

Housing Production Incentives

Eugene City Council Work Session
February 11, 2026



1



Today's Agenda

- Background
- Proposed Housing Production Incentives
 - Tax Exemption for Moderate Income Housing
 - Moderate Income Revolving Loan Fund
 - Tax Exemption for Housing in Core Commercial Centers
- Council Options
- Discussion

2

2



Housing Need



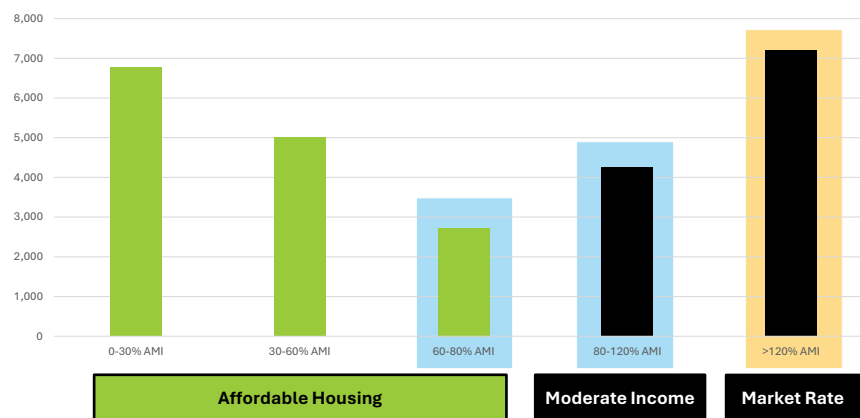
- ▶ Oregon Housing Needs Analysis (OHNA)
- ▶ **25,944 new dwelling units** over the next 20 years
- ▶ Need to produce 70% more units annually compared to the last 10 years
 - ▶ Since 2013: 953 units/year
 - ▶ Current Need: 1,600 units/year

3

3



20-Year Housing Need by Income Level

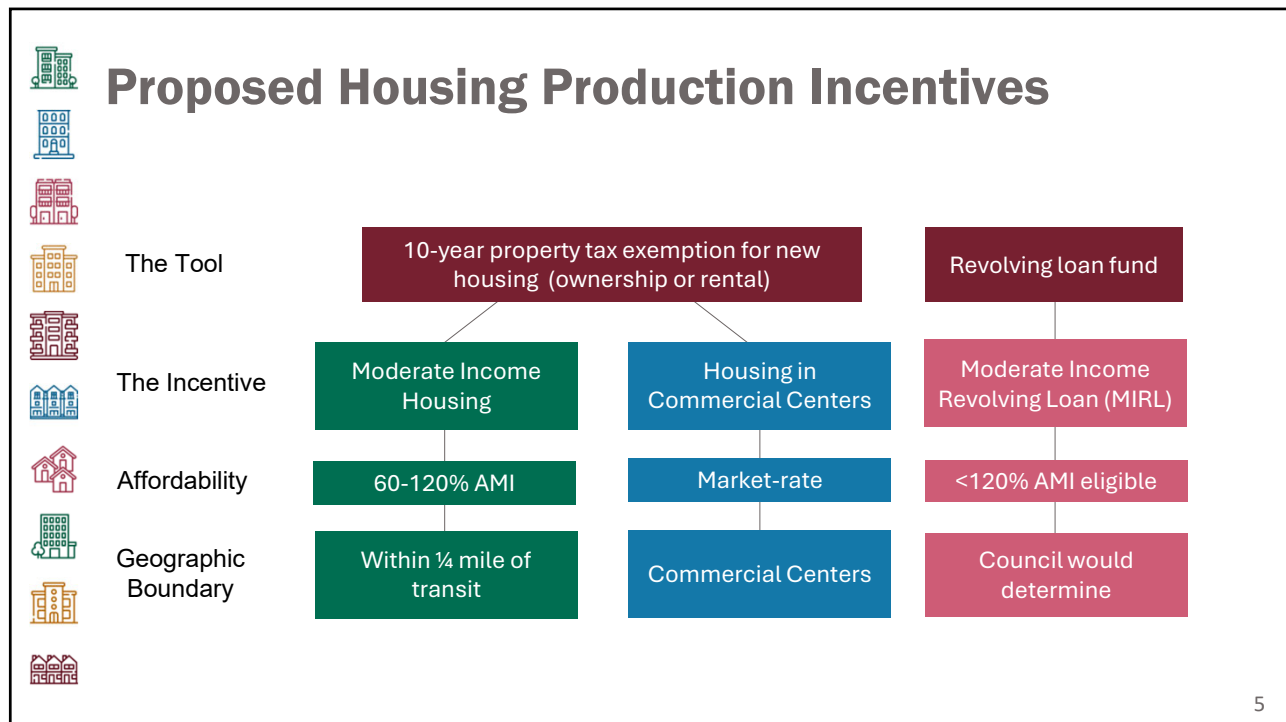


Source: Oregon Housing Needs Analysis, January 2026

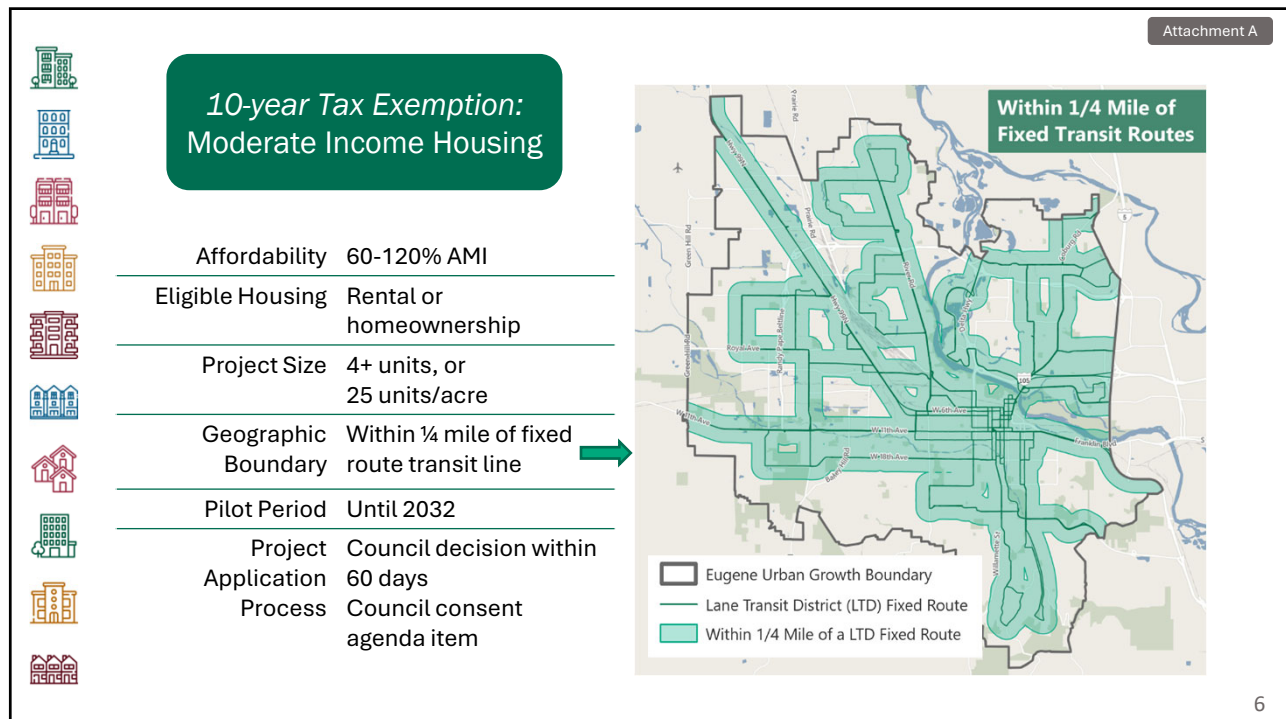
2025 Area Median Income (AMI) = \$91,700 for a household of four

4

4



5



6

Moderate Income Revolving Loan (MIRL) Fund

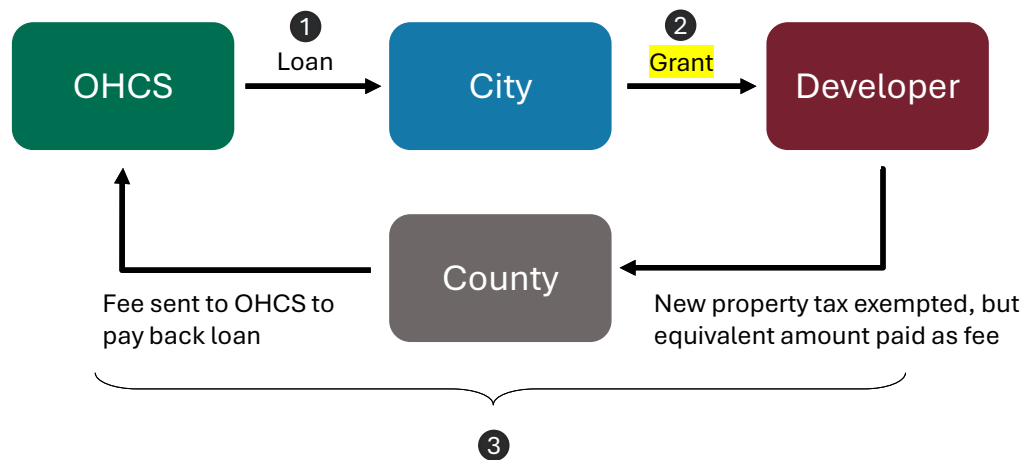
The Basics

- Oregon Housing and Community Services (OHCS) makes a no-interest loan to the City.
- City can loan or grant these to a developer for moderate-income housing.
- Two options for loan repayment.
- City keeps 5% for administrative costs, County keeps 1%
- City discretion at program set-up
 - Affordability (up to 120% AMI)
 - Geography
 - Other local criteria

7

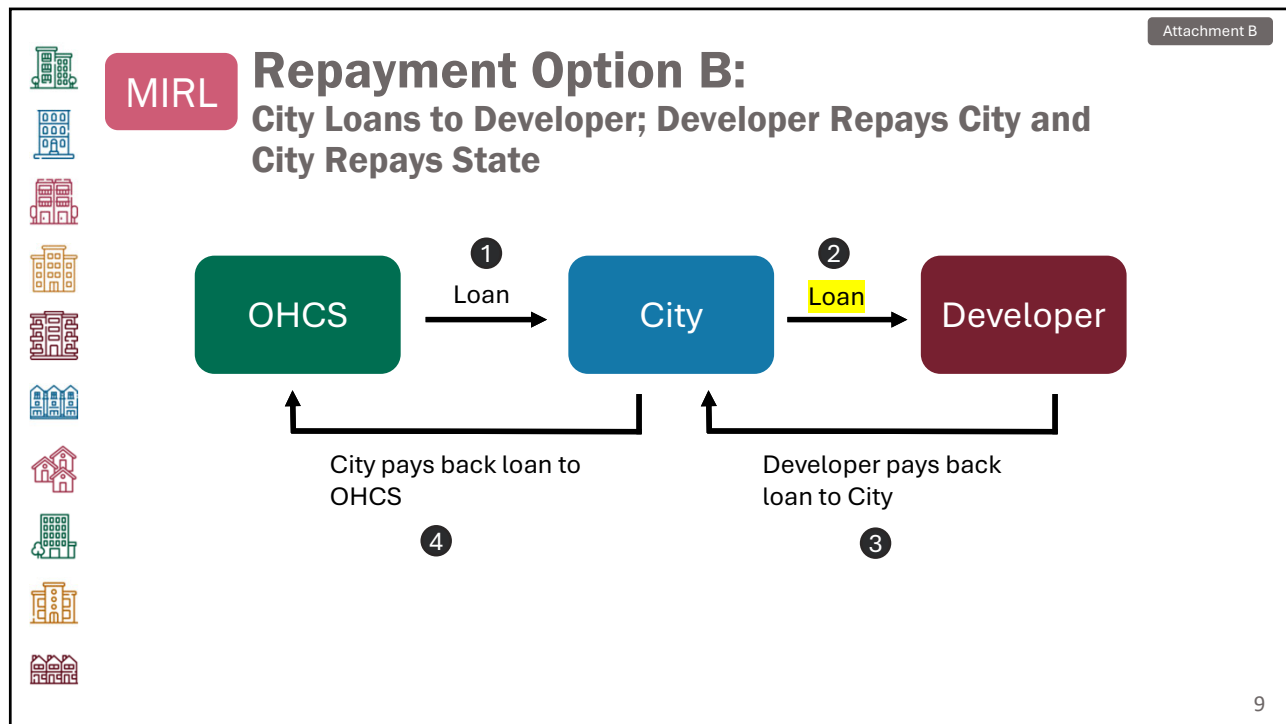
7

MIRL Repayment Option A: City Grants to Developer; Forgoes Property Tax Payments and Repays With Those Funds

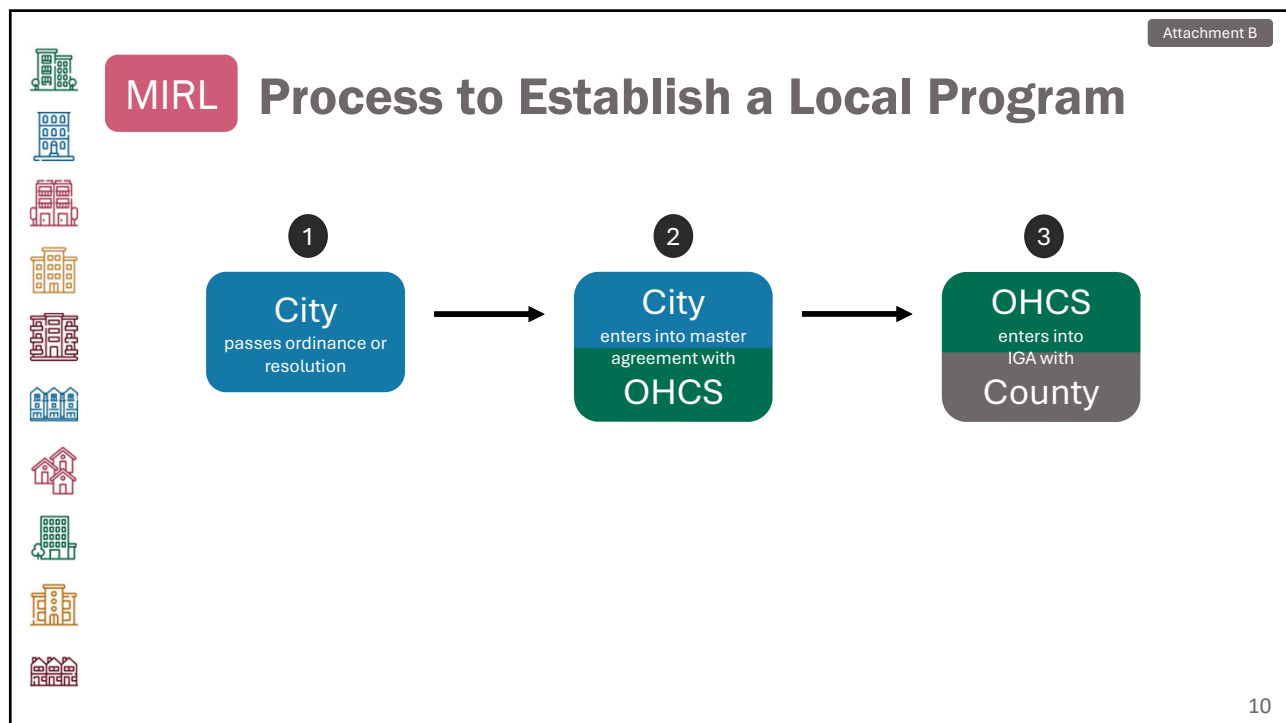


8

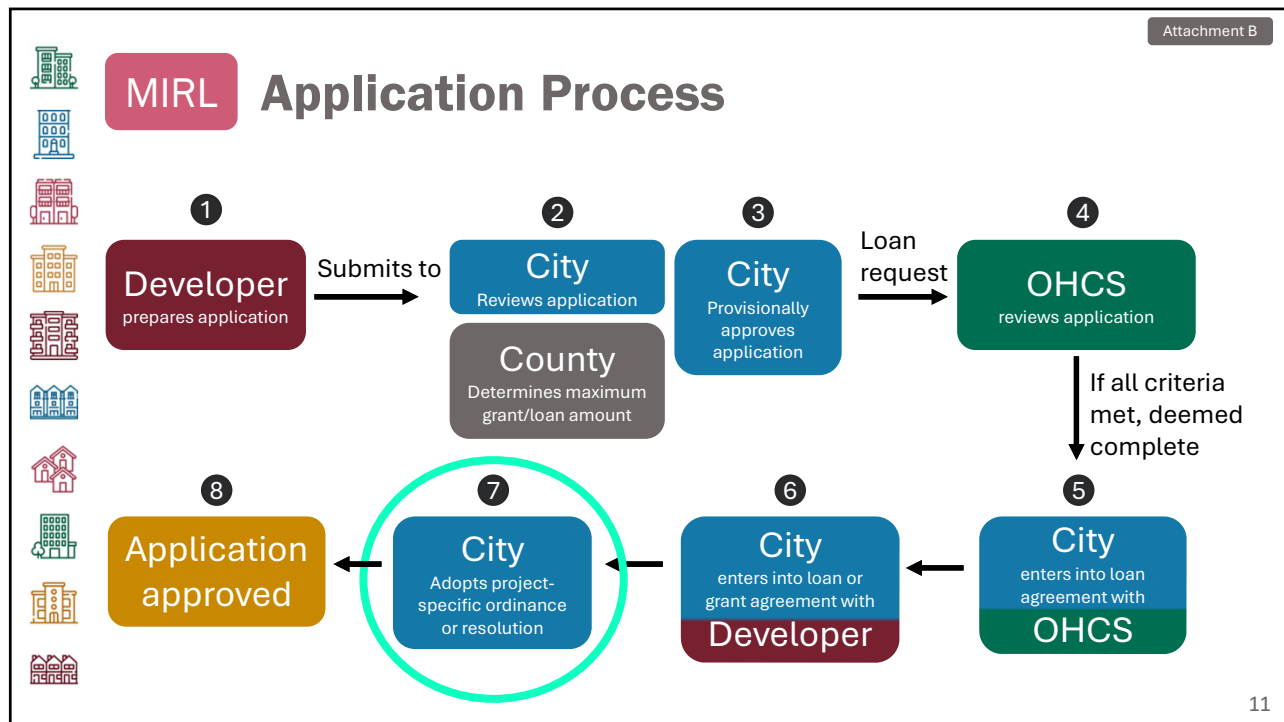
8



9



10



11

MIRL Risk Assessment & Upcoming Legislation

- There's risk to the City as the borrower
- If Developer was unable to make payments
 - Option A – City forgoes tax payment, Developer pays fee
 - City would rely on Tax Assessor delinquency processes
 - Option B – allows City to make a loan
 - City could have lien on property
 - Technical fixes in current legislative session

12

12

Attachment A

10-year Tax Exemption: Housing in Commercial Centers

Affordability	No restrictions
Eligible Housing	Rental or homeownership
Project Size	4+ units, or 25 units/acre
Geographic Boundary	Commercial Centers & Downtown Center (yellow and orange) →
Pilot Period	Until 2032
Project Requirements & Application Process	Adapted from Accelerated MUPTE: <ul style="list-style-type: none"> 60 day turnaround Consent item Staff review 7 public benefit criteria

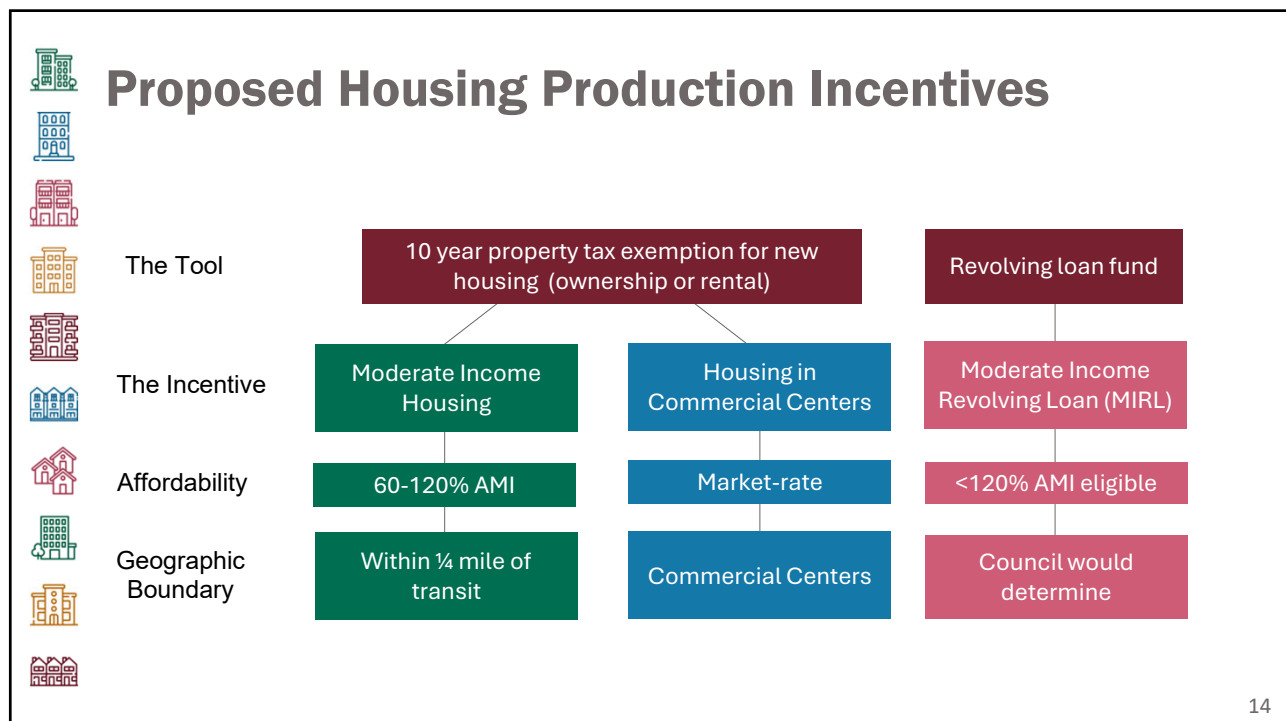
Draft Eugene Centers and Key Corridors

Draft Centers:

- Downtown Center
- Core Commercial Center
- Neighborhood Center
- > Key Corridors

13

13



14

14

