

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of Funding for Housing Affordable to Low-Income Persons

Meeting Date: September 8, 2010
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 3C
Staff Contact: Becky Wheeler
Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

The City Council is asked to approve the use of Federal HOME Investment Partnership Program (HOME) funds and other resources for an affordable housing development identified through the 2010 Housing Request for Proposals (RFP).

BACKGROUND

The City of Eugene established current goals and programs for the development of housing affordable to low-income people through the adopted 2010 HUD Consolidated Plan. The Consolidated Plan guides use of HOME funds and Community Development Block Grant (CDBG) funds over a five-year period. Each year, the City Council approves the allocation of federal funds through a One-Year Action Plan. In addition to use of federal funds, the City of Eugene has established System Development Charge (SDC) Waivers and the Low-Income Rental Housing Property Tax Exemption to further enable the development of affordable housing.

Pursuant to the Consolidated Plan and One-Year Action Plan, staff develops and releases an annual Request for Proposals (RFP) for affordable housing development projects. The intergovernmental Housing Policy Board advises staff on the development of the RFP, reviews proposals, and makes funding recommendations to the City Council. The City issued the 2010 Housing RFP for affordable housing projects in February 2010, with proposals due in May 2010. The 2010 Housing RFP sought proposals for: (1) new affordable housing development on the three-acre Westmoreland landbank site, including use of HOME funds, Eugene SDC waivers, and Eugene Water and Electric Board (EWEB) SDC grants; and (2) acquisition/rehabilitation of existing housing to be converted to affordable housing, including use of HOME funding, Eugene SDC waivers, and EWEB SDC grants. \$850,000 in HOME funds, approximately \$667,000 in Eugene SDC waivers, and \$100,000 in EWEB SDC grants were available through the RFP process for a total of \$1,617,000.

The Westmoreland landbank site was purchased with Community Development Block Grant (CDBG) funds in 2004, from the 4-J School District. The site was used as an activity field by the former Westmoreland School.

The Landbanking Program is a cornerstone of Eugene's overall affordable housing program. Through the landbank, the City has not only created a steady stream of appropriate sites, but also has actively sought to identify dispersed sites for affordable housing located throughout the community.

Two proposals were received for the development of new housing on the Westmoreland landbank site. No proposals were received for acquisition of existing housing. The two proposals were reviewed by staff, the Eugene Allocations Committee of the Housing Policy Board, and the full Housing Policy Board (see Attachment A for member list). A brief summary of each proposal is included below:

Stellar Apartments - St. Vincent dePaul: St. Vincent dePaul Society of Lane County, Inc. (SVdP) requested funding for Stellar Apartments, a development consisting of townhomes and flats which will provide 54 rental units to those earning below 50 percent of Area Median Income (AMI), including four units set aside for VetLIFT clients with families and 10 more units targeted for National Guard families, either currently serving or those that have completed combat deployment. SVdP has designed services at Stellar Apartments that will be unique to National Guard veterans and their families. These include assessment, access to services, peer support groups, and access to additional support services offered by SVdP. A clinical social work graduate intern will be dedicated to assisting National Guard vets and their families with access to all services mentioned. SVdP requested \$850,000 in HOME funds, \$256,308 in Eugene SDCs, and \$64,692 in EWEB SDC grants, along with a 20-year Property Tax Exemption for Low-Income Rental Housing from the City of Eugene. The project includes a communal laundry room, children's play area, community rooms, covered bicycle storage and a large community garden with accompanying tool shed. SVdP proposes to incorporate cost-effective green building measures and will pursue Earth Advantage certification. SVdP is willing to explore LEED for Homes certification if awarded funding by the City. Estimated total project cost for Stellar Apartments is \$9,399,948.

Iris Meadow - Metropolitan Affordable Housing Corporation: Metropolitan Affordable Housing Corporation (Metro) requested funding for Iris Meadow, a development consisting of townhomes and flats which will provide 48 rental units to those earning below 60 percent of Area Median Income (AMI). Metro requests \$686,243 in HOME funds, \$215,000 in Eugene SDC waivers, and \$65,000 in EWEB waivers, along with a 20-year Property Tax Exemption for Low-Income Rental Housing from the City of Eugene. The project includes a community center, high speed internet, and children's play area/water spray-park. A community garden located on the property to the south (proposed through a partnership with Lane ESD) would be shared by Iris Meadow residents and school children attending classes on the Lane ESD campus.

The Housing Policy Board recommends selection of the Stellar Apartments proposal from SVdP. Stellar Apartments offers more units to a lower income group as identified in the Consolidated Plan as having high need for affordable housing. This proposal creates needed housing for individuals and families at or below 50 percent AMI in our area. In addition to the very low rents and extensive resident services offered to all residents at Stellar Apartments, SVdP has partnered with the Veterans Administration to provide reintegration services along with case management, group counseling, goal setting and legal services for those families participating in the VetLIFT program. The veteran populations being served at Stellar Apartments have been identified as having a significant risk of homelessness. As a result, both populations are considered to have a High Priority Need for housing in the Consolidated Plan. The Housing Policy Board also recognizes SVdP's commitment to collaborate with the landbank site's neighbor, Lane ESD. Estimated total project cost for Iris Meadow is \$9,196,403.

RELATED CITY POLICIES

The City Council has established a priority to address Homelessness in Eugene. The proposed project directly supports this objective by preserving and expanding affordable housing opportunities for very and extremely low-income families and individuals.

The City of Eugene affordable housing development programs support a number of the City Council Adopted Growth Management Policies. The recommended project directly supports the following Growth Management Policies:

- Promote construction of affordable housing.
- Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Improve the appearance of buildings and landscapes.
- Provide for a greater variety of housing types.

The City Council has established a Housing Dispersal Policy which seeks to maximize housing choice for low-income families and integrate housing throughout the City of Eugene. The project is located in an appropriate Census Tract according to the Housing Dispersal Policy.

COUNCIL OPTIONS

The City Council has three options:

1. Approve funding for Stellar Apartments as recommended by Housing Policy Board.
2. Approve funding for Iris Meadow.
3. Decline to approve funding for either proposed project.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Option #1, including approval of: 1) \$850,000 in HOME funding; 2) \$256,308 in Eugene SDC Waivers and 3) the transfer of the Westmoreland Landbank site for the development of Stellar Apartments by St. Vincent dePaul Society of Lane County, along with a 20-year Property Tax Exemption for Low-Income Rental Housing from the City of Eugene.

SUGGESTED MOTION

Move to approve the use of: 1) \$850,000 in HOME funding for Stellar Apartments; 2) \$256,308 in Eugene SDC Waivers for Stellar Apartments, and 3) approve the transfer of the Westmoreland landbank site for the development of Stellar Apartments by St. Vincent dePaul Society of Lane County.

ATTACHMENTS

- A. List of Allocations Committee Members and Housing Policy Board Members
- B. Map of landbank site and surrounding area
- C. Stellar Apartments Proposed Design

FOR MORE INFORMATION

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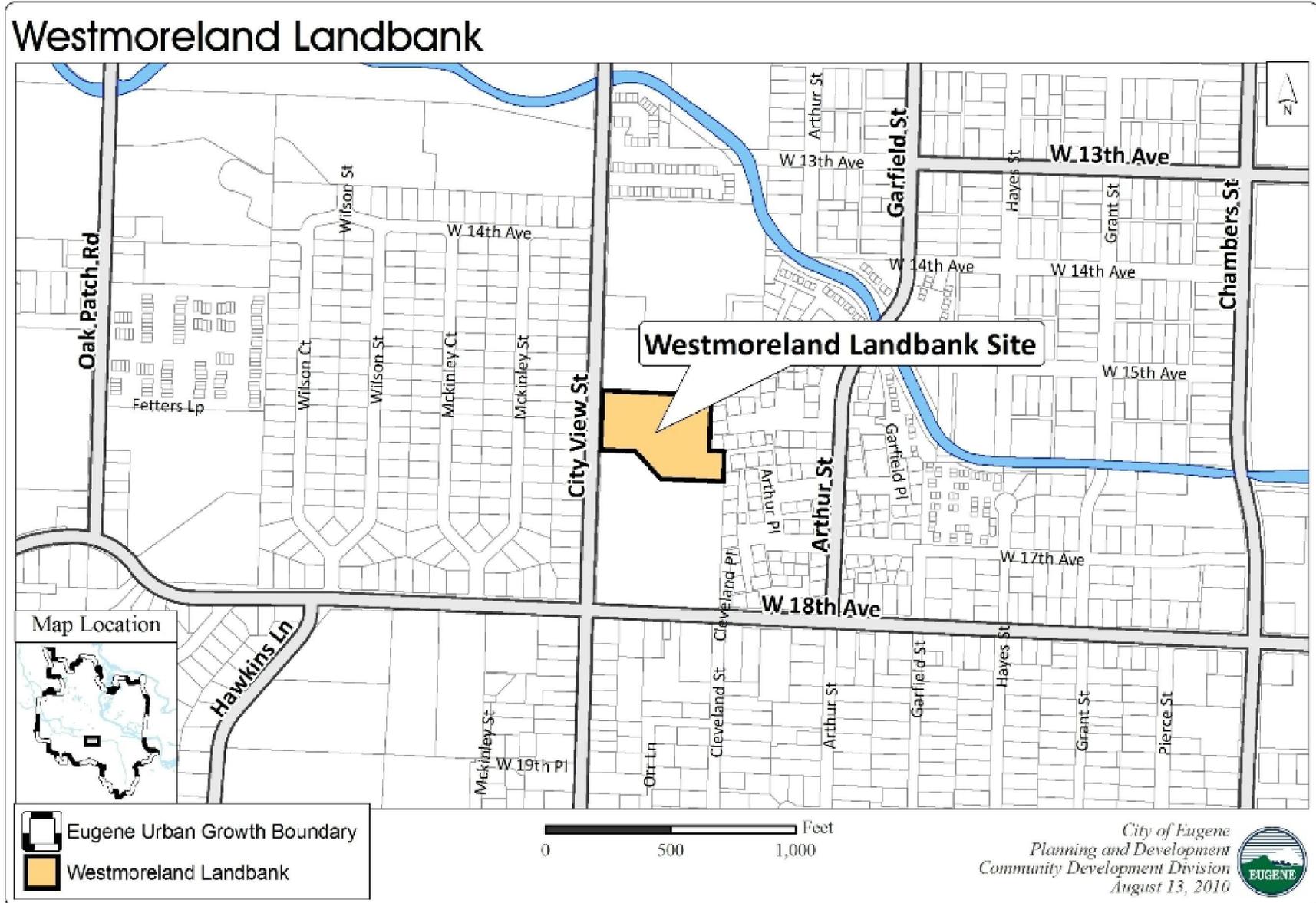
ATTACHMENT A

Allocations Committee Members

Norton Cabell (chair)
Brita Fischer
Susannah Meininger
Chris Pryor
Virginia Thompson
John Van Landingham
Mark Siemens (Neighborhood Representative)

Housing Policy Board Members

Norton Cabell
Brita Fischer
Bill Dwyer, Lane County Commissioner
Susannah Meininger
Dave Ralston, City of Springfield Councilor
Chris Pryor, City of Eugene Councilor
Virginia Thompson
John Van Landingham
John Wagner



ATTACHMENT C

