



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

March 13, 2019

12:00 p.m. CITY COUNCIL WORK SESSION
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

Meeting of March 13, 2019;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Betty Taylor, President
Mike Clark
Chris Pryor
Jennifer Yeh

Emily Semple, Vice President
Greg Evans
Claire Syrett
Alan Zelenka

12:00 p.m. EUGENE CITY COUNCIL WORK SESSION
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

- 1. WORK SESSION: Renter Protections**
- 2. WORK SESSION: Housing Tools and Strategies**

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Renter Protections

Meeting Date: March 13, 2019
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Stephanie Jennings
Contact Telephone Number: 541-682-5529

ISSUE STATEMENT

City Council requested a follow-up work session to further discuss the experiences of Eugene renters and better understand current rental housing issues including affordability, availability, access, quality and stability. As a part of this work session, council will receive an update on proposed state legislation related to renter protections.

BACKGROUND

City Council previously discussed renter protections during a work session on February 21, 2017. The presentation provided an overview of Eugene's rental housing market, conditions, and trends; an overview of existing programs, local policies and programs that affect renters. Next steps that emerged from this work session were for staff to work with the Intergovernmental Housing Policy Board to conduct outreach to renters to better understand rental housing affordability, availability, access, quality and stability.

In 2018, the Housing Policy Board formed a task team to learn more about current market conditions affecting renters and to identify tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene. The task team created the Renters' Experiences Survey and have held four listening sessions. The results of the survey and listening session are summarized below.

Renters' Experience Survey – The task team developed and designed a survey with 17 questions. The survey was administered city-wide online during the month of January. Links to the survey were provided on the City's website and notices of the survey were emailed to Eugene neighborhood leaders, Neighborhood Leadership Council, Human Rights Commission interested parties, and Housing Policy Board interested parties. Print copies of the survey were distributed by task team members in various ways, including local food pantries and during the renter listening sessions held November 2018 through February 2019. A total of 851 surveys were completed.

Renters Listening Sessions – The task team facilitated listening sessions with four groups of renters, including a session with students at University of Oregon and meetings organized in

partnership with the Jefferson Westside, Whiteaker, and Bethel neighborhood associations. In all, approximately 112 community members participated in the listening sessions. While the meetings were targeted to renters, any interested person could participate.

Highlights from the Survey and Listening Sessions

Of the 851 survey respondents, 98 percent reported living in Eugene zip codes. The other 2 percent included persons who identified as previously renting in Eugene, unhoused individuals and families who recently rented in Eugene, respondents who did not identify any zip code, and two zip codes near Eugene without further explanation. Overall, household types were made up of families with children (28 percent), families without children (28 percent), individuals living alone (25 percent), and non-family households (19 percent). In addition, 60 percent of respondents were employed full-time, 20 percent were employed part-time, and 18 percent reported that they were not currently employed. Full-time students made up 13 percent of respondents, while an additional 3 percent were part-time students.

Affordability – Over half (56 percent) of survey respondents reported that they are not satisfied with their current rental home. When presented with a list of reasons why renters are not satisfied, 68 percent indicated the rent is too high. In other questions on the survey, 51 percent of respondents indicated they had experienced a rent increase while 15 percent said that rent increases were so high they had to leave a previous rental.

Respondents were offered the opportunity to provide additional comments about the current rental housing market in Eugene and over 53 percent commented about the high cost of rent or increasing rent. Some renters indicated they are unable to save for home ownership because of the high cost of rent. In addition, comments included that local wages are low and do not match current market-rate rents. Another issue of affordability included was the unexpected high cost of utilities.

According to Strategic Economics' January 2019 report, *Eugene Housing Tools and Strategies Evaluation*, the median rent in multifamily rental buildings is \$1058, which requires a minimum income of \$42,300 to be considered affordable. The median renter household in Eugene has an income of \$26,000. The majority of renter households in Eugene are rent-burdened, with 58 percent paying more than 30 percent of their income on rent, and—of the total—36 percent are considered severely rent-burdened and pay more than 50 percent of their income on rent.

Availability – Renters were asked to describe their experiences in finding their current rental home, and 71 percent described it as competitive and stressful. While 15 percent described the process as quick and easy, some respondents noted they had been in their homes for years or found their home through family or friends. Renters commented on the difficulties of finding a rental that is affordable, habitable and in their desired location.

Access – About one-third of survey respondents indicated that they felt they had experienced discrimination while searching for housing or renting. Renters belonging to the following protected classes reported more discrimination: legal source of income, disability, familial status, age, and marital or domestic partner status.

In addition, renters reported barriers to accessing housing due to credit scores, income, and ability to pay deposits and application fees. Renters shared that saving the first month's rent, the last month's rent, the security deposit (sometimes set at three times the monthly rent), and multiple application fees were significant barriers for accessing housing. In addition, some renters described being "stuck" in substandard housing because they could not afford moving expenses along with the financial requirements to obtain new housing. In addition, numerous renters said that their property managers kept security deposits despite cleaning the unit and leaving it without damage.

Other barriers to accessing housing that renters identified included having a criminal background or having pets. Many noted that monthly pet rent is excessive, reporting up to \$50 additional per month.

Quality – Of the 661 renters who indicated that they are not satisfied with current housing, nearly 38 percent of respondents indicated that the rental home's condition/habitability/maintenance is substandard. Some renters reported making requests about maintenance, but that maintenance or repair work was not completed. Many renters indicated they were living in substandard housing by choice because it is what they could afford. Multiple renters on the survey and in the listening sessions stated they would not make maintenance requests for fear of receiving a no-cause lease termination (no-cause eviction), or fear of increased rent due to the maintenance performed.

Stability – When asked if they had ever been asked or forced to leave a rental home in Eugene, 25 percent indicated they had. Specifically, 128 left due to significant rent increase, 100 people experienced no-cause lease termination (no-cause eviction), 33 reported their rental home was sold, 15 indicated their rental home was foreclosed upon. Others reported that property owners or their family members moved back in, or that they experienced displacement due to renovations being made on the rental home.

Awareness and Use of Current Programs – The survey asked renters about their familiarity with current housing resources. Of the 486 renters who answered the question, the majority were familiar with the Eugene Rental Housing Code, nearly a third were familiar with Fair Housing Council of Oregon, and more than a quarter were familiar with the City's Human Rights Office. Despite knowing about these resources, throughout the survey and listening sessions, renters expressed fear and concern with utilizing them. Renters explained that they were concerned that if they reported housing discrimination, complaints about a landlord, or substandard living environments, they would experience potential retaliation including no-cause lease terminations (no-cause evictions) or rent increases.

Potential Next Steps

At this time, there are several significant legislative items under consideration at the state level that would impact the issues described above. Staff will review these legislative items as a part of the presentation.

During this work session, City Council may identify one or more areas where they would like staff to develop recommendations for potential actions. Staff would work with Housing Policy Board and other interested parties to develop these recommendations.

PREVIOUS COUNCIL DIRECTION

[February 21, 2017, Work Session](#) and [presentation](#)

Council received a presentation from staff about Renter Protections and requested market research and information on proposed state legislation related to housing.

COUNCIL OPTIONS

1. Provide direction to City of Eugene staff to work with the Housing Policy Board to develop recommendations for consideration relating to expanding or adding new rental housing policies and programs aimed at increasing renter protections.
2. Take no further action.

CITY MANAGER'S RECOMMENDATION

No recommendation at this time.

SUGGESTED MOTION

No motion applicable.

FOR MORE INFORMATION

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Housing Tools and Strategies

Meeting Date: March 13, 2019
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Anne Fifield
Contact Telephone Number: 541-682-5659

ISSUE STATEMENT

Housing affordability and availability is a long-standing and growing problem in Eugene. Council directed staff to implement a process to identify potential tools and strategies available to the City to address housing affordability, availability, and diversity for all income levels. The resulting Housing Tools and Strategies process used technical research and stakeholder input to identify a variety of actions the City could pursue to reduce costs and/or barriers to building more housing. Staff will present summary information on the potential actions that were identified, provide an update on the body of work currently underway and discuss where staff will focus the next phase of work.

BACKGROUND

Eugene's housing supply has not kept pace with demand. Between 2000 and 2016, the number housing units increased by 15 percent and the population grew by 17 percent. Using an average household size of 2.3 people, the data show that new demand for housing exceeded new supply by over 1,100 units.

The community and council have clearly stated, in a variety of public engagement processes and policy documents, that an adequate supply of housing is a high-priority goal. One of the seven Envision Eugene Pillars is *Provide housing affordable to all income levels*.

In 2018, council directed staff to implement a process that would tie together the many overlapping initiatives and proposals that address housing issues. Staff implemented the Housing Tools and Strategies (HTS) project to meet this council directive.

The HTS project included stakeholder engagement and technical analysis. The engagement process focused on assembling a working group of 36 stakeholders representing diverse interests and perspectives. In all, the working group discussed and identified over 80 specific actions that the City might take to increase the availability, affordability, and diversity of housing in Eugene.

In addition to the direct engagement with the working group, staff conducted research regarding best practices to address housing affordability. Staff looked both at best practices from other cities and collaborated with *Better Housing Together*, a community-led initiative with over 40 member-organizations working to address housing issues in Lane County.

Staff presented a summary of the engagement process and a full list of the different actions at the December 10, 2018, Work Session. On December 12, council directed staff to move forward items that were identified as administrative in nature with the potential to reduce the cost of constructing housing in Eugene.

Work in Progress

Staff have consolidated the actions identified with the HTS working group, *Better Housing Together*, and other technical research into a single document, the *Housing Tools and Strategies Action Inventory* (**Attachment A**). This document is the first step towards implementing “a housing action plan” identified through the HTS process.

The *HTS Action Inventory* organizes the identified potential actions into three categories:

1. In-progress actions
2. Recommended actions
3. Not recommended actions

For each action, the document provides a brief explanation and the level of support the action had from the HTS working group. If an action emerged from outside the HTS process, that is noted. The document also provides a brief description of the potential impact that each action would have on housing affordability, availability, and/or diversity.

The document is intended to be used as an inventory of potential actions that can affect housing affordability, availability, and diversity of type. It is a large menu of actions that can be implemented over time, many of which require additional research to understand impacts, resources required, and how best to implement to be effective. It is a work in progress—it will be modified as new ideas emerge, as actions are implemented, and actions found to be ineffective are removed from the inventory.

A substantial body of work identified in the *HTS Action Inventory* is “In-Progress” and involves multiple projects and initiatives with the potential to address housing affordability, availability, and diversity of type. The work is in various stages, from early evaluation and analysis to scheduled work sessions, public hearings, and council action. The projects and initiatives include both items that involve internal process and staff decisions as well as those that will require council action to implement.

Work has been initiated on the following actions identified in the *HTS Action Inventory*, organized into four broad strategies.

<i>Remove Land Use Code Barriers</i>
Complete land use code audit of regulatory and process barriers to housing production.
Improve Clear and Objective standards
<i>Reduce the Time and Cost Burden for Development of Housing</i>
Streamline/speed up the permitting process
Clarify requirements for stormwater treatment and erosion-control standards
Streamline trench inspection process
Advocate to change liability requirements for condominium projects
Review tree removal policy
Automatically create an account for a project with EWEB when City permit is initiated

<i>Increase Inventory of and Access to Affordable Units</i>
Identify new revenue sources for affordable housing/Charge a CET
Shift money from the General Fund to Affordable housing
Reduce delays for environmental reviews of affordable housing projects
Expand Eugene's land banking program
<i>Additional Options</i>
Use data to improve decisions and understand impacts
Allow more types of temporary housing
Create a housing action plan/implementation strategy
Protect renters and availability of rental properties

Please see **Attachment A** for brief explanations of the different in-progress actions. Staff will provide an overview of the in-progress items at the work session.

Next Steps

In addition to the work currently in progress, staff have identified two key actions to prioritize next:

1. Complete and adopt the Housing chapter of the Comprehensive Plan.
2. Complete and adopt the Comprehensive Plan Map, with parcel-specific data.

These two items will ultimately lead to the alignment of the Zoning map with the Comprehensive Plan map, which will clarify citywide policies about housing and reduce uncertainty about allowed housing types throughout Eugene. Implementing these items lays a foundation that will make it simpler to implement many other actions identified in the *HTS Action Inventory*. Completing and adopting these policy documents will reduce the need for some administrative processes, which will reduce costs for building housing. For a description of the policy framework, please see **Attachment B**.

Future work will include changes to the land use code. Staff intend to analyze and organize the remaining recommended actions in the inventory into logical packages to bring back to council for consideration once the land use code audit is completed by summer 2019.

The remaining actions recommended to reduce builders' cost and time burden will be focused on as staff work through the current list of in-progress items. Consideration will be given to unintended consequences of changes in fee structures and programs, while ensuring the City's goals for health, safety, and service are not compromised.

Staff are committed to systematically working through all the recommended actions listed in the inventory. Like the housing challenge before us, the work is complicated with no quick, easy solutions and requires multiple approaches to be effective. Given the number of moving parts and complexity of this work, communication is critical. Staff will provide quarterly updates to council and stakeholders on the progress addressing recommended actions in the inventory.

PREVIOUS COUNCIL DIRECTION

[January 14, 2019, Work Session](#)

Move to direct the City Manager to prepare a draft ordinance for council consideration and schedule a Public Hearing to create a Construction Excise Tax to support an Affordable Housing Fund. *(Motion passed)*

[December 12, 2018, Work Session](#)

Move to direct the City Manager to address housing affordability, availability and diversity by implementing 12 administrative actions items. *(Motion passed)*

[December 10, 2018, Work Session](#)

No action.

[May 30, 2018, Work Session](#)

Move to direct the City Manager to identify tools and strategies that: reduce the cost to build diverse housing types at various levels of affordability; establish a local funding source for affordable housing; and support the Envision Eugene pillars in a process described in Attachment C and to bring back budget authorization for council consideration. *(Motion passed)*

COUNCIL OPTIONS

No action required from council.

CITY MANAGER'S RECOMMENDATION

No action required from council.

SUGGESTED MOTION

No action required from council.

ATTACHMENTS

- A. Housing Tools and Strategies Action Inventory
- B. Housing Tools and Strategies Framework for Policy Implementation

FOR MORE INFORMATION

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Housing Tools and Strategies Action Inventory

February 2019

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1. Overview

Housing affordability and availability is a long-standing and growing problem in Eugene. The community and City Council have clearly stated, in a variety of public engagement processes and policy documents that an adequate supply of housing is a high-priority goal. One of the seven Envision Eugene Pillars is:

Provide housing affordable to all income levels.

In 2018, Council directed staff to implement a process that would tie together the many overlapping initiatives and proposals that address housing affordability, availability, and diversity for all income levels. Staff implemented the Housing Tools and Strategies (HTS) project to meet this Council directive. The HTS project is intended to tie together the various initiatives and address the issues in a comprehensive way, that provides City Council and the community with an objective, fact-based work product that is informed by stakeholder perspectives and guides future policy decisions to achieve those outcomes.

The HTS project included stakeholder engagement and technical analysis. The engagement process focused on assembling a working group of 36 stakeholders representing diverse interests and perspectives in the fall of 2018. In all, the working group discussed and identified over 80 specific actions that the City might take to increase the availability, affordability, and diversity of housing in Eugene.

In addition to the direct engagement with the HTS working group, staff conducted research regarding best practices to address housing affordability. Staff looked both at best practices from other cities and collaborated with *Better Housing Together*, a community-led initiative with over 40 member-organizations working to increase the affordability, diversity, and supply of housing in Lane County.

The stakeholder engagement and technical analysis was supported by analysis conducted by Strategic Economics, an economics consulting firm, to assess market conditions and demographics that affect housing issues.

This document is an inventory of the potential actions available to the City of Eugene that can be used to address housing affordability, availability, and diversity. It is a working document that will change over time. The actions listed in it emerged from the HTS working group, *Better Housing Together*, which conducted interviews with builders in 2018 to identify specific time and cost hurdles, and staff research. The tools and strategies are organized into three categories:

1. **In-progress actions** includes projects and initiatives currently underway that will address housing affordability.
2. **Recommended actions** includes those that could be implemented in the future. Many of these will be more effective if other preliminary steps are completed first.
3. **Not recommended actions** includes actions that emerged from the HTS working group and had very little support or are technically infeasible. They are included in this document, to show that they were discussed by the group but not supported.

Each section is organized into four different strategic categories:

- **Remove barriers in the land use code.** This strategy includes actions that require some change to the City's land use code (Chapter 9 of the City Code). The economic analysis found that Eugene's land use code is inflexible and that although the City of Eugene prioritizes "missing-middle housing" types in Envision Eugene and other long-range planning documents, in practice the City's planning priorities don't translate into enabling missing-middle units.

Changes to the land use code to accommodate the actions in this document range from an administrative order, to a Type IV land use code change, to a redesignation and rezoning to align with the Metro Plan, to a state legislative decision. Almost all these solutions come with a process that requires City Council decision and direction and public input. While these solutions can provide a big 'bang for the buck' they do not come without a heavy administrative lift from the Planning and Development Division.

- **Reduce cost and time burden for development of housing units.** This strategy includes actions that reduce or remove financial and regulatory barriers. The economic analysis found that barriers to housing production include City-imposed fees, project delays and uncertainty in the City process, including those caused by appeals, and high costs for building material, labor, and land. The City can play a role in reducing or removing financial and regulatory barriers to housing, but tradeoffs include City revenues and constraints on financial resources.
- **Increase inventory of and access to Affordable units.** This strategy includes actions that can lead to a larger supply of explicitly subsidized, income-qualified, Affordable housing units. Ensuring that people are safely housed creates a multitude of public benefits including increased public safety, increased wellbeing for children and families, and decreased carbon emissions from out-of-town commuters.
- **Additional options.** Some ideas didn't fit into the three main strategies listed above, but they may be impactful. This category is a catch-all for these ideas.

This document should be considered a work in progress. It can be used as a repository of ideas that may help address housing issues in Eugene. The list of actions will change over time, as some of the actions are implemented and some actions are dropped from the list as we learn more about each action's potential impacts and consequences. New actions can be added to the inventory as new ideas come forward, as laws change, and as new problems arise.

2. In-Progress Actions

The City of Eugene is actively engaged in multiple projects and initiatives, that impact housing affordability, availability, and diversity. This section of the Action Inventory identifies and describes those projects and initiatives.

A. Remove Barriers in the Land Use Code				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
LU-1	Complete land use code audit of <i>regulatory</i> barriers to housing.	An audit will identify barriers in Chapter 9 of Eugene’s code that limit the use of a lot or development site. The City received a state grant to audit the land use code and work is expected to be completed by July 2019.	HTS working group supported this option (89%). No one in the WG opposed it.	No - An audit can identify where in the land use regulations we can allow flexibility to achieve housing diversity. The audit will lead to recommended changes to the land use code, but the changes will need to be implemented for the audit to increase housing affordability, availability, and diversity.
LU-2	Complete land use code audit of <i>process</i> barriers to housing production.	An audit will identify barriers that stem from processes, such as allowed appeals. The City received a state grant to audit the land use code and work is expected to be completed by July 2019.	HTS working group supported this option (89%) with 11% opposing.	No – An audit can identify processes that add time and create uncertainties in the land use approval process. The audit will lead to recommended changes to the land use code, but the changes will need to be implemented for the audit to increase housing affordability, availability, and diversity.
LU-3	Improve the Clear and Objective standards.	Eugene’s land use code includes a “Clear and Objective” path to approval for land use applications for housing. This is a set of approval criteria that are intended to be objective and measurable, which is useful for straightforward developments that don’t require flexibility. The City is working in 2019 to revise the Clear and Objective housing approval criteria to ensure they are working effectively and efficiently.	HTS working group supported this option (89%). No one in the WG opposed it.	Yes - By improving the Clear and Objective standards the process for approvals of needed housing projects will be faster and thus lower cost. Since Clear and Objective standards apply to needed housing, and all housing types are identified as needed (including single family) this could result in an increase in housing diversity. Most likely, single family homes will result from this action.
LU-4	Allow for concurrent subdivision and PUD applications.	Currently subdivisions and PUDs are completed through two independent, non-concurrent processes. These processes individually can result in timely review periods, extending the length of time prior to beginning a development project.	From BHT	Yes - By improving the Clear and Objective standards the process for approvals of needed housing projects will be faster and thus lower cost.

A. Remove Barriers in the Land Use Code				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
		This action is related to the improvements to the Clear and Objective standards currently underway at the City. City Council approved of the concept to allow these planning processes to run concurrently. Concept approval is step one. In May 2019, City Council will be able to initiate the changes.		

B. Reduce Cost and Time Burden				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
Cost-1	Streamline/speed up the permitting process.	<p>The City issues land use and building permits in the order the applications come in. The time required to review and approve a permit depends on the volume of applications, staff capacity, and the completeness of the permit application.</p> <p>Previously, the City utilized internal processes to prioritize and expedite green buildings. This means that green building applications got bumped to the front of the line when submitted for permits.</p>	HTS working group strongly supported this option (93%). No one in the WG opposed it.	<p>Yes – The length of time a permit is processed by City staff affects a builder's costs. Reducing the time can reduce costs. The City's permitting staff have made strides to improve the permitting process, notably with the recently implemented eBuild program.</p> <p>Prioritizing staff dedicated to the building and land use permitting processes for certain housing types could expedite review times. To reduce the approval time for missing-middle types, the City could explicitly move those applications to the 'front of the line.' This would move other non-prioritized projects further back in the line. BPS and Public Works are reviewing the practicality and equity of implementing such a program.</p>
Cost-2	Clarify requirements for stormwater treatment for rehabilitation and infill developments	Stormwater treatment requirements are largely based on federal and state regulations.	From BHT.	Unknown - Builders perceive that the City interprets those regulations in a way that makes it unnecessarily costly to construct housing on infill sites. City staff are working to clarify if there is an opportunity to meet regulations in less costly ways.

B. Reduce Cost and Time Burden				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
Cost-3	Clarify requirements for erosion-control standards.	<p>Builders perceive that the City interprets erosion-control standards inconsistently. The City's erosion program is outcome based. Erosion control standards are interpreted by inspectors to achieve identified outcomes on the site versus a universal solution. This means that there are many options presented to the builder to meet the same outcome. The builder can choose the best option for their site.</p> <p>The options can be complex for smaller builders to understand. Even for big builders the options can be challenging to understand because the topography of Eugene varies widely. The solution implemented at one site will likely be different at another site.</p>	From BHT.	Unknown - The existing program allows flexibility, which requires more decisions to be made by builders. City staff are working to improve communications with builders.
Cost-4	Streamline trench-inspection process	Builders perceive that the City inconsistently implements the process to inspect trenches during the construction process.	From BHT.	Unknown - City staff are working to identify inconsistencies and develop a process that has clarity and is predictable.
Cost-5	Advocate to change Oregon law to reduce liability requirements for condominium projects.	Current liability laws for faulty construction for condominiums (that is, owner-occupied multi-family) are viewed by builders as onerous. They have increased the cost of insurance and builder risk for ownership multi-family projects, which results in less development.	HTS working group somewhat supported this option (54%) in the preliminary vote.	Yes - Development of condominiums (owner-occupied apartments) has been limited in Oregon due to the high risk of lawsuits for construction defects. The City is supporting legislation at the state level in the 2019 legislative session that would create more reasonable limits on builder liability
Cost-6	Develop City processes and culture that guide housing projects to successful outcomes, not only regulate	Local builders perceive that some parts of the City could work with builders to proactively solve problems, and not focus only on identifying problems.	From BHT.	Yes - Negative perceptions about the City's process discourage builders from choosing to build housing projects in Eugene. Some will choose to invest in other communities.
Cost-7	Review tree removal policy.	To develop a parcel larger than 20,000 SF, builders must pay a permit fee to remove more than five undesired existing trees of any species. Additionally, a permit fee is required to remove	From BHT.	Unknown - The tree removal policy adds cost to housing construction. However, the fee for tree removal permits goes towards the process of assessing the permit. The cost recovery of this permit

<i>B. Reduce Cost and Time Burden</i>				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
		any species of street tree, even trees not on the approved tree list.		fee does not cover the quantity of time needed to assess most applications.
Cost-8	Automatically 'create an account' for a project with EWEB when a permit is initiated in the City's e-build system.	<p>Builders must file permits and pay fees at both the City's permitting counter and EWEB's permitting counter. If the City and EWEB coordinated fee collection, permitting, and inspections, the 2 agencies could create a 'one-stop shop' for all construction-based permits and fees.</p> <p>A substantial effort would be required to create custom computer systems for the automation of City and EWEB permitting processes.</p>	From BHT.	Yes – Builders must currently manage permit and fee processes at 2 agencies, adding administrative cost. Coordination between the City and Eugene could slightly reduce costs.

<i>C. Increase the Inventory of and Access to Affordable Units</i>				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
Aff-1	Identify new Revenue sources for Affordable housing units.	Existing federal resources have diminished have many administrative requirements. This action emerged from the HTS working group, and it has multiple sub-options.	HTS working group strongly supported this action (93%) with no one opposing.	Yes – Additional resources could enable the community to provide more units for very low income households.
Aff-2	Charge a construction excise tax (CET) to raise resources for Affordable housing developments.	A CET is a tax on new development. Oregon law allows local governments to impose a CET on new development projects to generate funding to support Affordable housing projects. The CET can be up to 1% of the construction value for residential projects and there is no limit for commercial and industrial projects. Funds can be used to pay for incentives for builders to create and preserve Affordable housing, rental	HTS working group supported this action (68%) with 14% opposing it. A sliding scale had a higher level of support, at 75%.	Yes - A CET would generate revenue that could be used to increase the supply of Affordable housing units. However, the economic analysis conducted by Strategic Economics to support the HTS process found that a 1% CET will negatively impact the financial feasibility of multi-family apartment and cottage clusters.

C. Increase the Inventory of and Access to Affordable Units

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		<p>assistance, and home-ownership assistance programs.</p> <p>The HTS working group also suggested a CET have a sliding scale, with more costly residential developments having a higher rate than lower cost developments. In January 2019, City Council initiated the process to create a CET.</p>		
Aff-3	Shift money from the City's General Fund, which would shift funding from other City services, to support Affordable Housing.	<p>No local funds directly support the development of Affordable housing. The City offers exemptions to Affordable housing developments, for SDCs and a 20-year property tax exemption. Money could be shifted from other parts of the City budget and applied directly for the development of Affordable housing efforts.</p> <p>In the January 2019 draft ordinance to create a CET, the draft ordinance directs the City's General Fund to contribute \$500,000 annual to an Affordable Housing Fund.</p>	HTS working group somewhat supported this action (54%) with 25% opposing it.	Yes – The funds could be used to increase the supply of Affordable housing units.
Aff-4	Help low and moderate-income households keep their homes safe or stay in their home, such as emergency home repair and foreclosure assistance (homeowner assistance).	The City currently has a program for emergency home repairs. Demand for the program is much greater than federal funds can support. NEDCO offers limited foreclosure assistance, funded by the state.	HTS working group supported this action (81%) in the preliminary vote.	Yes – These programs are able to help small numbers of households stay in their homes.
Aff-5	Create process for timely completion of Environmental Review for Affordable housing projects to reduce delays.	Federally funded Affordable housing developments require an Environmental Review be conducted to ensure the proposed development will not have any unexpected environmental hazards for its future residents.	From BHT.	Yes – Reducing the time to complete Environmental Reviews contributes to the development of new Affordable housing units.

C. Increase the Inventory of and Access to Affordable Units				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		The City is responsible for completing these reviews. In partnership with local Affordable housing providers, the City recently created a new staff position devoted to Environmental Reviews.		
Aff-6	Expand Eugene's land banking program for Affordable housing.	In a land bank, a City buys land and then offers the land to Affordable housing builders at a greatly reduced cost. By providing the land, the City lowers the overall cost of development of Affordable housing on the site. The City is actively seeking to acquire more sites.	HTS working group strongly supported this option (93%) in the preliminary vote.	Yes - Eugene has had a land bank program since the 1970s and the program has resulted in the development of 895 Affordable rental units and 25 Affordable homeownership units. Existing funding sources limit the City's ability to purchase sites.

D. Additional Options				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
Other-1	Use data to improve decisions and understand impacts.	Staff in Planning, BPS, and ISD are currently working to build a growth monitoring database so the staff and community can better understand trends in housing development and demographics.	HTS working group supported this option (96%). No one in the WG opposed it.	No – The action will not directly affect the supply of housing, but it will allow the City and builders to make better-informed decisions.
Other-2	Encourage participation in Neighborhood Associations so they are more representative of the people living in the neighborhood.	Eugene's City-recognized Neighborhood Associations have many functions. Part of their mission is to establish two-way communication between neighborhoods and the City, and between neighborhoods and other external agencies. It also includes advocating the association's position on issues such as land use.	HTS working group supported this option (89%) and 4% opposed it.	No- Currently, Human Rights and Neighborhood Involvement (HRNI) funds and supports neighborhood associations (NAs) to do outreach for meetings such as email listservs, meeting notice mailings, newsletters, and meeting space rentals. HRNI also holds two neighborhood leaders trainings every year to educate and inform the leaders on process, tools, resources, and different ways to make the group a success. HRNI commits funds and support to NAs to provide an avenue for representation, and it is up to members of the neighborhood to participate. It

D. Additional Options				
				is up to the NAs and neighbors to determine how representative the group is. HRNI facilitates in raising the bar in this effort.
Other-3	Allow for more types of temporary housing.	The City, County and other community partners continue to provide and potentially increase the amount of temporary housing in Eugene for those experiencing homelessness.	HTS working group supported this option (89%). No one in the WG opposed it.	No - Any temporary housing that exists or is developed would not be considered "housing" by HUD and would not help to meet housing unit needs outlined in Envision Eugene Urban Growth Boundary analysis.
Other-4	Create a housing action plan, also known as a housing implementation strategy.	A housing implementation strategy could incorporate many of these actions along with additional tools and strategies. It can be a comprehensive approach to address housing affordability, availability, and diversity.	HTS working group supported this option (86%). No one in the WG opposed it.	No - The document provides an administrative tool to track action that do increase housing affordability, availability, and diversity. This Action Inventory is the first version.
Other-5	Build capacity within building industry to encourage missing middle housing.	Most residential builders in the region are familiar with single-family detached housing and only a portion build smaller housing types. Smaller housing types require a different approach to design, infrastructure, financing, and the market. The City could sponsor workshops to increase the local expertise on issues specific to smaller housing types.	From BHT.	Unknown.
Other-6	Mobile home conversion controls.	Mobile homes are less expensive housing options. By preserving these, the City can keep these types of affordable units available. The City has such an ordinance in place, but it does not address rising rents for the spaces nor physical condition of the units.	Preliminary voting showed 38% support.	No – Preservation of mobile homes keeps existing low-cost housing available but does not expand the supply.
Other-7	Protect renters and availability of rental properties-Advocate to State for stronger tenant protections (rent stability, eviction protections).	Renter protections been shown to reduce the development of new housing supply in the long term. In early 2019, the Housing Policy Board completed a survey of renters and held focus groups to understand issues facing renters. A Council Work Session on Renter Protections is scheduled for March 13, 2019.	HTS working group weakly supported this option (52%) in the preliminary voting.	No – This action protects renters, but does not increase the supply of housing.

3. Recommended Actions

This section lists actions that emerged from the HTS process and other outreach and research conducted by City staff. These actions are not being pursued at this time, but could be in the future. Many of the ideas are preliminary in nature, and the implications of implementing them have not been fully researched.

A. Remove Barriers in the Land Use Code				
	Action	Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
LU-5	Enable more multi-family development along key corridors.	Key corridors in Eugene are generally Major Arterial roads that provide the backbone of connectivity. They have public transit stops and bring cars and buses from neighborhoods into and out of central areas. They typically include a mix of residential and commercial uses, including retail that serves the surrounding neighborhoods. The Metro Plan Diagram shows high-density residential along portions of the key corridors, and current zoning allows for denser residential development on some, but not all, of Eugene's key corridors. In some places the two maps conflict.	The HTS WG identified 3 different options to allow for additional housing units on major streets. All 3 had strong support from the WG, ranging from 93% to 100% support and no one opposing the options.	Yes - The City could create a 'key corridor overlay' (with design standards), which allows multi-family development on all key corridors. This would require Metro Plan redesignations and rezoning. This action would enable multi-family development, by right, in areas currently zoned for single-family use along portions of Coburg and River Road. Allowing these types of developments outright eliminates the need for builders to go through a lengthy land use process to use the land in a previously-approved way, reducing time and administrative costs.
LU-6	Allow for additional housing units on minor arterials.	This is similar to Action LU-5 above but would expand housing options on major streets that are not key corridors, for example Hilyard, 24 th , Irvington, or Harlow.	HTS working group supported this option (89%). No one in the WG opposed it.	Yes - By allowing additional housing types such as duplexes, triplexes, fourplexes, rowhouses, cottage clusters, small apartments, or any subset of these actions. This action would require Metro Plan redesignations and rezoning. This action could increase the quantity of housing options along minor arterials, allowing residences to be close to amenities and transit in an appropriate scale to the rest of the neighborhood. Allowing these types of developments outright eliminates the need for builders to go through a lengthy land-use process to utilize the land in this way, reducing time and administrative costs.
LU-7	Allow for more tiny homes (typically less	The land use code restricts where collections of tiny homes, such as Emerald Village, are allowed.	HTS working group supported	Yes - By allowing more locations for tiny homes the diversity of housing could be increased. A tiny home

A. Remove Barriers in the Land Use Code				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
	than 400 SF) and tiny-home communities.	<p>Such developments must go through an appealable land use process such as a Planned Unit Development (PUD), adding time, uncertainty, and cost.</p> <p>This action would require a land use code change and a determination of what zoning would be most appropriate for this type of small multifamily development.</p>	this option (93%). No one in the WG opposed it.	<p>ordinance could be created that allows tiny homes or tiny-home communities in more places and with less process. By establishing an ordinance to dictate a process for tiny home implementation, the length of time and cost of the project is diminished.</p> <p>However, tiny homes are single-family detached units, so they consume more land per unit than multi-story dwelling units and require individual water and sewer connections, which can be costly.</p>
LU-8	Revise land use code to ease development standards for adaptive re-use (i.e., converting an existing non-residential building into residential) and improve the adjustment review process.	Current code limits how much one can change the use of existing buildings. By changing these rules, builders would have more flexibility in design and construction.	The HTS WG had 2 options pertaining to adaptive re-use: revise the code and improve the review process, with 82% to 89% supporting the ideas.	Yes - This would allow existing non-residential buildings, such as churches, in residential areas to be remodeled into housing units more easily. Because these structures are preexisting, this would require changing the land use code to acknowledge the existing setbacks and parking requirements so that property owners wouldn't need to go through a costly process to adjust standards or additional permit requirements to approve existing conditions.
LU-9A	Align Zoning map with Comprehensive Plan map—Adopt Housing Chapter of the Comprehensive Plan	The Comprehensive Plan map documents Eugene's long-term plan for using land within the UGB. Eugene's current Comprehensive Plan map is the <i>Metro Plan</i> Diagram which is not drawn at the parcel level.	HTS working group supported this option (89%). No one in the WG opposed it.	Yes - This action is the most impactful of a range of actions that would implement the Envision Eugene community vision more incrementally (e.g., Actions LU-5, LU-6). Aligning the two maps would impact land all over the city, not just on corridors.
LU-9B	Align Zoning map with Comprehensive Plan map—Adopt Parcel-specific Diagram.			Some cities, including Bend, have aligned their Plan map and their Zoning map, effectively handling zone changes for property owners to remove time and cost barriers to development envisioned by the city.
LU-9C	Align Zoning map with Comprehensive Plan map—Adopt Comprehensive Plan designation updates.			To get to this step, the City must first complete the draft policies for housing in Envision Eugene. These

A. Remove Barriers in the Land Use Code				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
LU-9D	Align Zoning map with Comprehensive Plan map—Amend Comprehensive Plan designations and/or the Zoning Map to resolve conflicts between the two.	Property owners can apply to have the zone changed to match the Comprehensive Plan map, but it is a lengthy land use process that adds cost, time, and uncertainty, on a case-by-case basis.		<p>policies will be adopted and provide direction on how to change the map.</p> <p>To completely align the Zoning Map with the Comprehensive Plan, multiple steps must be taken. It would require extensive staff time and would be a time-consuming process. But in the long term, the alignment will reduce administrative work for builders and City staff and will provide clarity about the allowed locations for various housing types and densities for the whole community.</p>
LU-9E	Align Zoning map with Comprehensive Plan map—Create path to automatically rezone land inside the UGB upon annexation.			
LU-10	Allow for development of more diverse “missing middle” housing types.	<p>The current land use code limits construction in many residential areas to single-family homes. If someone wants to build something different, they must go through a lengthy and complex land-use application process.</p> <p>The audit of the Eugene’s land use code (Action LU-1) will identify barriers to these housing types in the Eugene code.</p> <p>In the 2019 legislative session, the Oregon Legislature is considering HB 2001, which requires cities with population greater than 10,000 to allow missing-middle housing on lands zoned for single-family dwellings within the UGB.</p>	The HTS WG had 3 options pertaining to enabling ‘missing middle’ housing. Final vote tallies ranged from 82% to 86%, with 11% to 18% opposing the options.	<p>Yes - If diverse housing types are allowed by-right, meaning they are explicitly allowed to be built, more duplexes, triplexes, cottage clusters, and smaller homes could be built in single-family zones, increasing the diversity of housing.</p> <p>By allowing these types outright the barrier to development is lower and there is no opportunity for the permit to be appealed, reducing time and administrative costs for the builder.</p> <p>Another action to encourage different building types, would be to reduce regulatory barriers such as minimum lot sizes and setback requirements, and simplify requirements for proposals under a certain number of units.</p>
LU-11	Encourage Accessory Dwelling Units (ADUs) in all single-family zones.	An ADU is a secondary dwelling unit on a single-family residential lot. Sometimes called ‘granny flats’ or ‘mother-in-law units’, they include small free-standing units, converted garages, and	HTS working group supported this option (82%)	Yes - The City could encourage more ADU development specifically by removing or altering current regulations that require owner-occupancy of either the primary or accessory unit, an off-street

A. Remove Barriers in the Land Use Code

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		<p>separate space within the primary unit's structure.</p> <p>A 2017 state law requires all cities in Oregon to allow ADUs in all single-family zones.</p>	with 7% opposing the option.	<p>parking space for the ADU unit, minimum lot sizes for a lot to be eligible for an ADU, and other regulations that make it difficult to convert existing structures into an ADU.</p> <p>Removing or editing these regulations will increase the number of parcels that allow an ADU. Strategic Economics analysis for the HTS process stated that if owners of 5% of potential ADU lots were to build one, the number of units added would be 2,150, which is equivalent to about 1/3 of all dwelling units permitted in Eugene from 2008 through 2017.</p>
LU-12	Reduce parking requirements for certain multi-family housing types along key corridors.	<p>Multi-family parking requirements include a parking ratio of one space per dwelling unit unless in the South University or West University neighborhoods. Developments are granted a 50% reduction by way of adjustment review for demonstration of alternative modes to the site in a parking-traffic study.</p> <p>Accommodating parking can be an expensive and resource-intensive requirement. Builders are required to balance number of units with how many parking spaces can be accommodated. Surface parking increases stormwater requirements; structured parking dramatically increases construction costs.</p>	HTS working group supported this option (70%) in the preliminary vote.	<p>Yes - Lowering the required number of spaces reduces development costs (as the development can construct fewer parking spaces). That land can be utilized for additional units, stormwater treatment, or green space.</p> <p>Lowering the required number of parking spaces could encourage the development of more multi-family housing by eliminating the adjustment review process for parking, which adds time and administrative costs.</p> <p>However, a lower parking ratio can cause the number of cars parked on nearby streets to increase. A recent housing development on River Road received a 0.5 parking ratio and it has caused issues with overflow in the surrounding neighborhoods.</p>
LU-13	Revise the land use appeal process to include shared costs for recovery of legal fees by the prevailing party.	Eugene's land use code allows any party to appeal a land use decision. If a housing project requires a land use application, there is an opportunity to appeal that decision. The appeal process adds time, legal fees, and uncertainty for the builder.	HTS working group supported this option (56%) in the preliminary vote.	Yes – There is evidence that appeals which lack legal merit have stopped housing developments, as they have created delays and added legal costs.

A. Remove Barriers in the Land Use Code				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		<p>The City's local laws allow for reduced appeal fees from the appealing party if it is a City-recognized Neighborhood Association but only for decisions made at the local level (at the Hearings Official and Planning Commissions levels). The appealing party covers their own legal fees. The builder must cover legal fees, without any cost reduction, to defend the appeal. There are no negative financial consequences for the appealing party if the appeal has no legal merit.</p> <p>The cost and process of land use appeals varies depending on the type of land use application and the appealing party.</p>		The appeal process is based on state law. It is not clear at this time if the appeal process could be altered to reduce uncertainty to new housing developments.
LU-14	Allow Single-Room Occupancy (SROs) by-right in all residential zones.	<p>SRO's are defined as a building with individual bedrooms that share bath and kitchen facilities. SRO's are currently only allowed outright in R-3, R-4, C-2 and C-3 zones and a conditional use permit or an approved PUD is required in R-2 and Commercial (for assisted living and day care use).</p> <p>This action requires a land use code change.</p>	Less than half of the HTS working group supported this option (44%) in the preliminary vote.	<p>Yes - SROs are affordable options for individuals with very low incomes. Eugene has seen very limited demand for this housing type in the past and what has been built is primarily group homes for elderly individuals or for homeless veterans.</p> <p>Due to the limited demand for this type of development, the required administration for the land use code changes would likely not result in a large housing impact.</p>
LU-15	Allow construction permits for as many homes as legal lots concurrent with open planning action.	With the current processes this is possible but not encouraged. If building permits are submitted prior to subdivision tentative application, the building permits can be ready when the subdivision is approved. While this option may save the project time, it also comes with a lot of risk for the builder.	From BHT	Unknown – Builders have reported that concurrent permits could reduce time and administrative costs. But the existing process is designed to eliminate the need for any back-tracking, if changes are required to the land use permit.

A. Remove Barriers in the Land Use Code				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		If changes are necessary for approval of the subdivision application, the building permits no longer have the accurate site information and will need to be edited to reflect the approved subdivision plan, meaning that the time the builder saved by early permit submission resulted in needing to resubmit for permits.		

B. Reduce Cost and Time Burden				
Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
Cost-9	Allow pre-approved building plans for ADUs	ADUs can be built in a variety of styles and shapes to fit different lots in Eugene. Hiring a design and/or engineering professional can be an expensive and daunting process for a homeowner. ADUs are complex enough that the average homeowner would have trouble designing to meet building, plumbing, structural, mechanical, and electrical code without the assistance of a professional.	HTS working group strongly supported this option (93%). No one in the WG opposed it.	<p>Yes - A set of building plans for different styles could be developed and pre-approved by the City, reducing time and complexity of the building code and permit process. A set of building plans can also save individual property owners expensive design and engineering costs.</p> <p>This action would likely have a small impact on the overall housing need but would be a likely benefit to some individuals who want to build an ADU. It would be more impactful if ADUs were allowed in all single-family zones.</p>
Cost-10	Delay the collection of SDCs until a property is ready to receive its certificate of occupancy.	<p>SDCs are currently collected at the time of building permit issuance (EC 7.720 (1)) and account for roughly 2/3 of the payment required at this time.</p> <p>The City prefers to collect SDCs at the same time all permit fees are collected. If collection is delayed to the time of construction completion, and the builder or homeowner is unable to pay</p>	HTS working group supported this option (82%) with 4% opposing the option.	<p>No - This action will not reduce the quantity of money collected for a project. However, it will spread it out, requiring a smaller amount of costs early in a development project. For smaller builders this can make a difference in if and when they build again.</p> <p>The City offers an SDC financing plan, outlined in EC 7.190 and 7.725, with interest levels based on Prime Rate and a very small monthly administrative cost</p>

B. Reduce Cost and Time Burden

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		the charge, the City would be asking for a fee in order to allow occupancy.		(\$1.75). Builders rarely use the City's financing plan, as it can add complexity to other loans taken out to finance construction.
Cost-11	Provide funding assistance to connect infrastructure to residential land identified in Eugene's Buildable Lands Inventory.	<p>Eugene's Buildable Land Inventory was an analysis of land identified as 'developable' in Eugene. Some of these parcels are not served by urban infrastructure (such as roads, water, and sewer). Builders have reported that the cost of extending infrastructure to these sites is so costly that it makes it not financially feasible to construct housing.</p> <p>Publicly constructed infrastructure to serve undeveloped land is traditionally funded by a combination of SDCs and assessments on the land owners. The City used to extend services to land before development was proposed using SDCs and assessments. A policy change was made to stop installing new infrastructure and focus on maintaining existing infrastructure.</p> <p>To install these utilities now, builders must go through the PEPI process and pay for the installation to serve sites. Major planned infrastructure built by developers would qualify for SDC credits.</p>	HTS working group supported this option (70%) in the preliminary vote.	<p>Yes – The cost of constructing of new infrastructure adds cost to development and can make increase the cost so that it makes it financially infeasible to develop housing in areas that need that infrastructure.</p> <p>Public funds would need to be used to provide additional financial assistance and incentive.</p>
Cost-12	Reduce SDCs for multi-family developments in the downtown and along key corridors.	The City recently updated the Transportation SDC, and the new fee structure offers the following cumulative incentives for new developments: a 30% reduction within the downtown plan boundary, a 15% reduction along Envision Eugene key corridors, and a 5-10% reduction along the frequent transit network.	HTS working group supported this option (68%). No one in the WG opposed it.	<p>Yes - SDCs account for a large portion of City-imposed financial costs. By reducing the SDCs for large developments, builders will see a reduction in overall project cost.</p> <p>A reduction in SDCs developers can make multifamily more feasible financially. It could also serve to incentivize building multifamily developments along</p>

B. Reduce Cost and Time Burden

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		A reduction in SDCs charged of any new development will negatively impact the City's ability to generate adequate revenue in SDC Funds.		key corridors versus single family developments elsewhere.
Cost-13	Adjust SDCs to reduce development costs for market-rate housing that are smaller and lower cost and have a lower impact on the City's infrastructure needs.	<p>SDCs are calculated based on methodology set by the City (EC 7.700), and the methodology varies for each SDC type. For housing, a small house (i.e., an ADU or cottage cluster) pays the same SDC as a larger single-family detached house. For the smaller units, the SDCs make up a higher portion of total construction costs and limit the ability of builders to construct low-cost housing that is financially feasible.</p> <p>Most of these SDC fees have a direct nexus to the size of the structure being built. A smaller structure will utilize less dependency on stormwater, wastewater, and water services.</p> <p>A reduction in SDCs charged of any new development will negatively impact the City's ability to generate adequate revenue in SDC Funds.</p>	The HTS WG identified 4 different options to reduce SDCs for smaller housing types. Of the 2 that had a final vote, support ranged from 61% to 64%. No one opposed 1 of those options and 7% opposed the other.	<p>Yes - Because smaller houses have a lower impact on city infrastructure, lowering the SDCs required for smaller housing types would lower the cost for a builder and increase the likelihood that more of these types of smaller homes would be built.</p> <p>The City recently updated the Transportation SDC, and the new fee structure offers a 100% reduction in transportation fees for secondary dwelling units, with an annual cap on the total allowed citywide.</p>
Cost-14	Extend the MUPTE boundary to include key corridors.	<p>The MUPTE program exempts new multi-family housing developments from property taxes of the construction value for up to 10 years (taxes are still due on the land). The exemption lowers the operating costs for new developments in the early years of operation and can help shift a new development from not financially feasible to feasible.</p> <p>The program is currently available in the downtown, but its boundary has shifted over the</p>	HTS working group supported this option (65%) in the preliminary vote.	<p>Yes -The MUPTE lowers the new development's operating costs, which could impact the project's financial feasibility. The property continues to generate taxes for the land value during the exemption period.</p> <p>By expanding the boundary to include key corridors more sites become eligible for the tax exemption, which could shift more multi-family development projects to be financially feasible.</p>

B. Reduce Cost and Time Burden

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		last 3 decades. The program sunsets on January 1, 2022.		
Cost-15	Simplify the criteria that must be met to receive a MUPTE exemption.	<p>The current MUPTE program, established in 2015, requires the applicant show the development has green building features, makes a 'moderate income housing' contribution, shows that local subcontractors are being considered for use, and that the project would not be financially feasible without the property tax exemption.</p> <p>A recent assessment of the program found that local builders find the program's administrative requirements add cost and uncertainty. Current rules make it possible that an applicant pays the fees, conducts required analysis, and meets the criteria, yet can have the application rejected by City Council.</p> <p>Since the 2015 overhaul, two development projects have applied for a MUPTE. One applicant decided to back out of the project, after determining that the project was not financially feasible. The second project is under construction now.</p>	HTS working group supported this option (58%) in the preliminary vote. The working group also voted on a less descriptive option to revise the MUPTE program, which received 48% support in the preliminary vote.	<p>Yes - The program's administrative costs and uncertainty have been a hindrance for builders. By simplifying the criteria, the program could see a higher use and could lead to housing constructed in the downtown.</p> <p>The primary identified drawback of the exemption is that the City and other taxing districts don't collect taxes on the new development during the exemption period. However, if new housing doesn't get built, the City never collects taxes on new development.</p>
Cost-16	Activate "Opportunity Siting" Program.	<p>The City's Opportunity Siting Program was envisioned to proactively identify sites for multi-family development. It could increase successful multi-family housing in certain areas through collaborative design review (directly involving Neighborhood Associations in the approval process) and apply incentives such as SDC reductions or a density bonus to those sites.</p> <p>In 2009, the Opportunity Siting task team made recommendations for this program. Agreement</p>	HTS working group somewhat supported this option (50%) in the preliminary vote.	Unknown – It is unclear if such a program would have an impact. It is possible that property owners of 'Opportunity Sites' have no interest in developing their property as recommended by the Neighborhood Association.

B. Reduce Cost and Time Burden

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
		was not reached about acceptable process and incentives.		
Cost-17	Create process to provide placeholders for infrastructure connections at developable sites.	For land designated as 'buildable' in the Buildable Lands Inventory, the City should leave stubbed-out infrastructure connections when building new roads so that subsequent development can access underground utilities without tearing out the newly built road.	From BHT.	Maybe – For some areas, stubbed-out infrastructure could decrease costs for builders.
Cost-18	Review infrastructure standards.	The City's established standards for new infrastructure are designed to meet regulatory requirements, ensure improvements are compatible and consistent with the systems they integrate with, and meet City goals for health, safety and service. There may be opportunities for some standards to be changed to better define when full improvements are required to benefit long-term system goals and when a lesser standard could be applied, given the context of the improvement. (E.g., requiring undergrounding of utilities to an infill lot that is on a corridor with existing overhead utilities may not be in alignment with the system level design for undergrounding utilities on that corridor).	From staff review.	Unknown – City review of some standards could lead to changes that reduce infrastructure costs and still meet the intention of the standard.

C. Increase the Inventory of and Access to Affordable Units

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
Aff-7	Help low and moderate-income households purchase a home, such as navigators to support the purchase process and	The City could allocate funding to assist with down-payment assistance or to fund staffing to serve as housing navigators.	HTS working group strongly supported this option (86%) in	Yes – Such a program could have an impact, if funding were available.

C. Increase the Inventory of and Access to Affordable Units

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
	down-payment assistance.	The City previously offered a down-payment assistance program, however market conditions and HUD requirements were impacting utilization of funds. The program was discontinued because its administrative costs outweighed the benefits.	the preliminary vote.	
Aff-8	Increase density bonus for qualified Affordable housing	A density bonus program allows more dense development (more units per acre) than is typically allowed in that zone in exchange for meeting some criteria. Eugene currently offers a density bonus for Affordable Housing—an up to 50% increase over what is allowed in the base zone.	HTS working group supported this option (79%) in the preliminary vote.	Unlikely – It is unlikely that increasing the allowed density bonus over the existing allowance would increase the supply of new housing units.
Aff-9	Create a community land trust as a tool to provide Affordable, ownership housing.	Community Land Trust is typically a non-profit entity that provides permanently Affordable ownership housing by maintaining long-term limits over the land.	HTS working group supported this option (68%) in the preliminary vote.	Unknown – It is not clear if this tool would have a notable impact over existing organizations and their programs.
Aff-10	Waive System Development Charges (SDCs) entirely for qualifying Affordable units.	The City allows up to \$226,000 in SDC waivers per year for qualifying Affordable units (including qualifying ADUs). Unused funds can roll over for use in following years. Projected demand is expected to exceed the allowed cap. A reduction in SDCs charged of any new development will negatively impact the City's ability to generate adequate revenue in SDC Funds.	HTS working group supported this option (67%) in the preliminary vote.	Yes – Increasing the cap would help lower the cost of construction for new housing units.
Aff-11	Loan guarantees-use City funds as backing for loans to help fund Affordable housing developments.	Getting a loan to pay for a new construction project stops some forward progress for home builders. The city could “back” qualified loans to help support building projects that a bank would not otherwise approve.	HTS working group supported this option (63%) in the preliminary vote.	Unknown – Understanding the impact requires further research.

C. Increase the Inventory of and Access to Affordable Units

Action		Explanation	Level of Support	Impact Does this action increase housing affordability, availability, and/or diversity
Aff-12	Establish a community fund to help new renters.	The City could allocate funds to provide assistance to renters (advance money for deposits, first month rent, etc.).	HTS working group somewhat supported this option (50%) in the preliminary vote.	Maybe - To be effective, this may require a significant amount of funding.
Aff-13	Advocate to the State to change laws regarding residential prevailing wage rates for Affordable housing with ground floor commercial uses (allow for split determination from BOLI).	<p>Oregon law requires that construction projects pay workers 'prevailing wage' rates if public funds are used. Prevailing wage rates are higher for some workers than market rate wages, making the construction cost of publicly funded projects relatively high.</p> <p>For publicly funded Affordable developments, the housing portion is exempt from prevailing wage rates. But if it includes a commercial portion (such as ground-floor retail), the prevailing wage rates do apply to the commercial portion. If the entire development were exempt, it could lower total construction cost.</p>	HTS working group somewhat supported this option (41%) in the preliminary vote.	Yes – This could lower construction costs for mixed-use developments that combine Affordable housing with other uses, giving developers of Affordable housing more flexibility to blend their projects with market-rate uses.
Aff-14	Use local government bonds to fund the construction of Affordable housing developments.	<p>Local government bonds are a way that local governments can raise money to pay for special projects. A bond is essentially a loan taken out by a government agency. To use a bond, a City's voters must approve a bond (for some dollar amount) and the City borrows that dollar amount. The City's taxpayers pay off the bond through property taxes.</p> <p>Oregon voters passed Measure 102 on November 6, which enables local governments to issue bonds for Affordable housing developments that may be owned by non-governmental entities.</p>	HTS working group supported this option (82%) with 4% opposing it.	Yes – This could be a tool to fund affordable housing.

D. Additional Options				
Action		Explanation	Level of Support	Impact
				Does this action increase housing affordability, availability, and/or diversity
Other-8	Develop a homeless shelter	The City and County are currently examining the development of a homeless shelter.	HTS working group supported this option (86%). No one in the WG opposed it.	No - While an important part of the housing issue in Eugene, any shelter beds would not be considered “housing” by HUD and would not help to meet housing unit needs outlined in Envision Eugene Urban Growth Boundary analysis.
Other-9	Create promotional materials for assistance programs/make information on process more readily available.	Invest in communication and education of the programs the City and partners currently offer. Make sure that using the services the City offers is as accessible and easy as possible for our community members and builders alike.	HTS working group supported this option (70%). No one in the WG opposed it.	No – Improving communication could help reduce misunderstandings between the regulatory agency (the City) and builders. It may not reduce costs, but could help each party understand the reasons for different regulations.
Other-10	Encourage employer-assisted housing programs.	Public and private employers have the ability to provide down payment assistance, develop new housing, or provide land for new housing. The City could promote and educate local employers, create match funding programs, or offer tax credits to employers.	HTS working group weakly supported this option (59%) in the preliminary voting.	Unknown – Understanding the impact requires further research.
Other-11	Protect renters and availability of rental properties-Support and expand landlord/ tenant arbitration/mediation.	Provides support to tenants in the event that a dispute with the landlord arises. The 2019 Oregon Legislature passed a tenant protections bill.	HTS working group weakly supported this option (52%) in the preliminary voting.	No – This action protects renters, but does not increase the supply of housing.
Other-12	Regulate short-term rentals, such as Airbnb’s.	While short-term rentals help property owners earn income, they also take units off the market that might otherwise be rented to residents. More strictly regulating short-term rentals could make more units available for long term rental.	HTS working group weakly supported this option (44%) in the preliminary voting.	Unknown – Understanding the impact requires further research.
Other-13	Advocate for an increase to the minimum wage with closing the housing affordability gap as a key rationale.	Regardless of housing costs, if wages stay low, people will continue to be priced out of housing. In addition to focusing on the supply of housing, the City could advocate that the state and/or federal government increase the minimum wage.	HTS working group weakly supported this option (42%) in the preliminary voting.	Maybe – Higher incomes increase what is affordable to households, but if the number of units does not keep pace with demand, the lowest income households will continue to be priced out of housing.

4. Not Recommended Actions

This section documents actions that have emerged in the HTS process, but staff do not recommend that the City implement them. Some had very little support from the HTS working group, and others are not technically feasible. These actions are in this document as way to record that the options have been brought forward, but they are not feasible.

<i>A. Remove Barriers in the Land Use Code</i>		
Action	Explanation	Level of Support
Review, evaluate, and adjust neighborhood-specific zoning.	Several areas of the city include zoning that was developed to apply to only a small portion of the city. Over time, the land use code has grown in size and complexity as more neighborhood-specific or special-area zones were completed. In some cases, these zones include barriers to housing production, such as more specific design and density requirements, that don't exist citywide. A review of these zones, through a code audit, could uncover barriers that would be worthwhile to consider removing.	The HTS WG had 2 options pertaining to neighborhood-specific zoning. Preliminary voting showed support ranging from 13% to 41%.
Re-write the land use code.	It would be a monumental undertaking to re-write the entire land use code. In 2018, the City began an audit of the land use code will identify barriers to housing affordability, availability, and diversity, which can lead to strategic changes in the code.	The HTS WG had 2 options pertaining to over-hauling the land use code. Preliminary voting showed support ranging from 11% to 32%.
Replace current code with a form-based (or design-based) code.	<p>Traditional land use codes separate specific uses (commercial, residential, etc.). Form-based codes focus on building form and how the building interacts with the public space (streets and sidewalks) around it. Form-based codes don't regulate what happens inside buildings, only how they look from the outside.</p> <p>For a more complete explanation of form-based code see https://formbasedcodes.org/definition/. Rewriting the entire land use code as a form-based code would be a very large undertaking, involving extensive public involvement, legal review, and a formal adoption process. Impact on housing availability and diversity would be long term and limited because the form-based code would only apply as redevelopment or new development occurs.</p> <p>Eugene has two form-based codes that apply to specific neighborhoods. Codes that include form-based standards already exist in the Franklin Boulevard/Walnut Street area, and at the Downtown Riverfront. These codes are typically developed to implement a visioning and master planning process for special areas of the city.</p>	The HTS WG had 3 options pertaining to a form-based code. Preliminary voting showed support ranging from 19% to 31%.

A. Remove Barriers in the Land Use Code		
Action	Explanation	Level of Support
Create transitional zone as a buffer between commercial and residential		Preliminary voting showed 36% support.

B. Reduce Cost and Time Burden		
Action	Explanation	Level of Support
Change state law regarding SUPTE.	Single Unit Property Tax Exemption. A property tax exemption for new single-family development, similar to MUPTE. State laws allow the City to enact a property tax exemption for multi-family housing; it does not allow an exemption for single-family housing.	Preliminary voting showed 12% support.

C. Increase Inventory of and Access to Affordable Units		
Action	Explanation	Level of Support
Place a cap on the SDC waiver.	The City waives SDCs for Affordable housing developments. A large development can use the full value, precluding other developments from access to the waiver. There is a currently a cap on the SDC waiver.	Preliminary voting showed 12% support.
Charge an Affordable housing impact fee.	Charge a fee (similar to SDCs) when builders create market-rate housing. The amount of the fee is calculated based on the increased demand for affordable housing generated by the development of market-rate housing. Fees are typically charged on a per unit or per square foot basis and revenue may be deposited to an Affordable housing fund. May require legislative action at the state level to implement.	Only 7% of the working group supported this.
Mandatory Inclusionary Zoning (IZ).	Oregon law enables local governments to offer IZ, which requires (or encourages) new housing buildings with 20 or more units have up to 20% of the units be affordable to households earning 80% of area median income and above. The builder can pay a fee in lieu of including the units in the building.	No one on the working group supported Mandatory IZ, and 56% supported voluntary IZ.
Require that housing meets needs identified by specific populations.	There are no legal mechanisms to do this. The City can offer incentives but a "requirement" would not be legal. Existing Affordable units are developed to meet the needs of specific groups based on income.	21% of the working group supported this.

D. Additional Options		
Action	Explanation	Level of Support
Preserve “naturally occurring” affordable housing.	There is no legal mechanism to do this. If a home-owner wants to fix-up or even “flip” a run-down home, the city cannot realistically stop this.	HTS working group weakly supported this option (56%) in the preliminary voting.
Create tools that require residency for housing, to incentivize home ownership over investor-acquisition of housing units.	Since the 2008 recession, many of the houses that went into foreclosure were purchased by investors and then rented out. Some investors are able to outbid homebuyers, making it difficult for households to purchase homes. While there are ways to incentivize this, there are no legal mechanisms to require it.	Preliminary voting showed 30% support.
Invest in grants or low interest loans for people to attend trade school, to increase the number of skilled trades-people for construction jobs.	A lack of skilled laborers to do the work of building new homes limits the pace at which construction can actually happen. By giving grants (scholarships) or low interest loans to people who would like to work in construction, the City could both help those individuals (so they can get good jobs) as well as boost the local labor supply. This could lower the cost of construction in the long-term.	Preliminary voting showed 27% support.
De-sanction the Neighborhood Associations.	Eugene’s City-recognized Neighborhood Associations have many functions. Part of their mission is to establish two-way communication between neighborhoods and the City, and between neighborhoods and other external agencies. It also includes advocating the association’s position on issues such as land use.	Preliminary voting showed 26% support.
Develop a home-sharing program.	This would likely be outside of the City’s scope of programming, but private individuals (Ex: via Craigslist) or an organization could take this on.	Preliminary voting showed 26% support.
Condominium conversion controls	Before a property owner can convert a rental property into a condominium (ownership), the owner must give existing residents an opportunity to purchase a unit. The City has such an ordinance in place. This action does not increase the supply of housing.	Preliminary voting showed 20% support.
Use Eminent Domain in targeted cases to increase density.	Eminent Domain is a law that allows governments to force a property owner to sell his/her land for public use. It is often used when roads need to be expanded into private property. Property owners do not have a choice, they must sell, but the government has to pay them a fair price. Eminent Domain could be used to purchase properties to develop Affordable housing.	Preliminary voting showed 15% support.

5. Glossary

Assessments- Assessments are a tool used to fund public infrastructure. This tool charges land owners for their portion of the new infrastructure based on linear feet of lot frontage.

BHT- Better Housing Together is a local coalition focused on bringing housing affordability and availability to the greater Eugene area.

BPS- Building Permit Services is the division within the Planning and Development Department at the City of Eugene that processes, reviews, and approves building permits and associated applications.

HTS- Housing Tools and Strategies is the term used to identify the process and project of increasing housing diversity, affordability, and availability. The HTS process has resulted in the creation, investigation, and implementation of these recommended actions.

LDR- Low Density Residential is a zoning term used to identify where single-family homes and a limited range of non-residential uses are permitted within the city limits. LRD is also referred to as R-1 in Chapter 9 of the Eugene Code.

MDR- Medium Density Residential is a zoning term used to identify where medium density housing and a limited range of non-residential uses is permitted within the city limits. MDR is also referred to as R-2 in Chapter 9 of the Eugene Code.

MUPTE – Multi-Unit Property Tax Exemption. The MUPTE program exempts new multi-family housing developments from property taxes of the construction value for up to 10 years (taxes are still due on the land).

PEPI- A Privately Engineered Public Improvement is a process and permit that occurs when a developer is responsible for engineering and installing infrastructure utilized by the public such as wastewater infrastructure. Upon completion, the infrastructure will become the City's asset and responsibility. Public improvement includes but is not limited to a local improvement or other structure or facility constructed upon or under a public way or private property. A PEPI assures that privately built infrastructure is developed correctly.

SDC – System Development Charges. SDCs are fees imposed on new development. In Eugene, new development pays SDCs for transportation, parks, wastewater, stormwater, and water (water SDCs are collected by EWEB). A new development imposes new costs on these infrastructure systems. For example, a new 50-unit residential building will use capacity at the wastewater treatment facility. The treatment facility will not expand to accommodate that individual development, but it will add capacity in the future when enough new development has used up all existing spare capacity. The SDC is designed to cover the proportional cost of new construction.

UGB- An Urban Growth Boundary is a tool used to control where the city expands and preserve agricultural and natural areas. The UGB is defined through a comprehensive planning and land utilization analysis. Development cannot occur outside of the UGB.

Housing Tools and Strategies - Framework for Policy Implementation

