City Council
125 E. 8th Ave., 2nd Floor
Eugene, OR 97401-2793
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

AMENDED AGENDA
EUGENE CITY COUNCIL
May 28, 2019

7:30 p.m. CITY COUNCIL MEETING
Bascom/Tykeson Room, Eugene Public Library
100 West 10th Avenue
Eugene, Oregon 97401

Meeting of May 28, 2019;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Betty Taylor, President	Emily Semple, Vice President
Greg Evans	Chris Pryor
Mike Clark	Claire Syrett
Jennifer Yeh	Alan Zelenka

Note: This agenda has been amended to reorder the items.

7:30 p.m. CITY COUNCIL MEETING

Mayor: *I call the May 28, 2019, City Council meeting to order.*

1. **PLEDGE OF ALLEGIANCE TO THE FLAG**

2. **CONSENT CALENDAR**
   - **A. Approval of City Council Minutes**
     - May 8, 2019, Work Session
   - **B. Approval of Tentative Working Agenda**
   - **C. Approval of Eugene-Springfield 2020 One-Year Action Plan for Affordable Housing and Community Development**

3. **PUBLIC HEARING: An Ordinance to Fund Community Safety Services with a Payroll Tax and Adding New Sections to the Eugene Code, 1971**

4. **PUBLIC FORUM**

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Pledge of Allegiance to the Flag

Meeting Date: May 28, 2019 | Agenda Item Number: 1
Department: Central Services | Staff Contact: Beth Forrest
www.eugene-or.gov | Contact Telephone Number: 541-682-5882

ISSUE STATEMENT
In honor of Memorial Day on May 27, representatives from the Boy Scout's Tsisqan Lodge #253 will lead the Pledge of Allegiance to the Flag.

BACKGROUND
The City Council voted at its June 27, 2011, work session to begin formal council meetings with a voluntary recitation of the Pledge of Allegiance to the Flag at those meetings closest to the following holidays: Memorial Day, Veterans Day, Flag Day, and the Fourth of July. In addition, the council voted to begin a practice of reading the Declaration of Independence and/or from the Constitution of the United States at the beginning of its meeting closest to the Fourth of July.

According to the United States Code, Title 4 (U.S. Flag Code), the Pledge "…should be rendered by standing at attention and facing the flag with the right hand over the heart. When not in uniform, men should remove any non-religious headwear with their right hand and hold it at the left shoulder, the hand being over the heart. Persons in uniform should remain silent, face the flag, and render the military salute."

The Pledge is as follows: *"I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all."*

CITY MANAGER'S RECOMMENDATION
No recommendation is necessary.

SUGGESTED MOTION
No motion is necessary.

FOR MORE INFORMATION
Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: bforrest@eugene-or.gov

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Public Forum

Meeting Date: May 28, 2019
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT
This segment allows citizens the opportunity to express opinions and provide information to the council. Testimony presented during the Public Forum should be on city-related issues and should not address items which have already been heard by a Hearings Official or are on the present agenda as a public hearing item.

SUGGESTED MOTION
No action is required; this is an informational item only.

FOR MORE INFORMATION
Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: bforrest@eugene-or.gov

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Approval of City Council Minutes

Meeting Date: May 28, 2019
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3A
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT
This is a routine item to approve City Council minutes.

SUGGESTED MOTION
Move to approve the minutes for the May 8, 2019, work session.

ATTACHMENTS
A. May 8, 2019, Work Session

FOR MORE INFORMATION
Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: bforrest@eugene-or.gov

ATTACHMENT A

MINUTES

Eugene City Council
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

May 8, 2019
12:00 p.m.

Councilors Present: Emily Semple, Jennifer Yeh, Alan Zelenka, Chris Pryor, Greg Evans, Betty Taylor, Claire Syrett

Councilors Absent: Mike Clark

Mayor Vinis opened the May 8, 2019, work session of the Eugene City Council.

Councilor Yeh made a statement about the use of white nationalist language during a recent rally; she supported the right to free speech and called for the community to speak out against prejudice and discrimination. Mayor Vinis and Councilor Yeh extended their gratitude to the Eugene and Springfield Police Departments for their skillful handling of the situation.

1. **WORK SESSION: Community Safety Initiative Funding**
   Assistant City Manager Kristie Hammitt and Police Chief Chris Skinner presented a revised recommendation for a payroll tax incorporating several new provisions including limits on the use of the funds, and equity considerations for minimum wage employees,

   Council Discussion:
   - Councilor Semple – supported the recommendation and asked for clarification regarding the investment for minimum wage earners; asked about the additional monies added to the recommendation, and whether owner-employees of small businesses would also pay the employee tax; expressed concerns about small business owners feeling "double-taxed;" asked for clarification on the tax impact for minimum wage earners who receive raises.
   - Councilor Pryor – reflected on the process over the years that led to the recommendation; encouraged council to show leadership on this matter.
   - Councilor Syrett – asked whether the calculations incorporated future minimum wage changes; explained that council has few options to grow the General Fund, which generally funds essential services like public safety and encouraged everyone to contribute to the community's safety; thanked the contributors to the proposal and expressed her support for the recommendation.
   - Councilor Taylor – asked whether the tax would be abolished if people voted against the proposed charter amendment; expressed opposition to any tax on minimum wage earners.
   - Councilor Zelenka – expressed gratitude for including accommodations for low-income wage earners and accountability mechanisms; expressed support for the package, especially because half of the people who work in Eugene do not live in the city, but still benefit from public safety; asked about LTD's payroll tax and whether the Department of Revenue would draw a second transaction for this additional tax.
   - Councilor Semple – advocated for taking a draft ordinance to a public hearing.
   - Mayor Vinis – said a public hearing would help council understand what they might not be accounting for as well as what they may need to do in terms of communicating with the

public about such a proposal; asked for clarification on whether there would still be a roll-out of rates; emphasized that a public hearing does not indicate a final decision.

- Councilor Zelenka – said he would like to hear from the public about which path the council should take—to put the issue before voters or to pass an ordinance; said that he was inclined to give the choice to the voters.
- Councilor Taylor – stated she did not believe public hearings impacted council votes much, if at all; thought council should consider an adjusted base pay rate higher than minimum wage because voters care about others who are barely getting by.
- Councilor Semple – encouraged educating the public about the plan's accommodation for minimum wage earners

MOTION AND VOTE: Councilor Taylor, seconded by Councilor Semple, moved to direct the City Manager to prepare an ordinance with a payroll tax rate of 00.0040 on employees and 0.0020 on employers,. **PASSED 6:1**, Councilor Taylor opposed.

MOTION AND VOTE: Councilor Taylor, seconded by Councilor Semple, moved to direct the City Manager to schedule a public hearing for May 28, 2019. **PASSED 7:0.**

The meeting adjourned at 12:47 p.m.

Respectfully submitted,

Beth Forrest
City Recorder

(*Recorded by Cas Casados*)

Link to the webcast of this City Council meeting: here.

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Approval of Tentative Working Agenda

Meeting Date: May 28, 2019
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 3B
Staff Contact: Beth Forrest
Contact Telephone Number: 541-682-5882

ISSUE STATEMENT
This is a routine item to approve the City Council Tentative Working Agenda.

BACKGROUND
On July 31, 2000, the City Council held a process session and discussed the Operating Agreements. Section 2, notes in part that "The City Manager shall recommend monthly to the council which items should be placed on the council agenda. This recommendation shall be placed on the consent calendar at the regular City Council meetings (regular meetings are those meetings held on the second and fourth Monday of each month in the Council Chamber). If the recommendation contained in the consent calendar is approved, the items shall be brought before the council on a future agenda. If there are concerns about an item, the item may be pulled from the consent calendar at the request of any councilor or the Mayor. A vote shall occur to determine if the item should be included as future council business." Scheduling of this item is in accordance with the Council Operating Agreements.

RELATED CITY POLICIES
There are no policy issues related to this item.

COUNCIL OPTIONS
The council may choose to approve, amend or not approve the tentative agenda.

CITY MANAGER'S RECOMMENDATION
The City Manager has no recommendation on this item.

SUGGESTED MOTION
Move to approve the items on the Tentative Working Agenda.

ATTACHMENTS

A. Tentative Working Agenda

FOR MORE INFORMATION

Staff Contact: Beth Forrest
Telephone: 541-682-5882
Staff E-Mail: bforrest@eugene-or.gov

City Council Tentative Agenda

Updated May 16, 2019
Meeting Location: Harris Hall, 125 East 8th Avenue, unless otherwise noted

May 2019					
Date	**Day**	**Time**	**Title**	**Length**	**Dept. Contact**
20-May	Monday	5:30 pm	Committee Reports and Items of Interest • Resolution in Support of Juliana vs U.S. Youth Plaintiffs • Resolution Endorsing Green New Deal		
			Clear & Objective Housing Approval Criteria (Work Session)	90 mins	Jenessa Dragovich, PDD
		7:30 pm	Ordinance Concerning Expanded Hours at Autzen Stadium (Public Hearing & Possible Action)		Becky DeWitt, CS
			Ordinance Concerning Accessory Dwelling Units (LUBA Remand) (Public Hearing)		Alissa Hansen, PDD
Expected absences for 5/20: none					
22-May	Wednesday	12 pm	Presentation from NW Natural (Work Session)	45 mins	Ethan Nelson, CS
			Franklin Blvd. Transformation Project (Work Session)	45 mins	Larisa Varela, PW
Expected absences for 5/22: Pryor					
22-May	Wednesday	5:30 pm	Budget Committee Meeting		Twylla Miller, CS
Expected absences for 5/22: Pryor				*Location: Bascom/Tykeson Room, Library*	
28-May	**Tuesday**	5:30 pm	Committee Reports and Items of Interest		
			Executive Session pursuant to ORS 192.660(2)(e)	45 mins	
			Equity in Contracting (Update)	45 mins	Abby Alway, CS

Work Session | Action | Public Hearing | Public Forum | Consent Calendar
Committee Reports/Items of Interest | Ceremonial Matters | Pledge of Allegiance

28-May	**Tuesday**	7:30 pm	Pledge of Allegiance to the Flag Public Forum 2020 One-Year Action Plan for Affordable Housing and Community Development (Consent Calendar) Ordinance to Fund Community Safety Services with Payroll Tax (Public Hearing)		Stephanie Jennings, PDD Kristie Hammitt, CS
Expected absences for 5/28: Pryor					***Location: Bascom-Tykeson Room, Library***
29-May	Wednesday	12 pm	Executive Session pursuant to ORS 192.660(2)(e) and ORS 192.660(2)(f) Bond Measure to Fix Streets/2019 Pavement Management Report (Work Session)	45 mins 45 mins	Matt Rodrigues, PW
Expected absences for 5/29: Pryor, Evans					

June 2019					
Date	**Day**	**Time**	**Title**	**Length**	**Dept. Contact**
10-Jun	Monday	5:30 pm	Committee Reports and Items of Interest Community Safety Initiative (Work Session)	90 mins	Kristie Hammitt, CS
		7:30 pm	Pledge of Allegiance to the Flag Public Forum Resolution Annexing Land at 320 Santa Clara Avenue (Consent Calendar) Appointments to Boards and Commissions (Action)		Rodney Bohner, PDD Cas Casados, CS
Expected absences for 6/10: none					
12-Jun	Wednesday	12 pm	Ordinance Concerning Accessory Dwelling Units (LUBA Remand (Work Session & Poss. Action)	90 mins	Alissa Hansen, PDD
Expected absences for 6/12: none					
17-Jun	Monday	5:30 pm	Presiding Judge Interview (Work Session) Executive Session Pursuant to ORS 192.660(2)(a)	45 mins	Becky DeWitt, CS
		7:30 pm	Ordinance Vacating a Portion of E. 8th Alley, Between High St. and High Alley (Public Hearing)		Nick Gioello, PDD
Expected absences for 6/17: Taylor, Semple					

19-Jun	Wednesday	12 pm	Downtown Update (Work Session) TBD (Work Session)	45 mins	Jeff Perry, CS
Expected absences for 6/19: Taylor, Semple					
24-Jun	Monday	5:30 pm	Committee Reports and Items of Interest Urban Reserves Update/Next Steps (Work Session & Possible Action) 2021 Update (Work Session)	60 mins 30 mins	Rebecca Gershow, PDD Stephanie Scafa, PW
		7:30 pm	Public Forum Supplemental Budget 2 (Public Hearing and Action) URA Supplemental Budget 2 (Public Hearing and Action) FY20 Proposed Budget (Public Hearing and Action) URA – FY20 Proposed Budget (Public Hearing and Action) Ordinance on Downtown Riverfront Land Use Package (Public Hearing)		Jamie Garner, CS Jamie Garner, CS Jamie Garner, CS Jamie Garner, CS Michael, Kinnison, PDD
Expected absences for 6/24: Taylor, Evans					
26-Jun	Wednesday	12 pm	Parks and Recreation SDC Methodology (Work Session) Climate Action Plan Update (Work Session)	45 mins 45 mins	Carolyn Burke, PW Chelsea Clinton, CS
Expected absences for 6/26: Vinis, Taylor, Evans					

July 2019					
Date	**Day**	**Time**	**Title**	**Length**	**Dept. Contact**
8-Jul	Monday	5:30 pm	Committee Reports and Items of Interest		
			Police Auditor Evaluation (Work Session)	45 mins	Keri Beraldo, CS
			Police Commission Annual Report (Work Session)	45 mins	Jeremy Cleversey, EPD
		7:30 pm	Pledge of Allegiance to the Flag		
			Public Forum		
			Ordinance Vacating a Portion of E. 8th Alley, Between High St. and High Alley (Action)		Nick Gioello, PDD
Expected absences for 7/8: none					
10-Jul	Wednesday	12 pm	Presiding Judge (Work Session)	45 mins	Becky DeWitt, CS
			URA – Steam Plant Deal Points (Work Session)	45 mins	Amanda D'Souza, PDD
Expected absences for 7/10: none					
15-Jul	Monday	5:30 pm	Joint Mtg. with LTD on MovingAhead (Work Session)	90 mins	Rob Inerfeld, PW
		7:30 pm	TBD (Public Hearing)		
Expected absences for 7/15: none					
17-Jul	Wednesday	12 pm	Downtown Riverfront Land Use Package (Work Session)	45 mins	Michael Kinnison, PDD
			TBD (Work Session)	45 mins	
Expected absences for 7/17: none					
22-Jul	Monday	5:30 pm	Committee Reports and Items of Interest		
			Downtown Riverfront Land Use Package (Work Session and Action)	45 mins	Michael Kinnison, PDD
			Police Auditor/CRB Annual Report (Work Session)	45 mins	Mark Gissiner, PA
		7:30 pm	Public Forum		
Expected absences for 7/22: none					

24-Jul	Wednesday	12 pm	Data Collection Policy/Protection of Individuals and Groups (Work Session) Rest Stop Program (Work Session)	45 mins 45 mins	Jen Van Der Haeghen, CS Jason Dedrick, CS
Expected absences for 7/24: none					

Council Break: July 25 – September 9

September 2019					
Date	**Day**	**Time**	**Title**	**Length**	**Dept. Contact**
9-Sep	Monday	5:30 pm	Committee Reports and Items of Interest Airport Master Plan (Work Session) TBD (Work Session)	45 mins 45 mins	
		7:30 pm	Public Forum		
Expected absences for 9/9: none					
11-Sep	Wednesday	12 pm	Emergency Management Update (Work Session) TBD (Work Session)	45 mins 45 mins	
Expected absences for 9/11: none					
16-Sep	Monday	5:30 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
		7:30 pm	TBD (Public Hearing)		
Expected absences for 9/16: none					
18-Sep	Wednesday	12 pm	Alley Access Rules (Work Session) Sign Code/Digital Display Technology (Work Session)	45 mins 45 mins	Alissa Hansen, PDD Jenessa Dragovich, PDD
Expected absences for 9/18: none					
23-Sep	Monday	5:30 p.m.	Committee Reports and Items of Interest TBD (Work Session) TBD (Work Session)	45 mins 45 mins	

23-Sep	Monday	7:30 pm	Public Forum		
Expected absences for 9/23: none					
25-Sep	Wednesday	12 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
Expected absences for 9/25: none					

October 2019					
Date	**Day**	**Time**	**Title**	**Length**	**Dept. Contact**
9-Oct	Wednesday	12 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
Expected absences for 10/9: none					
14-Oct	Monday	5:30 pm	Committee Reports and Items of Interest TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
		7:30 pm	Public Forum		
Expected absences for 10/14: none					
16-Oct	Wednesday	12 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
Expected absences for 10/16: none					
21-Oct	Monday	5:30 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
		7:30 pm	TBD (Public Hearing)		
Expected absences for 10/21: none					
23-Oct	Wednesday	12 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
Expected absences for 10/23: none					

28-Oct	Monday	5:30 p.m.	Committee Reports and Items of Interest TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
		7:30 pm	Public Forum		
Expected absences for 10/28: none					
30-Oct	Wednesday	12 pm	TBD (Work Session) TBD (Work Session)	45 mins 45 mins	
Expected absences for 10/30: none					

Work Session | Action | Public Hearing | Public Forum | Consent Calendar

Committee Reports/Items of Interest | Ceremonial Matters | Pledge of Allegiance

Approved Work Session Polls to be Scheduled	**Councilor**	**Date Approved**
Data Collection Policy/Protection of Individuals and Groups – *scheduled 7/24/19*	Syrett	7/19/18
Revisit City Code Regarding Alley Access Rules - *scheduled 9/18/19*	Semple	10/11/18
Update Sign Code for Digital Display Technology – *scheduled 9/18/19*	Pryor	02/14/19
Follow-Up Work Sessions to be Scheduled		
TAC Implementation ($1 Million Shelter) – Commercial Setbacks		

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Approval of Eugene-Springfield 2020 One-Year Action Plan for Affordable Housing and Community Development

Meeting Date: May 28, 2019 | Agenda Item Number: 3C
Department: Planning and Development | Staff Contact: Stephanie Jennings
www.eugene-or.gov | Contact Telephone Number: 541-682-5529

ISSUE STATEMENT

The City Council is asked to approve the Eugene-Springfield 2020 One-Year Action Plan for affordable housing, human services, and job creation investments. The proposed uses of funds support strategies in the adopted Eugene-Springfield 2015 Consolidated Plan. The Action Plan allocates funds received through two Federal programs administered by the U.S. Department of Housing and Urban Development—the Community Development Block Grant program and HOME Investment Partnerships Program.

BACKGROUND

Each spring, City Council must approve a One-Year Action Plan to receive federal CDBG and HOME funds for the next fiscal year. The Action Plan is typically due to HUD by May 15 each year; however, the due date was modified given delays in the federal appropriations process. The proposed uses of funding must align with the local community needs and strategic plan described in the Consolidated Plan. Attachment A provides additional information regarding the priority needs and strategies identified in the Consolidated Plan.

The Eugene-Springfield 2015 Consolidated Plan was developed through a year-long process that includes significant data analysis, community consultation, and multiple work sessions with Council. Eugene City Council adopted the Consolidated Plan that included priority needs and strategies for use of CDBG and HOME funds on April 15, 2015.

Priority needs included in the Consolidated Plan identify five specific populations including low-income renters, low-income homeowners, people experiencing homelessness, populations with special needs that are not experiencing homelessness, and unemployed/underemployed persons. In addition, a priority need was identified for low-income areas and areas that meet HUD's definition of slums and blight.

The Consolidated Plan identifies specific affordable housing and community development strategies to address the Priority Needs. Affordable housing strategies include: 1) Increase the supply of affordable housing; 2) Rehabilitate existing housing stock affordable to low-income persons; 3) Provide down payment assistance to help low-income persons achieve home

ownership; and 4) Remove barriers to affordable and supportive housing. Community development strategies include: 1) Support a human services system to address the needs of homeless persons and special needs populations; 2) Promote economic development and employment opportunities through the creation of jobs and business development; and 3) Make strategic investments to improve low-income areas and other areas of slums and blight. A complete summary of the Eugene-Springfield Consolidated Plan is available at www.eugene-or.gov/hudconplan.

Staff worked with the CDBG Advisory Committee and HOME Consortium Governing Board to develop recommendations for affordable housing, human services, and job creation investments. The Eugene-Springfield 2020 One-Year Action Plan Summary (Attachment B) provides a summary of the process, citizen participation, the goals and strategies, and the recommended allocation. Attachment C includes a list of CDBG Advisory Committee and Home Consortium members.

PREVIOUS COUNCIL DIRECTION

April 15, 2015 City Council Meeting, 2015 Eugene-Springfield Consolidated Plan Adopted
April 25, 2016, City Council Meeting, 2016 One-Year Action Plan Adopted
July 10, 2017, City Council Work Session, 2017 One-Year Action Plan Adopted
May 29, 2018, City Council Meeting, 2018 One-Year Action Plan Adopted

COUNCIL OPTIONS

The City Council can approve, not approve or modify the Eugene-Springfield 2020 One-Year Action Plan summary for use of Federal CDBG and HOME funds in FY20 provided in Attachment B.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends approval of the Eugene-Springfield 2020 One-Year Action Plan summary for use of Federal CDBG and HOME funds in FY20 provided in Attachment B.

SUGGESTED MOTION

Move to approve the Eugene-Springfield 2020 One-Year Action Plan summary for use of Federal CDBG and HOME funds in FY20 provided in Attachment B.

ATTACHMENTS

A. Eugene-Springfield 2015 Consolidated Plan Priority Needs and Strategies Tables
B. Eugene-Springfield 2020 One-Year Action Plan Summary
C. Eugene CDBG Advisory Committee and Eugene-Springfield HOME Governing Board Members

FOR MORE INFORMATION

Staff Contact: Stephanie Jennings
Telephone: 541-682-5529
Staff E-Mail: SJennings@eugene-or.gov

Adopted

Eugene-Springfield Consolidated Plan – 2015

Priority Needs and Strategies Tables

A Five Year Strategic Plan

for

Housing and Community Development

Priority Needs - Table

Priority Need	Explanation
Renters - Low and very low income people need increased access to quality affordable rental housing	• A significant majority of low-income renters spend more than 30% of their income on housing costs (Eugene – 76%, Springfield – 74%) • A significant majority of low-income renters experience over-crowding, substandard housing, or a housing cost burden (Eugene – 78%, Springfield – 76%) • A large percentage of low-income renters spend more than 50% of their income on housing costs (Eugene – 51%, Springfield – 34%)
Home Owners - Low and very low income people need increased access to affordable home ownership opportunities and support to remain homeowners	• A significant majority of low-income owners experience over-crowding, substandard housing, or a housing cost burden (Eugene – 76%, Springfield – 57%) • A significant majority of low-income owners spend more than 30% of their income on housing costs (Eugene – 64%, Springfield – 56%) • A large percentage of low-income owners spend more than 50% of their income on housing costs (Eugene – 40%, Springfield – 31%)
Homeless - People need access to housing and supportive services to prevent them from becoming homeless and to leave homelessness	• A total of 11,668 homeless individuals were served in FY 2014 by agencies funded by Lane County. • The three public school districts in Eugene and Springfield report 1,616 homeless youth during 2014, and this definition includes students who are staying with friends or family. • The definition of homeless for purposes of this Plan includes people who are "doubled-up".
Non-Homeless Special Needs Populations - People with special needs including seniors, ex-offenders, people with HIV/AIDS, victims of domestic violence, people with drug and alcohol addictions, people who are evicted or foreclosed, people with physical and mental disabilities, veterans, youth and college students, and youth aging out of foster care.	• Special needs populations need additional support as it relates to affordable housing, human services, and employment opportunities.
Employment Opportunities - People who have low incomes, are unemployed or underemployed need a broader range of employment opportunities, including self-employment	• Between 2007 and 2010, Lane County lost nearly 18,000 jobs. • The loss of jobs combined with the subsequent recession, have widened the gap between employed wages and housing costs.
Low-Income Areas & Areas of Slums and Blight – Geographic areas defined as areas of slums and blight or as low-income areas need additional support for rehabilitation and public facility improvements	• There are several areas in this community that are or could meet the HUD requirement for an areas of slums and blight which would allow different uses of CDBG funds. These areas could benefit from increased investments in the area. • There are several areas of this community that are characterized by 51% or more low- to moderate-income residents, which can benefit from increased investments in this area.

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Strategies to Address Priority Needs – Table

2015 Eugene/Springfield Consolidated Plan

Strategy	Priority Needs Addressed	Possible Examples	Measurements	Eugene/ Springfield HOME Consortium	Eugene CDBG	Springfield CDBG
Increase the supply of affordable housing (Consortium HOME and Community Development Block Grant)	Renters, Home Owners, Homeless, Special Needs	Land Acquisition. Development of new rental housing. Operating Support for Community Housing Development Organizations	Number of rental units constructed, reconstructed, acquired or preserved	600	50	
			Number of CHDO's Assisted	4		
			Housing for homeless added	20		
			Number of sites acquired		2	1
			Homeowner housing added		10	5
Rehabilitate existing housing stock affordable to low-income persons (Community Development Block Grant)	Renters, Homeless, Special Needs, Low-Income Areas, Home Owners	Continue and expand publicly supported rehabilitation and accessibility improvements.	Number of rental units rehabilitated		350	5
			Number of home owner units rehabilitated		150	200
Provide down payment assistance for home ownership (Community Development Block Grant)	Home Owners	Assist low-income residents with the first time purchase of a home.	Households assisted with direct assistance to home buyers		10	50
Remove barriers to affordable and supportive housing (Community Development Block Grant)	Renters, Home Owners, Homeless, Low Income Area Non Homeless Special Needs	Support programs that assure housing opportunities are provided without discrimination. Support Housing Policy Board. Update Fair Housing Plan.	Maintain Housing Policy board		Yes	Yes
			Number of fair housing events		20	5
			Maintain fair housing services		Yes	Yes
			Update Fair Housing Plan		Yes	Yes

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Strategy	Priority Needs Addressed	Possible Examples	Measurements	Eugene/ Springfield HOME Consortium	Eugene CDBG	Springfield CDBG
Support a human services delivery system to address the needs of homeless persons and special needs populations (Community Development Block Grant)	Homeless, Special Needs	Fund capital improvements to facilities owned by non-profits. Fund non-profit services through the Human Services Commission.	Persons assisted with public facility activities		25,000	5,000
			Persons assisted with public service activities		110,000	65,000
			Number of public facilities improved		15	4
			Number of transitional or emergency beds added		20	5
Promote economic development and employment opportunities through the creation of jobs and business development (Community Development Block Grant)	Employment Opportunities	Provide below market financing to local businesses creating or retaining jobs. Provide micro-enterprise training and development opportunities.	Jobs created or retained		200	5
			Businesses assisted		50	1
			Micro business trainees		300	55
Make strategic investments to improve low income neighborhoods and other areas of slums and blight (Community Development Block Grant)	Renters, Owners, Homeless, Special Needs, Low Income Areas and Slums & Blight, Employment Opportunities	Provide financing for activities which eliminate slums and blight, including acquisition, clearance, rehab and historic preservation and economic development activities.	Businesses assisted with façade treatment or building rehab			2
			Number of projects completed		2	2
			Persons assisted with public facility activity		5,000	6,000

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Eugene

SPRINGFIELD
OREGON

Draft

Eugene-Springfield Action Plan - 2020

One Year Action Plan

for

Housing and Community Development

Eugene-Springfield One-Year Action Plan - Fiscal Year 2020

The Eugene-Springfield 2020 One-Year Action Plan describes specific housing and community development actions and activities for the program year beginning July 1, 2019 and ending June 30, 2020 (City Fiscal Year 2020). This is the fifth of five annual Action Plans that supplement the Eugene-Springfield 2015 Consolidated Plan.

Communities that are entitled to receive funds from U.S. Department of Housing and Urban Development (HUD) must complete a Consolidated Plan every five years as well as annual Action Plans. The Consolidated Plan provides an assessment of needs of low- and moderate-income persons and strategic five-year plan for taking actions to address those needs using Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds received by the Cities of Eugene and Springfield. The One-Year Action Plan describes specific actions to be undertaken in a particular year with federal funds. The content of the One-Year Action Plan is guided by HUD.

The Cities of Eugene and Springfield each receive an annual entitlement allocation of Community Development Block Grant (CDBG) funds directly from the U.S. Department of Housing and Urban Development (HUD). The Cities of Eugene and Springfield conduct separate allocation processes for the use of CDBG funds. The two Cities also receive HOME Investment Partnerships Program (HOME) funds from HUD through the Eugene-Springfield HOME Consortium. The City of Eugene is the lead agency in the HOME Consortium. As a result, HOME funds are allocated through a consolidated process for the Consortium as a whole.

The following summary describes the planned uses of CDBG funds received by Eugene as well as HOME funds received by the Eugene-Springfield HOME Consortium. A summary of the planned uses of Springfield CDBG funds is available from the City of Springfield.

Coordination and Collaboration

The Cities of Eugene and Springfield collaborate in multiple ways to plan for and implement affordable housing and community development activities. The Cities of Eugene and Springfield jointly prepare the five-year Consolidated Plan and coordinate preparation of the One-Year Action Plans, and Comprehensive Annual Performance and Evaluation Report. There are multiple forums for communication and collaboration between the jurisdictions and other public agencies, affordable housing developers, social service providers, and other interested parties. The Intergovernmental Housing Policy Board and the Intergovernmental Human Services Commission offer ongoing opportunities for collaboration and communication. In addition, both Eugene and Springfield staff and elected officials participate in the Lane County Poverty & Homelessness Board, which is an advisory body to Lane County Board of Commissioners.

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Citizen Participation

Citizen involvement is a critical part of the process to identify specific uses for federal funds and activities to be undertaken in FY 2020. The City of Eugene works with a CDBG Advisory Committee composed of community residents to develop recommendations for use of CDBG funds. The Eugene-Springfield HOME Consortium has formed a HOME Consortium Governing Board composed of the Mayors and elected officials to direct the use of HOME funds. In addition, there are multiple evaluation committees that provide advisory guidance on specific programs.

There are multiple opportunities for the public to provide comment in writing or during public meetings in addition to public hearings. Public meetings are held at times convenient to potential and actual beneficiaries in locations that meet American with Disabilities Act accessibility standards. With 48 hours' notice prior to any public meeting, the City of Eugene can provide the following services: an interpreter and audio equipment for the hearing impaired, a reader to review printed materials with the sight impaired; and a foreign language interpreter for non-English speaking residents.

The specific outreach and citizen participation process for HOME funds received by the Eugene-Springfield HOME Consortium and CDBG funds received by Eugene are described below.

Eugene-Springfield HOME Consortium – HOME Allocation Process

The Eugene-Springfield HOME Consortium Governing Board reviewed and approved the draft recommendation for use of HOME funds on March 12, 2019. A 30–day public comment period commenced on March 17 and was completed at noon on April 16, 2019. A public hearing by the HOME Consortium Governing Board was held on April 16, 2019. No comments were made during the public hearing and no written comments were received. The Governing Board approved the HOME allocation on April 16, 2019. A summary of the Eugene-Springfield HOME Consortium funding sources and uses is provided as Attachment B.

The proposed HOME allocation is also provided to the Intergovernmental Housing Policy Board, which is a forum for ongoing communication with affordable housing advocates and developers. An extensive interested parties list is maintained for the HPB and monthly meetings are typically attended by affordable housing providers and other interested parties. Staff presented the proposed FY 2020 HOME allocation at the Housing Policy Board meeting on April 1, 2019. No public comments were made during the meeting.

Eugene – CDBG Allocation Process

The Eugene CDBG Advisory Committee reviewed and approved the draft recommendation for use of CDBG funds on March 13, 2019. A 30 – day public comment period commenced on March 19 and was completed at 5:00 p.m. on April 17, 2019, an no written comments were received. Staff presented the proposed FY 2020 HOME allocation at the Housing Policy Board meeting on April 1, 2019. No public comments were made during the meeting.

A public hearing was held by the Eugene CDBG Advisory Committee on April 2, 2019. No comments were made during the public hearing and no written comments were received. The Advisory Committee made a final recommendation on April 2, 2019. A summary of the Eugene CDBG funding sources and uses is provided as Attachment C.

Goals and Strategies

The adopted Eugene-Springfield 2015 Consolidated Plan emphasizes goals and strategies to meet the priority needs of low-income renters, low-income homeowners, people experiencing homelessness, and non-homeless special needs populations. Additional needs include increased employment opportunities for low-income persons as well as low-income neighborhoods and areas that meet HUD's definition of slums and blight. The priority strategies described below are intended to address one or more priority needs. Attachment A includes the adopted table of strategies to address the priority needs along with specific metrics to track progress over the five year period.

The following narrative describes the allocation of Consortium HOME funds and Eugene CDBG funds for FY 2020 as it relates to each strategy identified in the Eugene-Springfield 2015 Consolidated Plan. Attachment B provides a table of sources and uses for HOME funds and Attachment C provides a table of sources and uses for CDBG funds.

Affordable Housing

Affordable housing goals are intended to address HUD program objectives to provide decent, safe, and affordable housing and address critical housing needs of low-income people in our community. A total of four affordable housing goals are included in the adopted Eugene-Springfield 2015 Consolidated Plan. In FY 2020, HOME Consortium funds and Eugene CDBG funds are proposed to be allocated to three of the four housing goals. These goals and the strategies as well as the proposed funding for FY 2020 are described below.

Increase the supply of affordable housing - Both HOME and Eugene CDBG will support increasing the supply of affordable housing with an emphasis on priority needs identified in the Consolidated Plan.

- **Housing Development** –$1,333,196 in HOME funds will support Housing Development activities to be made available through the Consortium's Housing RFP processes. Proposals that address priority needs identified in the Consolidated Plan will be prioritized for funding.
- **CHDO Operating Support** - $60,757 in HOME funds will be provided for operating support to Community Housing Development Organizations (CHDOs) serving both cities.
- **Land Acquisition for Affordable Housing** – Eugene will use $50,000 in CDBG funds to support activities related to acquiring a landbank site. Eugene intends to purchase land specifically for future development of affordable housing. The future site will be offered through a competitive Request for Proposals process within three years of site acquisition.

Rehabilitate existing housing stock affordable to low-income persons - In addition to adding units, Eugene will continue efforts to preserve existing rental and ownership housing for low-income persons using CDBG funds. This program offers funds to nonprofits and private owners of rental units to finance a variety of improvements with loans at below-market interest rates and flexible terms. In addition, renters with disability needing accommodation can apply for grants or loans for accessibility improvements. The demand for housing rehabilitation and preservation remains strong in Eugene and the need for rental rehabilitation and home repairs is increasing as our existing housing stock ages. Eugene will use $541,534 in CDBG funds to support rehabilitation of affordable rental units, emergency home repairs, and accessibility improvements for low-income homeowners, and project delivery costs.

Remove barriers to affordable and supportive housing – Eugene seeks opportunities to affirmatively further fair housing and raise awareness of the housing needs of low- and moderate-income persons so these needs may be considered in the development of related policies and regulations.

- **Fair Housing Activities** – Eugene will continue to support fair housing activities to their residents in FY 2020. Services that will be provided will include operating a 24-hour Fair Housing Hotline, outreach and education, and enforcement of fair housing laws.
- **Intergovernmental Housing Policy Board** - Eugene will continue to staff and hold monthly meetings of the Intergovernmental Housing Policy Board. This body creates an important forum for identifying and discussing policies and programs impacting the availability and affordability of housing for low-income persons. Eugene and members of the Housing Policy Board will continue to utilize this forum to consider the needs of low-income persons and advise on the impacts of policy decisions on the availability and affordability of housing.
- **Affirmative Marketing** - Eugene staff will continue to work with area agencies to implement affirmatively marketing plans with a particular emphasis on reaching Latino households. Eugene will expand outreach efforts to the Latino community for direct service programs including the Emergency Home Repair Program.

Community Development

Community development goals are intended to satisfy HUD program objectives by providing human services; creating jobs; improving access to public facilities; and furthering neighborhood revitalization, planning, and community-building activities. A total of three community development goals were included in the adopted Eugene-Springfield 2015 Consolidated Plan. These goals and the strategies are implemented with CDBG funds only. In FY 2020, Eugene CDBG funds are proposed to be allocated to two community development goals. These goals and the strategies as well as the proposed funding for FY 2020 are described below.

Support a human services delivery system to address the needs of homeless persons and special needs populations - The City of Eugene collaborates with Lane County to fund human service providers. This collaborative funding model uses available federal, state, and local funds to

efficiently support local agencies. The Human Services Commission is the intergovernmental board that guides the use of funds and oversees the activities of agencies receiving funds.

- **Eugene Human Service Operations -** Eugene will allocate $330,000 in CDBG funds to the Human Services Commission to support public services for low- and very low-income persons. The amount allocated is estimated and is contingent on receiving program income from the prior year. If the program income is less than estimated, the amount allocated to fund Human Service Operations will be reduced. A significant proportion of persons served by these agencies are homeless or at-risk of homelessness. Agencies to be funded include Food for Lane County, The Relief Nursery, Catholic Community Services, St. Vincent de Paul, and Womenspace.

- **Eugene Human Service Capital Facilities** – Eugene will use $250,000 for capital projects at critical human service facilities. These funds will be combined with previously allocated CDBG funds to support four projects selected through a Request for Proposals (RFP) process. This RFP targeted permanent structures where services are provided to primarily low-income, special needs populations, or persons experiencing homelessness. Projects selected through the RFP include a day access/food box distribution center, short-term transitional housing for homeless persons recovering medical issues, an early childhood facility, and transitional housing for homeless ex-offender youth. Examples of eligible facilities include day access centers, emergency shelter, or short-term transitional housing. Funds may also be used for project delivery costs associated with specific projects. Project must meet the CDBG definition of public facilities and meet a CDBG National Objective. It is anticipated all funds will be expended on the selected projects. If any funds remain they will be offered through the next RFP process.

Promote economic development and employment opportunities through the creation of jobs and business development – Eugene will use CDBG funds to undertake economic development activities resulting in job creation for low- and moderate income households.

- **Eugene Business Development Fund** - Eugene will continue to operate its Business Growth Fund to provide loans to local businesses resulting in job creation or retention. An estimated $550,000 in CDBG funds will be used for loans and project delivery costs.

- **Eugene Microenterprise Training** - Eugene will allocate $30,000 in CDBG funds for microenterprise training to benefit low-income business owners or person seeking to start a business.

Attachment A
Eugene – Springfield 2015 Consolidated Plan Strategies to Address Priority Needs

Strategy	Priority Needs Addressed	Possible Examples	Measurements	Eugene/ Springfield HOME Consortium	Eugene CDBG	Springfield CDBG
Increase the supply of affordable housing (Consortium HOME and Community Development Block Grant)	Renters, Home Owners, Homeless, Special Needs	Land Acquisition. Development of new rental housing. Operating Support for Community Housing Development Organizations	Number of rental units constructed, reconstructed, acquired or preserved	600	50	
			Number of CHDO's Assisted	4		
			Housing for homeless added	20		
			Number of sites acquired		2	1
			Homeowner housing added		10	5
Rehabilitate existing housing stock affordable to low-income persons (Community Development Block Grant)	Renters, Homeless, Special Needs, Low-Income Areas, Home Owners	Continue and expand publicly supported rehabilitation and accessibility improvements.	Number of rental units rehabilitated		350	5
			Number of home owner units rehabilitated		150	200
Provide down payment assistance for home ownership (Community Development Block Grant)	Home Owners	Assist low-income residents with the first time purchase of a home.	Households assisted with direct assistance to home buyers		10	50
Remove barriers to affordable and supportive housing (Community Development Block Grant)	Renters, Home Owners, Homeless, Low Income Area Non Homeless Special Needs	Support programs that assure housing opportunities are provided without discrimination. Support Housing Policy Board. Update Fair Housing Plan.	Maintain Housing Policy board		Yes	Yes
			Number of fair housing events		20	5
			Maintain fair housing services		Yes	Yes
			Update Fair Housing Plan		Yes	Yes

Strategy	Priority Needs Addressed	Possible Examples	Measurements	Eugene/ Springfield HOME Consortium	Eugene CDBG	Springfield CDBG
Support a human services delivery system to address the needs of homeless persons and special needs populations (Community Development Block Grant)	Homeless, Special Needs	Fund capital improvements to facilities owned by non-profits. Fund non-profit services through the Human Services Commission.	Persons assisted with public facility activities		25,000	5,000
			Persons assisted with public service activities		110,000	65,000
			Number of public facilities improved		15	4
			Number of transitional or emergency beds added		20	5
Promote economic development and employment opportunities through the creation of jobs and business development (Community Development Block Grant)	Employment Opportunities	Provide below market financing to local businesses creating or retaining jobs. Provide micro-enterprise training and development opportunities.	Jobs created or retained		200	5
			Businesses assisted		50	1
			Micro business trainees		300	55
Make strategic investments to improve low income neighborhoods and other areas of slums and blight (Community Development Block Grant)	Renters, Owners, Homeless, Special Needs, Low Income Areas and Slums & Blight, Employment Opportunities	Provide financing for activities which eliminate slums and blight, including acquisition, clearance, rehab and historic preservation and economic development activities.	Businesses assisted with façade treatment or building rehab			2
			Number of projects completed		2	2
			Persons assisted with public facility activity		5,000	6,000

Attachment B.
Eugene – Springfield HOME Consortium
FY 2020 HOME Funding Allocation Summary

Sources of Funding

FY 2020 HOME Consortium Entitlement Grant	**$ 1,215,155**
Program Income	
Program Income Received in FY 2019 (Estimated)	**$ 333,682**
Program Income Expected in FY 2020 (Estimated)	**$ 300,000**
Total Sources	***$ 1,848,837***

Uses of Funding

Housing Development	**$ 1,333,196**
CHDO Operating Support	**$ 60,757**
Administration	
(10% New HOME Funds + 10% Program Income received in FY 2019)	**$ 154,884**
Carry Forward to FY 2020 (Program Income Expected in FY 2020)	**$ 300,000**
Total Uses	***$ 1,848,837***

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Attachment C.
Eugene Community Development Block Grant
FY 2020 Funding Allocation Summary

Sources of Funding

FY 2020 CDBG Entitlement Grant (Estimated)	**$ 1,391,534**
Program Income	
FY 2020 Business Development Fund (Estimated)	**$ 550,000**
FY 2020 Housing Rehabilitation Fund (Estimated)	**$ 250,000**
Total Sources	***$2,191,534***

Uses of Funding

Increase the Supply of Affordable Housing	
Land Acquisition	**$ 50,000**
Rehabilitate Existing Housing	**$ 541,534**
Support the Human Services Delivery System	
Human Services Operations	**$ 330,000**
Human Service Capital Facilities	**$ 250,000**
Economic Development	
Business Development Loan Fund and Project Delivery	**$ 550,000**
Microenterprise Training	**$ 30,000**
Administration	**$ 440,000**
Total Uses	***$ 2,191,534***

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Eugene

SPRINGFIELD
OREGON

Attachment C

Eugene CDBG Advisory Committee and Eugene-Springfield HOME Consortium Governing Board Membership

Eugene CDBG Advisory Committee

John Barofsky
Ibrahim Coulibaly
Aloura DiGiallonardo
Philip Farrington
Chris Ramey
Brett Rowlett
Aimee Walsh
Jennifer Webster
Michael Weinerman

Eugene-Springfield HOME Consortium Governing Board

Mayor Lucy Vinis, Eugene
Councilor Chris Pryor, Eugene
Mayor Christine Lundberg, Springfield
Councilor Sean VanGordon, Springfield

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Public Hearing: An Ordinance to Fund Community Safety with a Payroll Tax and Adding New Sections to the Eugene Code, 1971

Meeting Date: May 28, 2019
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Kristie Hammitt
Contact Telephone Number: 541-682-5524

ISSUE STATEMENT

The City Council is scheduled for a public hearing on an ordinance to fund Community Safety with a Payroll Tax. The provisions contained in sections 3.720 to 3.738 of this code are for the purpose of providing funding to increase community safety services through the adoption of a dedicated tax on wages.

BACKGROUND

As a short-term plan to begin addressing the $23.6 million gap in public safety services, at the September 26, 2018, Community Safety System work session, Council unanimously passed a motion approving $8.6 million of one-time funding for an 18-month Community Safety service strategy. The 18 months of funding ends June 30, 2020.

Council directed staff to immediately begin work to find a long-term funding solution. A Community Safety Revenue Team was formed to develop a recommendation for the City Manager. The Community Safety Revenue Team began reviewing funding options in November 2018 and completed their report in February 2019. The Community Safety Revenue Team report to the City Manager recommended a payroll tax as the ongoing funding mechanism for the Community Safety Initiative. The group was reconvened in April 2019 to do further revenue analysis on an income tax and River Road/Santa Clara annexation funding options. The team completed this work on April 19, 2019. Further evaluation of the income tax and annexation funding options did not change the Community Safety Revenue Team's original recommendation of a payroll tax. However, the team did support giving consideration to structuring the payroll tax in a manner that lessens the burden on businesses.

Following the April analysis by the Community Safety Revenue Team staff prepared, for Council review and discussion, a draft ordinance to Fund Community Safety Services with a Payroll Tax. The draft ordinance included input and feedback received from City Council, the Community Safety Revenue Team, and community outreach. Specifically, the proposed ordinance includes the following:

	Proposed Ordinance
Employee and Employer Rate	3.724 ✓
Equity Component for Low Wage Earners	3.724(3) ✓
Funds may only be used for Community Safety Initiative	3.728 ✓
Independent Financial Audit of Fund Use	3.736 ✓
Citizen Advisory Board Annual Performance Audit	3.738 ✓
Payroll Tax revenue will be maintained in a separate fund.	Section 2 ✓
Payroll Tax Funds will not replace existing dedicated funds	Section3 ✓
Eliminate $840,000 annual transfer from parking fund for police services	Section 4 ✓
7 Year Review and Reauthorization	Section 5 ✓

At the May 8 work session, City Council considered three payroll tax rate options for inclusion in the proposed ordinance. Council decided to include in the proposed ordinance a 0.0040 tax rate on employees (except for minimum wage employees) and a 0.0020 tax rate on employers and directed the City Manager to schedule a public hearing on the Community Safety Payroll Tax ordinance for May 28. The proposed ordinance also includes a reduced tax rate of 0.0020 on minimum wage employees.

Council has made no decision regarding whether to refer to the voters the proposed payroll tax ordinance or, as a possible alternative, whether to refer to the voters a Charter Amendment that caps the payroll tax rates and limits use of the payroll tax revenues. If Council decides to refer the proposed payroll tax ordinance to the voters, Council will need to amend the proposed ordinance to include a new section stating that the ordinance would take effect if and only if approved by the voters. If, as an alternative to referring the proposed payroll tax ordinance to the voters, Council chooses to refer a Charter Amendment to the voters capping the rates and limiting revenue use, the Charter Amendment would state: *"Any payroll tax imposed by the City is capped at 0.0020 on total wages paid by employers and 0.0040 on wages earned by employees. Revenues from a payroll tax imposed by the City may only be used to fund community safety services and administration of the tax."*

During the City's outreach the public has asked a consistent set of questions. Attached to this AIS as Attachment B is an FAQ with answers to the questions that are most often asked of City staff when they are meeting with the public. This FAQ, along with many other informational materials and videos, is available on the City's website.

PREVIOUS COUNCIL DIRECTION

September 26, 2018, Work Session

February 13, 2019, Work Session

February 23, 2019, Workshop

April 8, 2019, Work Session

May 8, 2019, Work Session

COUNCIL OPTIONS
This item is for a public hearing only.

ATTACHMENTS
A. Ordinance to Fund Community Safety Services with a Payroll Tax
B. Community Safety Payroll Tax FAQ

FOR MORE INFORMATION
Staff Contact: Kristie Hammitt, Assistant City Manager
Telephone: 541-682-5524
Staff E-Mail: KHammitt@Eugene-or.gov

ORDINANCE NO. _____

AN ORDINANCE TO FUND COMMUNITY SAFETY SERVICES WITH A PAYROLL TAX AND ADDING NEW SECTIONS TO THE EUGENE CODE, 1971.

The City Council of the City of Eugene finds as follows:

A. Being safe, and feeling safe, is important to everyone. The City, through its community safety services, strives to make Eugene a safe and welcoming place for everyone to live, work, and do business.

B. The City's community safety services include the Eugene Police Department, the Eugene-Springfield Fire & EMS Department, Eugene Municipal Court, and multi-departmental efforts aimed at addressing and preventing homelessness. These City services provide the foundation needed to have accessible parks and natural resources, a prosperous economy, thriving arts and culture, and healthy, safe neighborhoods.

C. During the recession the City eliminated over 20% ($30 million) of the general fund operating budget, primarily through efficiencies, reorganizations and trimming of some services. Recognizing the importance of providing safety services, during the recession and continuing today, the public safety budget has remained steady, at around 60% of the City's total general fund budget.

D. To better serve our community's expanding and changing public safety needs, the City has worked over the last five years to optimize available resources and become even more efficient in its provision of services. Programs such as the Community Outreach Response Team, Mental Health Court, and Community Court provide alternative paths out of the traditional public safety system, helping reduce overall demands on the system. Eugene-Springfield Fire implemented Basic Life Support response for non-life-threatening calls to the Fire Department and added an Advanced Life Support ambulance unit which has improved patient outcomes for some of the most critical emergency medical calls for service across both Eugene and Springfield. Increased CAHOOTS services provide mobile crisis intervention that responds to thousands of police calls for service every year providing critical behavioral health services. Using grant funding, Municipal Court was able to make improvements that reduced their case backlog by 20%. While all of these programs are positive additions to our community safety system, more needs to be done.

E. The community's need for safety services has continued to grow, outpacing City resources and resulting in critical gaps in the system. From 2014 to 2017, daily average calls for police services increased 21%, but staffing has remained flat. Homicide, rape, robbery, assault, sex offenses and family offenses have increased by 18% in that same time. Police response time has increased 86% from 23 minutes in 2014 to 42 minutes in 2017. Police are unable to respond to 1 in 3 non-life-threatening calls for service, an increase of 40%. Eugene Municipal Court handles 5,000 misdemeanor criminal cases (like theft, disorderly conduct, or driving under the influence) annually – second in the state to Multnomah County's Circuit Court. The number of unsheltered homeless adults in Eugene is significantly higher than in many other similarly-sized communities.

F. It is not just statistics that demonstrate the City's need for increased community safety resources, community members have said there is a need too. A survey of Eugene voters in July

2018 demonstrated that the community strongly supports addressing the City's public safety needs. A vast majority of survey respondents (84%) believe that City Officials should take steps to address issues that impact public safety. Follow-up community outreach confirmed the community's very real and growing concern for a delayed, or no, police response due to police resource levels.

G. Seeing the immediate, critical need for additional community safety services, in September, 2018, the City Council approved spending $8.6 million to add some limited capacity and maintain funding for several critical programs (often referred to as the "bridge funding"). When appropriating the bridge funding, the Council made clear its intent to find a long-term, sustainable funding source for the community safety system.

H. Without a new, permanent source of funds, the community safety services funded by the $8.6 million bridge will end, and the gaps in the system will continue to widen. Specifically, response times will keep getting longer, an increasing number of calls will go unanswered, a higher percentage of violations and citations will not make it to the courts, safety concerns in parks, along pathways and in neighborhoods will continue to go unsolved, the little time currently available for proactive policing will dissipate, and fewer opportunities will be available to move homeless community members onto paths of wellness.

I. Making some of the systematic changes needed to alter the current trajectory of our safety system will cost an additional $23.6 million per year. The $23.6 million funding need is based on the following package of community safety services:

- Police services, including 40 patrol officers, 5 detectives, 4 sergeants, 10 community service officers, 9.5 staff for 911, animal welfare and traffic safety officers, and evidence control and forensic analysts.
- Fire and emergency medical services, including the creation of a 911 triage program and field triage/community response unit.
- Municipal court and prosecution services, including opening third courtroom, expanding community court and mental health court programs and adding 10 jail beds and increased jail services.
- Prevention and homelessness services, including adding emergency shelters, a day center and funding after school programs at Title 1 schools.

J. To fund the above-described package of services, the $23.6 million would generally be allocated among the services as follows: 65% for police services; 10% for fire and emergency medical services; 15% for municipal court and prosecution services; and, 10% for prevention and homelessness services.

K. By increasing capacity and services with an additional $23.6 million in funding, the community can expect that, as the safety system ramps-up over the next one to five years, the following is will occur:

- Faster and more responsive police services.
- Increased proactive community policing by sworn officers, achieved through the use of Community Response Units and Community Service Officers (CSOs) that can provide public safety support to assist with non-emergency calls like routine crashes and retrieving stolen property.

- Crime deterrence through the establishment of a 10-person Street Crimes Unit that will proactively deter crimes and increase officer presence in neighborhoods.
- Implementation of prevention efforts aimed at keeping people and youth off the streets, such as adding homeless services that help people stabilize and improve their lives, strengthening the network of support with nonprofit and medical organizations to help reduce the number of people who chronically use the system, and growing youth programs to engage and help at-risk youth, including after-school programs, 15th Night and inclusion programs.
- More people who commit crimes will be held accountable through the addition of detectives to investigate crimes, the opening of a third courtroom to resolve cases more quickly, the addition of more prosecutors, court appointed attorneys and court staff, and the increase the number of jail beds and probation officers.

L. Providing the community safety services necessary to achieve the above-described outcomes requires a new, long-term, sustainable funding source. As part of the effort to find a new funding source, the Council directed the formation of a Community Safety Revenue Team to make recommendations to the City Manager. The Revenue Team focused on identifying a funding mechanism that could raise the amount needed, would be stable and flexible, fair and feasible. The Revenue Team recommended a modest payroll tax to address the significant and urgent gaps in our system and to provide the services that those who live, visit and work in Eugene need, expect and deserve.

M. A payroll tax on both employers and employees provides the funds needed to bring our community safety services up to the level that the community is expecting and entitled to receive. The addition of this separate, dedicated, revenue source for community safety services, together with the City's current, stable budget, will make a real difference in how community safety services are provided throughout the City.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections 3.720, 3.722, 3.724, 3.726, 3.728, 3.730, 3.732, 3.734, 3.736, and 3.738 of the Eugene Code, 1971, are added to provide as follows:

Community Safety Payroll Tax

3.720 **Payroll Tax – Purpose.** The provisions contained in sections 3.720 to 3.738 of this code are for the purpose of providing funding to increase community safety services through the adoption of a dedicated tax on wages, hereinafter referred to as the payroll tax.

3.722 **Payroll Tax - Definitions.** For the purposes of sections 3.720 through 3.738 of this code, the following words and phrases shall have the following meanings, unless the context requires otherwise:

City. The City of Eugene

City Manager. The city manager or the city manager's designee.

Employer. Any of the following:

(a) A person who is in such relation to another person that the person may control the work of that other person and direct the manner in which it is to be done;

(b) An officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the acts required of employers by ORS 316.167, 316.182, 316.197, 316.202 and 316.207;

(c) The State of Oregon or any political subdivision of the state; or

(d) An independent contractor.

Employee. An individual who renders personal services at a fixed rate to an employer if the employer either pays or agrees to pay for personal services or permits the individual to perform personal services.

Independent Contractor. As defined in ORS 670.600.

Minimum Wage Employee. An employee working for the minimum wage rate established by ORS 653.025.

Tax Administrator. The city manager, the manger's designee, or any person or entity with whom the city manager contracts to perform those duties.

Wages. As defined in ORS 267.380(1)(c), (2)(a) – (c), and (2)(e) – (j).

3.724 **Payroll Tax – Tax Imposed.**

(1) A tax is hereby imposed on every employer, except the State of Oregon or any political subdivision of the state, with a physical address in the city at a rate of 0.0020 of wages paid by the employer.

(2) A tax is hereby imposed on every employee working at an employer located in the city at a rate of 0.0040 of employee's wages.

(3) Notwithstanding subsection (2) of this section, the tax rate imposed on every minimum wage employee working at an employer located in the city is 0.0020 of the employee's wages.

(4) If an employer located in the city also has one or more business locations outside the city, no tax is owed for those hours an employee works at an employer's business location that is outside the city.

(5) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid to employees an amount equal to the total amount of wages, without exemption or deduction, multiplied by the rate of tax imposed under subsection (2) or (3) of this section.

3.726 **Payroll Tax – Payment and Remittance**. The employer shall pay the tax imposed by 3.724(1), and remit the tax imposed by 3.724(2) and (3), to the tax administrator quarterly, or less frequently than quarterly if directed by the rules adopted under section 3.732 of this code. The tax administrator is authorized to exercise all supervisory and administrative powers with regard to the enforcement, collection and administration of the wage tax, except any administrative rules may only be adopted by the city manager under section 3.732.

3.728 **Payroll Tax – Use.** Payroll tax revenue shall only be used to fund:

(1) Police services, including but not limited to, patrol officers, detectives,

sergeants, community service officers, 9-1-1 staff, animal welfare and traffic safety officers, and evidence control and forensic analysts;

(2) Fire and emergency medical services, including but not limited to, the creation of a 9-1-1 triage program and a field triage/community response unit;

(3) Municipal court and prosecution services, including but not limited to, staffing a third courtroom, expanding community court and mental health court programs and adding 10 jail beds and increased jail services;

(4) Prevention and homeless services, including but not limited to, adding emergency shelters, a day center and funding after school programs at Title I schools; and,

(5) Administration of the payroll tax.

3.730 **Payroll Tax – Interest and Penalties**.

(1) In addition to assessing any civil penalties under section 3.045 and 3.995, if the city manager determines that an employer has failed to pay all or any part of the payroll tax due under section 3.724(1) of this code, interest shall be due on the entire unpaid amount, assessed at the rate of .833 percent simple interest per month or fraction thereof (10 percent per annum), computed from the original due date of the tax.

(2) An employer that fails to deduct, withhold, or remit the tax required under this section is deemed responsible for the payment of the tax obligation in an amount equal to the amount that had been required to be withheld from the employee's wages and remitted to the tax administrator.

3.732 **Payroll Tax – Implementing Rules**. The city manager may adopt regulations, procedures, forms, guides and written policies pursuant to section 2.019 of this code for implementation of sections 3.720 through 3.738 of this code, including but not limited to collection and enforcement, partial refund processes, and further clarification of the definitions contained in 3.722.

3.734 **Payroll Tax – Appeal**. Any person aggrieved by any decision under this code may appeal the decision in the manner provided in section 2.021 of this code. The appeal shall be heard and determined as provided in section 2.021 of this code.

3.736 **Payroll Tax - Annual Audit**. The city manager shall contract with an outside auditor to prepare an annual written report on the use of the payroll tax revenue. The auditor shall ascertain and report on whether the tax revenue was used in compliance with the purpose and use set forth in sections 3.720 and 3.728 of this code. The city manager shall provide the report to the Council and make the report publicly available.

3.738 **Payroll Tax - Citizen Advisory Board**. The city manager shall convene a Citizen Advisory Board. The Citizen Advisory Board shall prepare an annual report, separate and distinct from the report prepared by the outside auditor, documenting the city's use of the tax revenue and noting whether the tax revenue was spent in compliance with the purpose and use set forth in sections 3.720 and 3.728 of this code. The city manager shall provide the Citizen Advisory Board's report to the council and make the report publicly available.

Section 2. Payroll tax revenues shall be budgeted and accounted for in a separate fund that is easily identifiable by members of the public.

Section 3. The purpose of the payroll tax is to raise additional revenue to be able to increase community safety services beyond what the City was able to fund in FY18 (before the $8.6 "bridge" funding). Therefore, the Council intends to use the payroll tax revenues to supplement, and not replace, funding used in FY18 for community safety services.

Section 4. Notwithstanding Section 3, the Council intends to use payroll tax revenues to replace $840,000 of downtown police services funding that is currently coming from the parking fund.

Section 5. In FY27, the Citizen Advisory Board established by section 3.738 of this code shall conduct a comprehensive review of the city's use of the payroll tax revenues and prepare and deliver a report to the city manager no later than March 31, 2027. The city manager shall provide the Citizen Advisory Board's report to the council and make the report publicly available. After receiving the report, the council shall hold a public hearing to hear citizen input regarding whether the payroll tax is accomplishing the objectives specified in this Ordinance's findings and the purpose specified in section 3.720. After reviewing the Citizen Advisory Board's report and public testimony, the City Council shall determine whether the payroll tax should continue. If the Council concludes that the payroll tax should continue, the Council shall adopt a motion not later than June 30, 2027, stating that the payroll tax will continue after FY28. If the Council fails to adopt such a motion by June 30, 2027, then the payroll tax shall automatically terminate with respect to wages earned on or after July 1, 2028.

Section 6. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this

__ day of ____, 2019.

_____

City Recorder

Approved by the Mayor this

_____ day of _____, 2019.

_____

Mayor

Community Safety Payroll Tax
Frequently Asked Questions

1. Why do the City's community safety services need more funding?

The Community Safety System works to keep everyone safe. This system is made up of interdependent City departments and community partners. Each relies on the other in different situations.

Struggling to Meet the Need

Right now, the Community Safety System is stressed:

- In the past 5 years, 911 calls for Eugene Police have increased 21% while police and 911 staffing have remained flat.
- From 2014 to 2017, homicide, rape, robbery, assault, sex offenses, and family offenses have increased by 18%.
- Police are unable to respond to 1 out of 3 calls due to lack of patrol resources (when there is no immediate threat to life).
- It takes officers an average of 20 more minutes to respond to these calls for service.
- One courtroom of three is unused due to lack of staff.
- The number of youth diagnosed with mental health disorders such as depression and anxiety continues to rise.
- The number of unsheltered single adults is significantly higher than in similar communities.

Bridge Funds Provide Support Through June 2020

In 2018, the City Council dedicated $8.6 million starting January 2019 for 18-months of funding to increase staff and resources. The goal is to stabilize prevention, homeless services, public safety and emergency response. The bridge strategy funding expires on June 30, 2020.

Long-term Solution Needed

Council also committed to finding a long-term solution to this problem. A Revenue Team of community members and Councilors was established in November 2018. After reviewing funding options, the team recommended a payroll tax to support $23.6 million in community safety services on an annual basis. If Eugene enacted a payroll tax it would provide on-going funding for critical services including police, fire and emergency medical services, municipal court, homeless services, and prevention services.

Public Hearing on Community Safety Payroll Tax Set for May 28

At their May 8 Work Session, City Council voted to send the a payroll tax ordinance to public hearing on Tuesday, May 28, 7:30 p.m. in Harris Hall (125 East 8th Ave.).

Community members who are unable to attend the public hearing may submit written comments to councilors online at eugene-or.gov/communitysafety.

2. Why is a payroll tax being considered?

A Community Safety Revenue Team was formed to develop a funding recommendation for the City Manager. The Revenue Team included three City Councilors, current and former Budget Committee members, and the Chair of the Police Commission. The revenue team studied many different types of funding options, ranging from levies to a combination of other taxes or fees. You can see the list and analysis of all revenue alternatives considered in the Revenue Team's Final Report at eugene-or.gov/communitysafeyfunding. Also see the FAQs (question 2) on this web page for a link to key discussion points from the Revenue Team's recent analysis of two specific alternative funding options: River Road/Santa Clara Annexation and a City personal income tax.

The team took into consideration the amount of money needed, the administrative effort and potential costs, and the stability and reliability of the funds. They also considered the fairness of the different options, their feasibility within Eugene and how the option related to the community safety need. The team also reviewed the potential economic, environmental, and social equity impacts – also known as the triple bottom line. They focused on a payroll tax as they concluded their research.

In the long term, gross payroll appears to be a sustainable and growing revenue source that can weather economic cycles and keep pace with general and wage inflation impacts on recommended service funding levels.

3. What is a payroll tax?

Payroll taxes are taxes paid by employees and/or employers and are usually calculated as a percentage of gross payroll or wages. For employees, the tax is percentage of an employee's total taxable wages. For an employer, the tax is usually a percentage of an employer's total gross payroll.

4. Who would contribute to the proposed payroll tax and how much would it cost?

A payroll tax is levied as a percent of gross payroll earned within the taxing jurisdiction. Entities can enact a payroll tax on employees and/or on employers.

At their May 8 Work Session, Councilors were provided three versions of a possible payroll tax and moved forward with an option that included a rate of .0040 for employees and a rate of .0020 for employers located within the City of Eugene. This option also capped the rate for minimum wage earners at .0020.

Proposed Monthly Cost to Employees at Various Hourly Wages

Tax Rate	$14/hr	$15/hr	$16/hr	$18/hr	$20/hr	$22/hr	$24/hr
0.0040	$10/month	$10/month	$11/month	$12/month	$14/month	$15/month	$17/month

Proposed Monthly Cost to Minimum Wage Employees

Tax Rate	$12/hr*
0.0020	$4/month

Proposed Monthly Cost to Employer with Annual Gross Payroll of $500,000

Tax Rate	
0.0020	$83/month

** As of July 1, 2020, the minimum wage in Eugene will be $12 per hour.*

The revenue team recognized that the payroll tax doesn't impact every segment of the population. It would not capture revenue from visitors, city residents employed elsewhere, retirees and the unemployed. The revenue team, however, thought that this approach was the most clear and fair of the final options considered.

5. What do I get for my money?

Faster, More Efficient Response

- More 911 dispatchers and officers to respond to calls
- A 911 field medical triage using smaller Community Response Units to respond to situations that aren't life-threatening
- More Community Service Officers (CSOs) that provide public safety support and assist with non-emergency calls, freeing patrol officers' time for proactive, community policing

Deter Crime – Connect People to Services – Engage Kids Early

- A 10-person Street Crimes Unit to proactively deter crimes.
- Increased officer presence in neighborhoods allowing more time for problem-solving and traffic patrols.
- Homeless services that help people stabilize and improve their lives by increasing collaboration with social service and medical organizations.
- Expanded youth programs to engage and help at-risk youth, including after-school programs,
- 15th Night and inclusion programs.

More Investigations – More Court Services – More Accountability

- More detectives to investigate more crimes.
- Opening and staffing a third court room to reduce the backlog of cases, resolve cases more quickly, and the needed prosecutors, court appointed attorneys and court staff.
- More jail beds and probation officers to reduce capacity-based releases and hold those who commit crimes accountable.

The total needed for longer-term system stability is approximately $23.6 million per year, which includes the $8.6 million bridge.

- Approximately 65% of the funding will go toward police services including: 40 patrol officers, 5 detectives, 4 sergeants, 10 community service officers, 9.5 staff for 911, animal welfare and traffic safety officers, and evidence control and forensic analysts.
- Approximately 10% will go to fire and emergency medical services including the creation of a 911 triage program and field triage/community response unit.
- Approximately 15% will go to Municipal Court services including opening third courtroom with staffing, expanding community court and mental health court programs and adding 10 jail beds and increased jail services.
- Approximately 10% will go toward prevention and homelessness services including adding emergency shelters, a day center and funding after school programs at Title 1 schools

6. How will the City be held accountable with money earned from the payroll tax?

Accountability measures will include:

- **Lock Box (separate fund)**
  Funds collected through the payroll tax will be “lock boxed” in a separate fund established to track the receipt and use of these funds. The ordinance will also ensure that revenue from the payroll tax will not replace existing community safety funding.

- **Annual Performance Review**
  Specific performance measures will be established, tracked, and reported on annually.

- **Outside Annual Audit**
  An outside auditor will review and document the City’s use of the tax funds to determine whether the tax funds proceeds were used in compliance with the terms of the ordinance and how the specific performance measures are being accomplished through use of the payroll tax funds.

- **Citizen Advisory Board**
  The City Manager will convene a Citizen Advisory Board which will prepare an annual report.

- **7-Year Reauthorization**
  After seven years, the Citizen Advisory Board will compile a comprehensive seven-year review and report. City Council will hold a public hearing to gather citizen input regarding whether the payroll tax is accomplishing the objectives specified in the ordinance, and Council will either adopt a motion to continue the payroll tax or do nothing and discontinue the tax.

7. Where does Community Safety funding come from now?

The City uses a variety of funding sources to fund community safety services including our General Fund (which mostly comes from property taxes), grants, federal funds, local fees and taxes (like the marijuana tax), and other sources. About 60% of the City's general fund goes toward public safety. You can see more information on the City's Open Budget website at budget.eugene-or.gov.

8. Why isn't money from the marijuana tax, or other taxes, being used instead of a payroll tax?

Funding from the local marijuana tax does support community safety. The local marijuana tax collected almost $1 million in 2018; that money supports parks security, Community Court, human services, and a portion has been set aside to fund homeless shelter options. Funding for a local option levy was also considered by the Community Safety Revenue Team, but a new levy would yield less than $10 million annually and isn't considered a permanent funding source as a levy would need to be renewed every five years. These other options do not meet the funding needed to provide services for our Community Safety System as approximately $23.6 million is needed each year.

9. Will I get to vote for the payroll tax?

The City Council has the authority to implement a payroll tax by ordinance. All ordinances require a public hearing.

May 28 Public Hearing

At their May 8 Work Session, City Council voted to send the payroll tax ordinance to public hearing:

- **Date:** Tuesday, May 28
- **Time:** 7:30 p.m.
- **Location:** Harris Hall, 125 East 8th Ave.

Community members who are unable to attend the public hearing may submit written comments to councilors at eugene-or.gov/communitysafety,

Alternatively, the tax may be placed on a ballot by the Council, by citizen initiative, or through a successful referendum petition.

10. Can I submit written comments online about the proposed payroll tax ordinance?

Yes. Community members who are unable to attend the upcoming public hearing may submit written comments to councilors online at eugene-or.gov/communitysafety.

11. If implemented, how long will it take for the tax to go into effect?

Eugene's community safety services are currently funded by the one-time bridge funding that Council approved for January 2019 through June 2020, with the intent of identifying a long-term solution to provide funding from July 2020 moving forward.

12. Does Oregon have a payroll tax?

The State of Oregon collects a 0.1% employee payroll tax for transportation funding. The revenue funds statewide transportation initiatives including capital projects and infrastructure maintenance. Employers collect the tax on behalf of employees and submit to the Oregon Department of Revenue (DOR).

Additionally, two special transit districts collect payroll taxes from employers. The revenue partially funds mass transit in the Lane Transit District (LTD, Eugene/Springfield area) and the Tri-County Metropolitan Transit District (TriMet, Portland area). The 2019 rates were 0.74% and 0.7637%, respectively. Employers submit the funds to the DOR. Nonprofit 501(c)3 organizations are exempt from this tax.