demand, but it provides the same level of service we're providing throughout the city.

>> Councilor Clark: So we'll be left with the same level of staffing right now, that isn't meeting our needs?

>> Yes.

>> Councilor Clark: Getting back to something that was talked about earlier, the fire response, whether they're talking about an Annexed property or unannexed property, we pay for the crew, whether they're responding to this call or that call. What it affects and is very important is response reliability, and response reliability is the percentage of time the fire company is available in its first new area. Any time that unit is tied up, and you have to send one from further away, there's a delay in response, which fire grows by 7 times for every minute, it's allowed to burn. And the brain starts to die after 4:00 minutes with no oxygen. I know they have some capacity issues they're trying to address, we can't ever seem to get caught up. That needs to be a part of this discussion, and I'm assuming that discussions have been had with police, fire and public works on this.

>> Yes, we have included them in our conversations.

>> Mayor Knudson: I have councilor Zelenka, councilor Yeh and councilor Keating. We have 12 minutes left.

>> Councilor Zelenka: The one thing I keep looking back too is the cost benefit analysis of this. Over the long term, not short term, but over the long term the problem, costs far exceed the revenue, with little to no other kind of benefits, so you get it would blow another hole in our budget. And from a point of view of ward 3, where I sit in Southeast Eugene, that would be a giant subsidy for the rest of our city to the folks that are being Annexed. How does that differential in cost get absorbed within a given -- give than we have a zero sum budget, how does that get absorbed, it's all general fund?

>> To my understanding, yes, it's mostly an impact to the general fund.

>> Yeah, so that solution of that kind of incentives or even doing a lot of this, creates a bigger budget problem. And would not be high on my list. And it's doing more of the same thing that -- where we would have the same amount of staff potentially doing much more work, and that's how we got into this current budget problem we already have the lowest FTE per capita we've will in years. We added the entire city of Springfield into Eugene, and didn't increase staff. And this just -- that kind of thinking got us into this problem. And now this would exacerbate that I agree with what councilor Kashinsky was saying, it wouldn't be high on my priority to approve.

>> Mayor Knudson: Councilor Yeh?

>> Councilor Yeh: Thank you, staff. To your question, should we keep looking at this? I think the answer is yes. I think there are benefits to bringing folks into the city and not having a patchwork 245 outweigh not doing anything. I don't think that a ten-year tax incentive is where I would land. I would appreciate getting information back on -- like you mentioned, a two-year version or some other options that were not as high cost, because while I'm okay with giving modest incentives, I think the example you gave would not be appropriate when you take into consideration the effect it would have on everyone else. I think Mike's idea about the local access road is interesting. Again, it creates a situation where we already can't take care of our transportation system, so adding more, I'm not sure is the best idea, but I do think we need to be creative about the incentives we provide, and perhaps this is one. So I would not mind receiving some information back on that, and the impact it would have. I think that's it, thanks so much.

>> Mayor Knudson: Councilor Keating is back in the cue. Councilor Keating, and then councilor Evans.

>> Councilor Keating: Thanks, mayor, I will be brief. I want to follow up on a two-year property tax different shall. I'm interested in exploring options as well. If we were to go down that road, would we have to encourage the legislature to amend HB-41230 -- 4108, excuse me.

>> No, there's a cap set on ten years, you could increase due to the level of impact we're able to identify.

>> Councilor Keating: Thanks. Count me in as wanting to explore other options.

>> Mayor Knudson: Councilor Evans?

>> Councilor Evans: I used to live in the unincorporated area of Santa Clara/river road for years, one of the things they would say to me all the time, and the neighbors too, is how would Annexation ultimately affect them coming into the city. And actually basically costing more money taxwise. And then also looking at the river road parks district. Are we looking at either absorbing them, Annexing them or how would we go about that, because that's another location where we have parks, a pool, which is desperately needed around here, I get people all the time ask me, well, are we ever going to get another pool, are we going to -- you know, that kind of thing, we have swim clubs, all of that how does that factor into a more robust blanket Annexation proposal.

>> Thank you for the question. We've been thinking a lot about that, because the scenarios we present here show you a blanket annexation of all of river road, that would affect the parks district. How this is happening at the time, is incremental and slow. Incentivizing voluntary Annexation is going to increase that. We would want to consider those impacts and what that forecasting would look like, at there time we haven't identified and met with the parks district to talk about that, long term impact.

>> Councilor Evans: Wouldn't that require a vote by the neighbors in incorporated and unincorporated parts of river road, some pieces of Santa Clara?

>> I don't know the actual answer to that. I believe what you're saying may be true, however, we can bring back more --

>> Councilor Evans: It's a special district?

>> That's correct. We can bring back more information on what the interplay between the parks district and what this Annexation would end up with.

>> Councilor Evans: About four years ago, I attended a meeting over in river road, with commissioner far, and the feedback from people over there is, we don't want to lose our pool, and we don't wants to lose our park to Eugene. So I think we

need to think about that, and how we can present a better offer to those folks if we are going to proceed with a blanket annexation and determine exactly what does that mean for the parks district, and -- because if we had to absorb it, that means more costs for our parks in general. So we really need to do a deeper dive and deeper thought on this.

>> Mayor Knudson: I have councilor Kashinsky and councilor Keating. This is a voluntary Annexation program, not a blanket proposal for the city of Eugene. I know that's not what you pleasant, commissioner Evans.

>> Councilor Kashinsky: We're having a lot of conversations right now about how we prioritize our resources, I am -- I feel like not just financial resources, but staff resources, staff time, staff effort, I'm assuming why you're asking for specific council direction, if we want more information about this, is because it's going to take a significant amount of staff time to create such a proposal, I am always interested in having more information. I'm curious if we do not move forward with a request for more information. What would staff be working on instead. What would be the next thing on the priority list that we would tackle?

>> I mean, our work plan has quite a lot of items on it, however, in terms of voluntary Annexation and what we're going to be focusing on, the other three incentive options are things we will continue to pursue. The continued annexation of right of ways, and the bringing back as part of the fee monitorization project next year, looking at building in some incentives for housing production. We're going to building them generally into our fee monitorization.

>> There would be work continuing on some of these other incentives regardless, and it would likely mean some other housing incentive, or the time line for that project would move up a little bit.

>> That is correct. The tax differential program is a bigger lift from both a structural sense, an administrative sense, and just coordinated sense.

>> Councilor Kashinsky: Thank you so much.

>> Mayor Knudson: Councilor Keating, I realize you're in the cue, but we are at time today. I will keep you in the cue.

>> Councilor Keating: Quick clarifying question. HB408 was discussed by the IGR committee last session, carried by -- is that accurate it was an IGR priority, and advocated on our behalf?

>> I believe it was reviewed by them, I'm unsure if it was supported by them, there was previous support at the last meeting on this conversation around supporting an amendment to the state law to facilitate this change that we then saw coming through HB-4108?

>> Councilor Keating: Are there IGR members.

>> I believe we did support it. Of course, I can't remember what I had for dinner last night.

>> Mayor Knudson: We can also return and offer more clarifying information about that bill and now law in our other legislative priorities when we come back to this Topic. I want to thank staff very much for your work and all the work you shared. This concludes our agenda item today, I now close the October 28, 2026 city council work session. We are adjourned.