Eugene 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
September 30, 2020

12:00 p.m. **CITY COUNCIL WORK SESSION and**
MEETING OF THE EUGENE URBAN RENEWAL AGENCY
Due to Governor Kate Brown's Stay Home, Save Lives Executive Order to combat the spread of Covid-19, this meeting will be held remotely using virtual meeting technology. Information about online or other options for access and participation will be available at https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials

---

Meeting of September 30, 2020;
Her Honor Mayor Lucy Vinis Presiding

Councilors

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

12:00 p.m. **CITY COUNCIL WORK SESSION and**
MEETING OF THE EUGENE URBAN RENEWAL AGENCY

1. **WORK SESSION and POSSIBLE ACTION: 1059 Willamette Redevelopment**

2. **ACTION: 1059 Willamette Redevelopment**

3. **WORK SESSION: Homeless Services Update**

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

Work Session and Action: 1059 Willamette Redevelopment

Meeting Date: September 30, 2020 | Agenda Item Number: 1
Department: Planning and Development | Staff Contact: Amanda D'Souza
www.eugene-or.gov | Contact Telephone Number: 541-682-5540

ISSUE STATEMENT

This work wession is to discuss the disposition and redevelopment of the property located at 1059 Willamette Street (the former Lane Community College Downtown Center). City Council is asked to a) approve the RFP criteria and release the RFP process and b) consider making an incentives package available in the RFP, to close the financial feasibility gap, using City funds.

Immediately following this work session, the Urban Renewal Agency Board will have a work session to consider making Urban Renewal funds available in the RFP to support this project.

BACKGROUND

The building located at 1059 Willamette served as the Lane Community College (LCC) Downtown Center until 2012 and has been vacant since the new LCC Downtown Campus opened at 10th Avenue and Olive Street. In April 2019, the City submitted a letter of interest to LCC for purchase of the site. In May 2019, the LCC Board approved the sale of the site to the City of Eugene. The 1059 Willamette property is also identified in the 2016 Downtown Urban Renewal Plan as one of four projects eligible for urban renewal resources to assist in the property's redevelopment.

At the January 29, 2020 Work Session, Council discussed the redevelopment of 1059 Willamette, including the option to create a mixed-income housing development on the site. At that Work Session, Council approved the use of federal Community Development Block Grant (CDBG) funds to acquire the site in order to develop multi-family housing through the Land Acquisition for Affordable Housing Program, also called the land bank program. Council also approved the use of a Request for Proposals (RFP) process for disposition of the site. The City acquired the site in April 2020. Annual maintenance costs for the site are estimated at approximately $20,000, with the potential to increase if unexpected maintenance issues arise.

The planned redevelopment project is a mix of income-qualified units and market-rate units, where 51 percent of the units are targeted to households earning up to 80 percent of AMI[a], and 49

[a] Workforce housing is a term used to describe housing for households that earn too much to qualify for subsidized affordable housing, but have difficulty finding adequate housing within their budget. The term 'moderate-income housing' more accurately describes the housing category, as many households that qualify for subsidized affordable housing are in the workforce.

percent of the units are market-rate. The proposed income-qualified housing in this project will support an underserved population. There are very few housing options for households earning between 60 percent and 80 percent AMI, and in most cases, they would not qualify for other affordable housing options. (See Attachment A for more information on mixed-income developments, including current CDBG income limits based on household size.)

Potential Public Funding Sources and Uses

Mixed-income housing projects generally face a financial gap due to the limited rental income and inability to access traditional affordable housing resources. (see Attachment A for more information). The City has identified several incentives that would reduce the anticipated financial feasibility gap and support a mixed-income housing development at 1059 Willamette. Staff estimates the cost of these incentives is about $2.2M. See Attachment C for a description of potential incentives, listed here in brief:

- Provide the property at no cost, which is typical of the land bank program.
- Demolish the building and make the site 'shovel-ready.'
- Cover System Development Charges and other permit fees.
- Cover EWEB's downtown electric-network connection fee.
- Multi-Unit Property Tax Exemption (MUPTE).

The table below shows a mix of funding sources totaling $1.1M that could be made available through the RFP to partially fund these development assistance incentives. Should Council direct staff to release the RFP, prospective developers would be required to identify which of the listed public incentives they would need to use to make their proposed project feasible. Council would approve the specific uses of public funds as part of the deal points with the selected developer. More detailed information about the potential funding sources is provided in Attachment C.

Funding Name/Source	Amount	Notes
Downtown Urban Renewal	$700,000	Per the Agency Board's July 27 direction, a "minimal" amount of the estimated remaining tax increment ($1.1M) is for Open Space projects. (See "Downtown Urban Renewal" section below.) Requires Agency Board authorization.
MUPTE-Moderate Income Housing Fee	$400,000 (estimated)	Will be paid by Gordon Lofts multi-family development in FY22. A mixed-income housing project at 1059 Willamette would be eligible for these funds.
Total	$1,100,000	

In addition, the project would likely be eligible for $300K of Affordable Housing Trust Funds (from the Construction Excise Tax) that will have a separate Request for Proposals allocation process in early 2021.

Downtown Urban Renewal

The Downtown Urban Renewal Plan outlines a number of community engagement activities that must be completed before the Agency Board can authorize the use of tax increment funds on this project, including a public hearing. (See Attachment D.) Council held a public hearing on September 21 where 2 people testified and 1 person submitted written testimony.

On July 27, the Agency Board passed a motion to fully fund the Farmers Market pavilion/plaza and fund Park Block improvements (restroom and right of way), leaving an estimated $1.1M of Urban Renewal tax increment funds remaining for other projects. The Board also specified that a "minimal" amount of the remaining $1.1M should be spent on Open Space projects. Based on projected needs for both projects, staff propose allocating $700K of the remaining $1.1M to the 1059 Willamette project, leaving $400K available for Open Space projects, subject to future Council review. Attachment D has information on the Open Space project for the Hult Center Plaza, which is currently in the conceptual design phase.

RFP Process

On July 15, Council directed staff to move forward with the RFP timeline in Attachment B. This timeline combines the required steps from three different processes: a) the land bank disposition process, b) the 2018 Council-approved disposition process for City-owned real property, and c) the process laid out by the 2016 Downtown Urban Renewal Plan for the use of Urban Renewal funds.

Should Council take the recommended action today, staff would issue the RFP in October. Once the RFP closes, the submitted proposals will be presented to the public for comment. An Evaluation Committee will rank and score the proposals. The Evaluation Committee for land bank sites typically includes the Council representative on the Housing Policy Board, community member representatives with development or housing expertise, and a member of the applicable neighborhood association.

RFP Criteria

The recommended RFP criteria that will be used to score and rank proposals, if approved by Council, are in Attachment A. Highlights of the proposed criteria include:

- Compliance with CDBG-related federal requirements (e.g., income and rent limits; mitigating actions to satisfy environmental regulations);
- Demonstrated experience with similar projects; and
- Timeliness and feasibility of proposed project, including financials.

Per Council's July 15 direction, staff sought feedback on the draft criteria from stakeholders, including the Downtown Neighborhood Association, Downtown Eugene, Inc., Downtown Eugene Merchants, Friends of Downtown, and affordable housing providers. The public also had the opportunity to provide feedback at the September 21 Public Hearing.

Proposed Next Steps

Should Council approve the RFP criteria and authorize release of the RFP, next steps are:

A. *RFP Issued.*
B. *Public Engagement on received proposals:* community input; Evaluation Committee scores and ranks proposals using approved criteria.
C. *Work Session:* selection of development proposal.
D. *Work Session:* approval of deal points, including terms related to specific public assistance being provided to the selected project.
E. *Budget Action.*
F. *MUPTE Application (if applicable) public engagement and Council action.*

PREVIOUS COUNCIL DIRECTION

July 27, 2020 City Council Meeting

The Agency Board passed a motion to direct the Agency Director to commence the Park Blocks & Open Space and Farmers Market projects using Urban Renewal funds to fully fund the Farmers Market pavilion/plaza, fund Park Block improvements (including a free-standing restroom and right of way improvements around the northwest Park Block), and specified that a "minimal" amount of the estimated remaining $1.1M of tax increment funds should be spent on Open Space projects.

July 27, 2020 Work Session

City Council discussed the use of the Affordable Housing Trust Fund. Council approved an allocation for the $800,000 collected in FY20 for use in FY21: $500,000 to renter and homeowner assistance programs and $300,000 to housing development projects.

July 15, 2020 Work Session

City Council directed staff to move forward with the proposed RFP timeline, including implementing a public engagement plan, and to bring back updated criteria and a financial incentives package for Council consideration. Council also directed staff to schedule a Public Hearing to solicit public comment on whether the project should move forward and the appropriate funding mechanisms for the project.

> MOTION AND VOTE: Councilor Semple, seconded by Councilor Yeh moved to direct the City Manager to schedule a Public Hearing on the 1059 Willamette project in order to solicit public feedback on whether the project should move forward, as well as the appropriate funding mechanisms for the project. The City Manager is further directed to implement the proposed public engagement process. PASSED 8:0

January 29, 2020 Work Session

City Council authorized the purchase of the property at 1059 Willamette using CDBG funds. Council also approved the Land Acquisition for Affordable Housing property disposition process for the site's redevelopment.

May 29, 2018 City Council Meeting

City Council approved the *Eugene-Springfield One-Year Action Plan, the One-Year Supplemental Plan for the 2015 Consolidated Plan.* This plan identifies a strategy of increasing the supply of affordable housing using land acquisition. The plan identifies sources and uses of funding to implement these strategies.

June 13, 2016 City Council Work Session

City Council adopted Ordinance 20564 adopting an amended Urban Renewal Plan for the Downtown Urban Renewal District. In this plan, 1059 Willamette (formerly "Old LCC") was identified as a project eligible to receive Urban Renewal funds, with housing as a potential use.

COUNCIL OPTIONS

Request for Proposals Criteria

1. Approve the recommended RFP criteria included in Attachment A and initiate the RFP process for disposition of the 1059 Willamette property.
2. Revise the RFP criteria in Attachment A and then initiate the RFP process for disposition of the 1059 Willamette property using the revised criteria.
3. Decline to approve the RFP criteria or initiate the RFP process for disposition of the 1059 Willamette project at this time.

Use of City Funds

1. Approve identifying the anticipated Gordon Lofts MUPTE Moderate Income Housing Fee as available funding in the RFP to support the 1059 Willamette redevelopment.
2. Decline to approve identifying the anticipated Gordon Lofts MUPTE Moderate Income Housing Fee as available funding in the RFP to support the 1059 Willamette redevelopment at this time.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that Council approve the RFP criteria in Attachment A and direct the City Manager to release the RFP for disposition of the 1059 Willamette property. The City Manager further recommends that the RFP identify available resources of up to $1.1M to reduce the anticipated financial feasibility gap, using a mix of funding sources ($700K of Downtown Urban Renewal Funds; and the Gordon Lofts MUPTE Moderate Income Housing fee, estimated at $400K). The Agency Board will consider making $700K of Downtown Urban Renewal tax increment funds available for the 1059 Willamette project at a work session immediately following this one.

SUGGESTED MOTIONS

Move to direct the City Manager to release the RFP for disposition of the 1059 Willamette site using the RFP criteria in Attachment A, and direct the City Manager to identify the Gordon Lofts MUPTE Moderate Income Housing fee (an estimated $400K) as available funding in the RFP to support the 1059 Willamette project.

ATTACHMENTS

A. Recommended RFP Criteria & Additional Background Information
B. Approved RFP Process and Timeline
C. Potential Public Funding Uses and Sources
D. Downtown Urban Renewal Additional Information

FOR MORE INFORMATION

Staff Contact: Amanda D'Souza
Telephone: 541-682-5540
Staff E-Mail: Adsouza@eugene-or.gov

Recommended RFP Criteria and Additional Background Information

On January 29, 2020, Council approved the use of a Request for Proposals (RFP) process for disposition of the 1059 Willamette property. The following is the recommended criteria that will be used to evaluate responses to the RFP. Council is asked to finalize the RFP criteria at the September 30 work session.

Experience and Qualifications

Preferred applicants or teams will have:

- A proven track record of completing successful, high quality redevelopment projects in urban settings (including information about project costs);
- Demonstrated preference for use of local contractors and/or Minority and Women-owned businesses enterprises;
- Demonstrate use of cost-effective green building measures;
- Demonstrated experience in serving the targeted population(s) and with the proposed form of development.; and
- Evidence of financial capacity.

Project Concept and Design

Required:

- 51% of the units must be affordable to households earning up to 80% AMI. The remaining units may be offered at market-rate rents;
- Present site plans and renderings that show the project is suitable for the target population(s) and project location;
- Must comply with City code for C-3 zoning; and
- Comply with the federal environmental review requirements.

Preferred concepts will:

- Incorporate elements that contribute to an active, inviting, and safe pedestrian environment;
- Demonstrate appropriate integration and relational elements with neighborhood context and existing and future development; and
- Provide a parking assessment and a financeable plan to accommodate the parking and transportation needs of the proposed uses.

Timeliness & Feasibility

Required:

- Development timeline must demonstrate completion and lease up no later than April 30, 2025;
- Demonstrate understanding of market potential for the proposed concept(s); and
- Provide a reasonable project budget that minimizes need for public assistance.

Preferred concepts will:

- Demonstrate completion significantly earlier than April 30, 2025 deadline; and
- Demonstrate leveraging of other resources in project budget.

Additional Public Benefits
Preference will be given to proposals that:

- Integrate art or opportunities for public creativity;
- Demonstrate intention or plan to solicit services from local contractors and/or Minority and Women-owned business enterprises;
- Use cost effective green building measures; and
- Provide services promoting self-sufficiency and independent living that are available to residents in affordable housing units.

Consistency with City Policies and Goals.
The Downtown Urban Renewal Plan and the Downtown Plan are the primary policy documents that guide public and private redevelopment in the Downtown Eugene area. Other plans and policy documents also provide guidance including 2020-2025 Consolidated Plan, Envision Eugene, and the Climate Action Plan 2.0. Any proposed development concept must be consistent with the policies and goals for Downtown Eugene as reflected in these documents.

Additional Background

RFP Submission Requirements

Through the RFP process, development teams would submit proposals for the property that include a description of the project size and scope, a site plan, architectural renderings, and a pro forma outlining the financing plan. The pro forma would demonstrate the sources and uses of funds for the proposed development, anticipated rental income and expected operating costs. The proposals would provide City Council and the Agency Board with enough detail about a potential development to make decisions about awarding resources.

Mixed-Income Housing

Given the property's strategic location across from the LTD Eugene Station and the identified need through the Housing Tools and Strategies process and Envision Eugene for a range of affordable housing options and more compact urban development in the core of downtown, the site is ideally suited for redevelopment as housing. The use of Community Development Block Grant funds requires that the site be used for housing and that at least 51% of the units must be affordable to households earning 80% of Area Median Income (AMI) (see below for information on income requirements). The City of Eugene is proposing redevelopment of the site into a mixed income housing project, where 51% of the units would meet the CDBG income requirements, and the other 49% could be rented at market rates.

As part of project scoping, staff interviewed local housing developers to better understand the financial feasibility of this type of mixed-income development and conducted a financial 'pro forma' evaluation. A financial gap is anticipated because:

1. Rents are limited for over half of the units, so they are affordable for households earning no more than 80 percent AMI. Those rents are substantially lower than market-rate rents for a new housing development.

2. Traditional tools available to support affordable housing, such as HOME funds, Low Income Housing Tax Credits (LIHTC), and Low-Income Rental Housing Property Tax Exemptions (LIRHPTE), require rents to be affordable to households at 60 percent AMI and below. These traditional resources would not be available for a project targeting households at 80 percent of AMI.

The approach under consideration would be piloting a new mixed-income residential development. By adding new, more affordable options, housing mobility is encouraged, which can relieve pressure on the stock of lowest income housing options that have the highest demand in our community. Additionally, the project provides a more affordable option for rent-burdened residents paying more than 30 percent of their income on housing, allowing them to reduce costs, save money, and work towards greater financial stability and the potential of home ownership.

Income Requirements

Households at 80% of AMI are underserved - there are very few options for households earning between 60% and 80% AMI, and in most cases, they would not qualify for other affordable housing options. Table A below shows the CDBG income limits based on household size; Table B shows HUD Fair Market Rents for the area. Affordable rents plus utility costs are targeted to be no more than 30% of household income.

Table A. 2020 CDBG Income Limits, effective July 1, 2020

Persons in Household	1	2	3	4	5	6	7
Low Income - 80% AMI	$39,200	$44,800	$50,400	$56,000	$60,500	$65,000	$69,450

Table B. 2020 CDBG Fair Market Rents for Eugene-Springfield MSA

Unit Size	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Fair Market Rent	773	893	1,176	1,696	1,989

Evaluation Committee

An Evaluation Committee will score the proposals (based on the land bank and RFP process approved by Council in January 2020). The Evaluation Committee for land bank sites typically includes the Council representative on the Housing Policy Board, community member representatives with development or housing expertise, and a member of the applicable neighborhood association. The Committee will use the finalized RFP criteria to evaluate proposals.

RFP Process and Timeline

The timeline below combines the 3 related process required for 1) disposing of the property, 2) utilizing Urban Renewal funds, and 3) Land Banking. The circled letters below tie to the specific processes. This timeline was approved at the July 15 work session.

Public Engagement ✓

Council WS ⇨*Approval to buy property* ✓

Council ✓ *July 15*

- Mixed income project scope & funding options
- Present draft incentives package
- Review draft RFP criteria
- Approval of public engagement process

Public Engagement ✓ *Aug-Sep*

- Re-engage with previous channels
- Input incorporated into RFP criteria

Council PH - Project Scope & Funding Options ✓ *Sep 21*

Today

Council *Sep 30*

- Review public engagement feedback
- Finalize incentives package to offer (including amount of City/UR $)
- Approval of final RFP criteria & launch

RFP released – 45 to 60 days *Oct-Dec?*

Public Engagement *Jan 2021?*

Evaluation Committee - Input on proposals *Jan?*

Council - Proposal selection *Jan/Feb?*

Council - Deal pts action *Mar/Apr?*

Agreement Signed & Due Diligence

Council – MUPTE Review (If applicable)

Public Engagement

Both the Council-approved property disposition process and the Downtown Urban Renewal Plan amendment require public engagement opportunities. The public will also have opportunities to participate in the disposition process. Prior to the City Council work session in January 2020 to approve acquisition of the site and the RFP process, staff performed public outreach to propose the concept of a mixed income residential development. A variety of community stakeholders participated in a public meeting to provide input about the proposed development concept, including members of the Downtown Neighborhood Association, Downtown Eugene, Inc., Downtown Eugene Merchants, and Friends of Downtown. Individual outreach was provided to housing providers, service providers, and adjacent neighbors. The overarching comment received prior to acquisition was that workforce housing was an appropriate use for the property.

Once proposals are received, the community will have an opportunity to provide comments on proposals. A summary of public outreach and input will be provided to Council during their consideration of proposals.

Evaluation Committee

The Evaluation Committee for land bank sites typically includes the Council representative on the Housing Policy Board, community member representatives with development or housing expertise, and a member of the respective neighborhood association. The Evaluation Committee will be tasked with scoring and ranking submitted proposals. The Committee will use the RFP criteria in their evaluations (see Attachment A for draft RFP criteria).

Potential Public Funding Uses and Sources

At the July 15, 2020 Work Session, Council asked staff to provide additional information on potential uses of public funds in the proposed project, and alternative available funds that could be used to support the project. This was provided subsequently in a memo dated 7/27/20.

Potential Uses of Public Funds

Staff have identified a variety of development costs that the City and the Agency can pay for to fill the anticipated financial gap—so that the mixed-income housing project becomes financially feasible. Table 1 summarizes the uses and their estimated amounts.

Table 1. Potential uses of public funds

Incentive	Estimated Cost	Timing
Demolish the building & create a shovel-ready site	$900,000	Prior to disposition (FY21 or FY22)
Development fees		
System Development Charges	*$700,000*	During permitting process (FY22 or later)
Permits and other City fees	*$450,000*	
Connection fee-EWEB downtown electric network	$200,000	
Total	**$2,250,000**	

The costs provided in Table 1 are placeholder estimates, to be refined once we have a development proposal. The development fees will vary based on the size of the development. These figures are based on a 5-story structure; the actual structure may be shorter or taller. The RFP will not specify a required structure size or the number of units. The developers will identify a development plan that they determine is feasible.

Demolition could occur prior to disposition of the site and, if so, is estimated to occur in FY21 or FY22. The contribution for development fees would occur during the permitting process, which would likely occur in FY22 or later.

The project will also be eligible for a Multi-Unit Property Tax Exemption (MUPTE), which would reduce the owner's property tax payments for up to ten years. Instead, the City foregoes the collection of property tax revenue associated with new assessed value during the first few years in order to gain a long-term economic, environmental and social benefit

Available Funding Sources

Staff identified funding sources that could be used to implement a mixed-income housing project, to complement the Community Development Block Grant funds that were used to acquire the site, summarized in Table 2. The table lists the fund and its source, an estimate of the amount available, and factors that constrain the use of the funds and other opportunities to use the funds.

Table 2. Available funding sources

Funding Name / Source	Amount	Constraints & Opportunities for Funding Resource
Downtown Urban Renewal / Tax Increment	Up to $1.1 million*	• Funds must be used in the Downtown Urban Renewal District, in accordance with the Plan. • Per the Agency Board's July 27 direction, a "minimal" amount of this is for Open Space projects. (See Attachment D for information on the Hult Center Plaza potential project.) • Agency Board direction needed.
MUPTE funds / Moderate Income Housing Fee	$400,000 (estimated)	• Will be paid by the Gordon Lofts apartment development in FY22. • City ordinance states that funds are to be used for moderate-income housing. • Funds can be used throughout Eugene.

* On July 27, the Agency Board passed a motion to fully fund the Farmers Market pavilion/plaza, fund Park Block improvements (including a free-standing restroom and right of way improvements), and specified that a "minimal" amount of the remaining $1.1M should be spent on Open Space projects.

The City recently submitted a grant to the Economic Development Administration (EDA) for the Farmers Market pavilion as a part of a funding opportunity created by the CARES Act. If awarded, the grant would fund $3.2M of the pavilion cost. In addition, the City was previously awarded a grant from the EDA for the EUGNet fiber project and estimates the Agency should receive reimbursement grant funds of approximately $1M, if the funds are reimbursed. If the grant is awarded and/or we receive the fiber reimbursement, there would potentially be more Urban Renewal funds that could be available to the 1059 Willamette project.

The mixed-income housing project would also likely be eligible for $300K of Affordable Housing Trust Funds (from the Construction Excise Tax) that will have a separate RFP allocation process in early 2021. (At the July 27 Work Session related to the Affordable Housing Trust Fund, Council approved an allocation for the $800,000 collected in FY20 for use in FY21: $500,000 to renter and homeowner assistance programs and $300,000 to housing development projects.)

This project is not eligible for bond or levy funds. Funding options such as General Fund Reserves and Parking Funds are not currently viable options, due to the economic impacts of COVID-19.

ATTACHMENT D

General Information on Downtown Urban Renewal District

The 2016 Downtown Urban Renewal Plan identified four projects eligible for the use of Downtown Urban Renewal Funds: Downtown Fiber, Farmers Market, Park Blocks & Open Space, and 1059 Willamette. For each project, the Plan amendment set out a maximum amount of tax increment financing that could be used for each purpose. At the time of the amendment, elements of each project were yet to occur (e.g. public engagement, design engineering for fiber, project negotiations and scoping for Farmers Market, and project scoping for Park Blocks & Open Space and 1059 Willamette redevelopment) so Council considered a range of opportunities within each project before selecting a cap for the amount of tax increment for each project.

The Plan outlines a number of community engagement activities that must be completed before the Agency Board can authorize the use of tax increment funds on this project.

1) An opportunity for the community to share aspirations and vision for the project.
2) A presentation by staff summarizing the public engagement, cost estimates, and funding mechanisms.
3) A public hearing on whether the project should move forward and how it should be funded.
4) Agency Board deliberation about using Urban Renewal funds for the project and subsequent action.

For the 1059 Willamette redevelopment, the public engagement conducted in January prior to acquisition fulfilled Step #1. The July 15 Work Session fulfilled Step #2. Council held a public hearing on September 21 (Step #3). Today's work session is an opportunity for Council/Agency Board to deliberate and take action on including Urban Renewal (or other City funds) in the RFP (Step #4).

Below is information on the other projects in the Plan.

<u>Open Space</u>

In 2016-17, Project for Public Spaces (PPS) conducted a study and community engagement process on downtown public space, especially: Kesey Square, the Park Blocks, the intersection of 10th and Olive, and the Hult Center Plaza (the area between the Hult Center, the Eugene Conference Center, and the Graduate Hotel). The study looked at how these downtown public spaces are currently used and the potential to enhance the role they play in welcoming our community downtown and supporting downtown safety and vibrancy.

The Hult Center Plaza emerged as an important gathering space in support of the adjacent institutions and as a critical pedestrian connection between the north end of downtown and our downtown core. The importance of this connection has grown along with the investment that is taking place between the Downtown Riverfront and the Market District along 5th and 6th Avenues. In the spring of 2020, a local design firm, Dougherty Landscape Architects, was hired to build on the outputs of PPS's community engagement process and develop a more detailed vision for the space. The project seeks to:

- Connect with the urban fabric and move people through the space from one end of downtown to the other,
- Create a destination that is supportive of the arts, culture and leisure activities in the adjacent buildings, and

- Improve real and perceived safety by emphasizing visibility into and through the space.

The conceptual design, preliminary cost estimates and engineering feasibility study will be completed this fall. At its July 27 Work Session, the Agency Board passed a motion to fully fund the Farmers Market and fund Open Space improvements related to the Town Square, leaving $1.1M of Downtown Urban Renewal Funds remaining for other projects. The Board specified that a "minimal" amount of the remaining $1.1M should be spent on Open Space projects. Holding $400,000 of Urban Renewal tax increment funds for this project would allow for implementation of an initial phase of work at the Hult Center Plaza and will provide guidance as design details are refined and cost estimates become more precise. Staff will work with the consultant team to identify physical improvements that can be done incrementally as funding allows and will explore other sources of funding to execute the full project scope. Once project scoping is complete, the Agency Board will complete steps 2 and 3 on the first page of this attachment, including a work session, a public hearing, and action on whether the project should move forward and, if so, with what funds.

Farmers Market

At the July 27 Work Session, the Agency Board chose to fully fund the Farmers Market pavilion and plaza. The existing Plan provides as project specific cap on the amount of tax increment funds that can be spent on improvements to benefit the Farmers Market, which is not high enough for the full Farmers Market project, which is why,, at the June 22 Work Session, the Agency Board initiated a plan amendment to remove the cap on tax increment funds for the Farmers Market. The Plan Amendment process is currently in progress.

Park Blocks

The Park Blocks, other downtown open spaces and the connecting streets and walkways are eligible projects for up to $5.2M of tax increment funds. At the July 27 Work Session, the Agency Board chose to fund a portion of the Park Block improvements related to the Town Square ($1.8M) for a restroom and right of way improvements around the northwest Park Block.

Fiber

The 2013 City of Eugene Broadband Strategic Plan identified the development of a downtown fiber network as a strategic goal. Constructing a municipally owned fiber network serves and benefits downtown because: (1) existing and new businesses benefiting from the high speed and competitive market will grow employment and attract new investments to the Plan Area; (2) residents will have an added benefit for living within the Plan Area; and (3) public agencies within the Plan Area will have reduced costs and increased telecommunications speed.

The City, EWEB, and LCOG identified a workable method to connect buildings by running fiber optics cables through existing electrical conduit. EWEB completed the installation of the fiber network throughout the designated footprint of the project boundary in October 2019. The fiber project is currently in the process of making improvements to the WIX (Willamette Internet Exchange) because it had reached capacity and has been unable to offer space to new internet service providers (ISPs) who wanted to have a presence in the WIX. The improvements will expand the WIX, so that the facility can host more ISPs.

URBAN RENEWAL AGENCY
AGENDA ITEM SUMMARY

Action: 1059 Willamette Redevelopment

Meeting Date: September 30, 2020 | Agenda Item Number: 2
Department: Planning and Development | Staff Contact: Amanda D'Souza
www.eugene-or.gov | Contact Telephone Number: 541-682-5540

ISSUE STATEMENT
This Work Session is to consider Agency Board action to authorize making Downtown Urban Renewal tax increment funds available in the City RFP to support the redevelopment of the property located at 1059 Willamette Street (the former Lane Community College Downtown Center).

City Council is scheduled to discuss the 1059 Willamette redevelopment project immediately preceding this Work Session. See that item's Agenda Item Summary for more information.

BACKGROUND
See City Council's September 30 Agenda Item Summary on the 1059 Willamette Redevelopment for more information. That Agenda Item Summary provides this summary for Downtown Urban Renewal:

- The Downtown Urban Renewal Plan outlines a number of community engagement activities that must be completed before the Agency Board can authorize the use of tax increment funds on this project, including a public hearing (see Attachment D). Council held a public hearing on September 21 where 2 people testified.
- On July 27, the Agency Board passed a motion to fully fund the Farmers Market pavilion/plaza and fund Park Block improvements (restroom and right of way), leaving an estimated $1.1M of Urban Renewal tax increment funds remaining for other projects. The Board also specified that a "minimal" amount of the remaining $1.1M should be spent on Open Space projects. Based on projected needs for both projects, staff propose allocating $700K of the remaining $1.1M to the 1059 Willamette project, leaving $400K available for Open Space projects, subject to Council review. Attachment D has information on the Open Space project for the Hult Center Plaza, which is currently in the conceptual design phase.

PREVIOUS COUNCIL DIRECTION
See City Council's September 30 Agenda Item Summary on the 1059 Willamette Redevelopment for more information.

AGENCY BOARD OPTIONS

1. Approve making $700K of Downtown Urban Renewal tax increment funds available in the City RFP to support the 1059 Willamette project.
2. Approve making a different allocation of Downtown Urban Renewal tax increment funds available in the City RFP to support the 1059 Willamette project.
3. Decline to approve making Downtown Urban Renewal funds available in the City RFP at this time.

AGENCY DIRECTOR'S RECOMMENDATION

The Agency Director recommends that the Agency identify $700K of Downtown Urban Renewal tax increment funds as available funding in the City RFP to support the 1059 Willamette project.

SUGGESTED MOTIONS

Move to direct the Agency Director to identify $700K of Downtown Urban Renewal tax increment funds as available funding in the City RFP to support the 1059 Willamette project.

ATTACHMENTS

See City Council's September 30 Agenda Item Summary on the 1059 Willamette Redevelopment for more information.

FOR MORE INFORMATION

Staff Contact: Amanda D'Souza
Telephone: 541-682-5540
Staff E-Mail: Adsouza@eugene-or.gov

EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Homeless Services Update

Meeting Date: September 30, 2020
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Brooke Freed
Contact Telephone Number: 541-682-5616

ISSUE STATEMENT
The purpose of this work session is to provide City Council with an update on emergency shelter and seek Council direction on the potential establishment of additional rest stops and microsites before December 30, 2020.

BACKGROUND
The City of Eugene provides support for a variety of emergency sheltering options for unhoused community members including the Overnight Parking Program, Rest Stops, Dusk to Dawn and others. Due to the COVID-19 pandemic, existing congregate emergency shelters in Eugene have been operating at a reduced capacity in alignment with public health guidance.

With the timeline for COVID-19 congregate sheltering reductions uncertain, and a significant number of unsheltered individuals in the community, staff have continued to pursue the establishment of additional non-congregate sheltering options prior to inclement weather this winter, while utilizing one-time COVID-19 related funding sources. Two sheltering options include rest stops and microsites.

Rest Stops
Eugene Code 4.816(10) permits up to 15 persons (and up to 20 persons after six months in good standing and City Manager approval) to sleep in a car, tent, camper, trailer, or Conestoga hut at a specified, Council-approved site that provides adequate sanitation support and supervision.

The City Manager recommends proposed sites to Council for approval by motion, and an agreement must be executed between the City and the entity providing site supervision before a site may be used. Sites may not be located in a residential area or close to a school unless the City Council determines that any potential impacts to the surrounding residences or to the school can be effectively mitigated.

Eugene currently has four rest stops, three of which are managed by Community Supported Shelters and are located in Ward 7, with the fourth managed by Nightingale Hosted Shelters and located in Ward 2.

Microsites
Eugene Code 4.816 permits up to six vehicles (including cars, tents, campers, trailers, and Conestoga huts) to be used for sleeping overnight in a parking lot of a religious institution, place of worship, business, or public entity with permission of the property owner; or on a paved or graveled surface on a vacant or unoccupied parcel, with the permission of the property owner, if the owner registers the site with the city or its agent. These sites must provide sanitation support and adequate storage areas. The City may require these sites to be part of a supervised program operated by the City or its agent.

In collaboration with Community Supported Shelters, in June and July 2020 the City of Eugene supported the establishment of two new managed sites located at Skinner City Farm (6 huts) and the Eugene Mission (6 huts) to assist in creating spaces for unhoused individuals transitioning from City of Eugene's Designated Temporary Shelter Sites which operated during the initial phase of the COVID-19 emergency. These small managed shelter sites have been referred to as "microsites."

Resources
The City of Eugene has the opportunity to utilize one-time CARES CRF resources to support the establishment of non-congregate emergency shelter including rest stops and microsites. CARES CRF funding must be expended by December 30, 2020.

Collaboration on System-Wide Improvement
The City of Eugene continues to collaborate with Lane County to advance implementation of the TAC strategies as well as inclement weather strategies. Additional updates on this work will be provided at the October 14 Joint Elected Officials meeting.

PREVIOUS COUNCIL DIRECTION

July 28, 2020: Joint Work Session

Staff provided an update of the homeless service system including the current number of unduplicated individuals accessing services in Lane County, impacts to emergency shelter due to the COVID-19 pandemic, and implementation plan.

June 8, 2020: Council Work Session

Staff provided an update of the homeless service system, including the COVID-19 pandemic response, programs and partnerships, implementation plan, funding, new outreach teams, and options.

July 17, 2019: Council Work Session

City Council moved to adopt funding recommendations. (*Motion passed*)

May 13, 2019: Joint Work Session

City Council support the homeless services system improvement plan framework, that the City Manager move forward on immediate actions over the next year, and direct the City Manager to bring back for council approval a work plan, budget, and performance measures to identify success as soon as practical. (*Motion passed*)

COUNCIL OPTIONS

1. Proceed with proposed rest stop strategy, engagement plan, and timeline.
2. Recommend changes to rest stop strategy, engagement plan, and timeline.

CITY MANAGER'S RECOMMENDATION

Based on previous Council direction to identify additional shelter sites, the City Manager recommends proceeding with establishing new rest stops to be operational before December 30, 2020.

POSSIBLE MOTION

I move to approve the establishment of new rest stop sites as recommended by the City Manager.

ATTACHMENTS

A. Permitted Overnight Sleeping (EC 4.816)

FOR MORE INFORMATION

Contact: Brooke Freed
Telephone: 541-682-5616
Staff E-Mail: BFreed@eugene-or.gov

4.816 Permitted Overnight Sleeping.

(1) Notwithstanding any other provision of this code:

(a) Persons may sleep overnight in a vehicle in a parking lot of a religious institution, place of worship, business or public entity that owns or leases property on which a parking lot and occupied structure are located, with permission of the property owner. The property owner may not grant permission for more than six vehicles used for sleeping at any one time. For purposes of this subsection (1), the term "vehicle" includes a car, tent, camper, trailer, and Conestoga hut.

(b) Persons may sleep overnight in the back yard of a single family residence in a residential zoning district, with permission of the owner and tenant of the residence. Not more than one family may sleep in any back yard, and not more than one tent or camping shelter may be used for sleeping in the back yard. As an alternative, but not in addition to sleeping overnight in the back yard, not more than one family may sleep in a vehicle, camper or trailer parked in the driveway of a single family residence in a residential zoning district, with permission of the owner and tenant of the residence. For purposes of this subsection, "family" means persons related by blood or marriage, or no more than two unrelated adults.

(c) Persons may sleep overnight in a vehicle, on a paved or graveled surface located on a vacant or unoccupied parcel, with the permission of the property owner, if the owner registers the site with the city or its agent. The city may require the site to be part of a supervised program operated by the city or its agent. The property owner may not grant permission for more than six vehicles used for sleeping at any one time.

(2) A property owner who allows a person or persons to sleep overnight on a property pursuant to subsections (1)(a), (1)(b) or (1)(c) of this section shall:

(a) Provide or make available sanitary facilities;

(b) Provide garbage disposal services as required by sections 6.050 and 6.055 of this code;

(c) Provide a storage area for campers to store any personal items so the items are not visible from any public street;

(d) Require a tent or camping shelter in a backyard to be not less than five feet away from any property line; and

(e) Not require payment of any fee, rent or other monetary charge for overnight sleeping, as authorized by this section.

(3) A property owner who permits overnight sleeping pursuant to subsection (1) and (2) of this section, may revoke that permission at any time and for any reason. Any person who receives permission to sleep on that property as provided in this section shall leave the property immediately after permission has been revoked.

(4) Notwithstanding any other provision of this section, the city manager or the manager's designee may:

(a) Prohibit overnight sleeping on a property if the city finds that such an activity on that property is incompatible with the uses of adjacent properties or constitutes a nuisance or other threat to the public welfare; or

(b) Revoke permission for a person to sleep overnight on city-owned property if the city finds that the person has violated any applicable law, ordinance, rule, guideline or agreement, or that the activity is incompatible with the use of the property or adjacent properties.

(5) The city manager or the manager's designee may impose administrative civil penalties on property owners who fail to comply with the requirements of subsections (1) and (2) of this section, as provided in section 2.018 of this code.

(6) In addition to any other penalties that may be imposed, any campsite used for overnight sleeping in a manner not authorized by this section or other provisions of this code shall constitute a nuisance and may be abated as such. As used in this section, "campsite" has the meaning given in section 4.815 of this code.

(7) The city manager may adopt administrative rules in the manner provided in section 2.019 of this code to implement this section.

(8) With authorization from the city manager or designee in connection with a specific special event, persons may sleep overnight on public property which has a community center, swimming pool, or other city-operated athletic facility located thereon at which the special event is being held. The authorization shall be limited to no more than eight days in any two-week period.

(9) Nothing in section 4.815 or 4.816 of this code creates any duty on the part of the city or its agents to ensure the protection of persons or property with regard to permitted overnight sleeping.

(10) *Permitted overnight sleeping rest stop program.*

(a) Up to 15 persons may sleep overnight in vehicles, as that term is defined in subsection (1)(a) of this section, on property authorized pursuant to subsection (c) below. However, for rest stop sites that have been operating in good standing for at least six months, the operator of the rest stop may request, and the city manager may approve, that up to 20 persons may sleep overnight at a specified site under this program.

(b) No site may be used for overnight sleeping pursuant to subsection (a) above unless one or more entities enters into the agreement with the city referenced in subsection (c) below and one or more entities provides adequate garbage, toilets and supervision. The entity providing supervision shall work with surrounding and nearby neighbors (businesses or residences) to address any concerns.

(c) The city manager shall recommend to the city council one or more proposed sites authorized by subsections (a) and (b) above. Any such site may not be located in a residential area or close to a school unless the city council determines that any potential impacts to the surrounding residences or to the school can be effectively mitigated. Before a proposed site may be used, the site must be approved by the city council by motion and an agreement must be executed between the city and the entity referred to in subsection (b) above. Such an agreement may include but is not limited to provisions concerning:

1. Supervision;
2. Selection of the individuals who may camp at the site;
3. Number of continuous days that someone may camp at the site;
4. Hours that people may stay at the site in addition to 9:00 p.m. to 7:00 a.m.;
5. Structures and other items that may be placed on the site; and
6. Closure of the site for non-compliance with the terms of the agreement.

(Section 4.816 added by Ordinance No. 20130, enacted August 5, 1998; and amended by Ordinance No. 20255, enacted June 10, 2002, effective July 10, 2002; Ordinance No. 20517, enacted and effective September 25, 2013; and Ordinance No. 20621, enacted July 22, 2019, effective August 23, 2019.)